

DABUR PAKISTAN (PRIVATE) LIMITED

**GROUP REPORTING PACKAGE AS AT
MARCH 31, 2022**

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
DABUR PAKISTAN (PRIVATE) LIMITED****Opinion**

We have audited the accompanying special purpose financial reporting package ("Group Reporting Package"), comprising statement of balance sheet, statement of profit and loss, statement of cash flows, statement of changes in equity together with the notes forming part thereof for Dabur Pakistan (Private) Limited expressed in Pakistan Rupees as of 31 March 2022 and for the year then ended.

In our opinion, the accompanying Group Reporting Package for Dabur Pakistan (Private) Limited for the year ended 31 March 2022 has been prepared, in all material respects, in accordance with the accounting principles consistent with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Group Reporting Package section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Group Reporting Package in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to:

- i. the fact that the Group Reporting Package is not presented in accordance with and does not include all the information required to be disclosed by the International Financial Reporting Standards. Accordingly, the accompanying information is not intended to present fairly, in all material respects, the standalone balance sheet of Dabur Pakistan (Private) Limited as of 31 March 2022, or the statement of profit and loss, statement of cash flows, statement of changes in equity together with the notes forming part thereof for the year ended in accordance with the International Financial Reporting Standards. Our report is intended solely for the use of Excel Investment (FZE), in connection with the preparation of the combined consolidated financial statements of Excel Group should not be used for any other purpose;
- ii. Note 10(a) to the Group Reporting Package wherein the matters of cancellation of all Forms "A" (Annual Return), filed by the Company in previous years, by the Securities & Exchange Commission of Pakistan (SECP) has been explained; and
- iii. Note 16.1 to the Group Reporting Package wherein the uncertainty related to the outcome of the lawsuit filed against the Company by Hilal Foods (Private) Limited has been explained.

Our opinion is not modified in respect of this matter.

Management Responsibility for Group Reporting Package

Management is responsible for the preparation and presentation of Group Reporting Package in accordance with the accounting principles consistent with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of the Group Reporting Package that is free from material misstatement, whether due to fraud or error.



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In preparing the Group Reporting Package, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

Auditors' Responsibilities for the Audit of Group Reporting Package

Our objectives are to obtain reasonable assurance about whether the Group Reporting Package is 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 as applicable in Pakistan 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 this Group Reporting Package.

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

- Identify and assess the risks of material misstatement of the Group Reporting Package, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 Group Reporting Package 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.

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.



Chartered Accountants

Engagement Partner: **Syed Muhammad Hasnain**

Date: 28 April 2022

Karachi

**DABUR PAKISTAN (PRIVATE) LIMITED
STANDALONE FINANCIAL STATEMENTS**

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022

(Amount in Pakistani Rupees)

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	12,241,819	20,696,356
Others	4	983,136	983,136
Total non-current assets		13,224,955	21,679,492
Current assets			
Inventories	5	2,214,882	7,206,680
Financial assets			
(i) Trade receivables	6	-	81,445
(ii) Cash and cash equivalents	7	5,461,206	6,422,542
Current tax assets (net)	8	4,356,744	3,229,795
Other current assets	9	-	19,744
Total current assets		12,032,832	16,960,206
TOTAL ASSETS		25,257,787	38,639,698
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	5,077,520	5,077,520
Other equity		(98,316,105)	(71,810,466)
Total equity		(93,238,585)	(66,732,946)
Non-current liabilities			
Financial liabilities - Long Term Borrowings	11	-	3,960,422
Total non-current liabilities		-	3,960,422
Current liabilities			
Financial liabilities			
(i) Trade payables	12	973,816	968,767
(ii) Other financial liabilities	13	115,488,428	97,475,725
Other current liabilities	14	1,933,341	2,881,310
Short-Term Provisions	15	100,787	86,420
Total current liabilities		118,496,372	101,412,222
Total liabilities		118,496,372	105,372,644
TOTAL EQUITY AND LIABILITIES		25,257,787	38,639,698



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DABUR PAKISTAN (PRIVATE) LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH 2022

(Amount in Pakistani Rupees)

Particulars	Notes	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue from operations	16	-	5,935,725
Other income	17	9,476,703	389,072
Total income		9,476,703	6,324,797
Cost of materials consumed	18	-	-
Changes in inventories of finished goods, stock-in-trade and work in progress	19	5,036,015	8,273,687
Employee benefits expense	20	11,884,578	9,903,496
Finance costs	21	943,271	1,523,909
Depreciation expense	22	8,454,537	10,565,338
Other expenses	23	9,332,723	32,332,065
Total expense		35,651,124	62,598,495
Loss before exceptional items and tax		(26,174,421)	(56,273,698)
Loss before tax		(26,174,421)	(56,273,698)
Current tax		331,218	(863,922)
Income tax expense / (income)		331,218	(863,922)
Loss for the year		(26,505,639)	(55,409,776)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		(26,505,639)	(55,409,776)
Loss per share in Rs.			
Basic	24	(52.20)	(109.13)
Diluted		(52.20)	(109.13)



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DABUR PAKISTAN (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022

(Amount in Pakistani Rupees)

Particulars	Notes	For the year ended 31st March 2022	For the year ended 31st March 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7.1	7,318,812	9,204,851
Income tax paid		(1,458,166)	(64,352)
Net cash generated from operating activities		5,860,646	9,140,499
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of principal portion of lease liability		(6,821,982)	(5,275,890)
Net (decrease) / increase in cash and cash equivalents		(961,336)	3,864,609
Cash and cash equivalents at the beginning of the year	7	6,422,542	2,557,933
Cash and cash equivalents at the end of the year	7	5,461,206	6,422,542



DABUR PAKISTAN (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2022

A. Equity Share Capital

(Amount in Pakistani Rupees)

Balance as at 31st March, 2021	Changes in equity share capital during the year	Balance as at 31st March, 2022
5,077,520	-	5,077,520

B. Other Equity

Particulars	Reserves and Surplus					Debt Instruments through other comprehensive income	Total
	Capital Reserve	Securities Premium Reserve	ESOP Outstanding (Net of Deferred Emp Compensation ESOP)	General Reserve	Retained Earnings		
Balance as at 31st March, 2021	-	-	-	-	(71,810,466)	-	(71,810,466)
Total comprehensive loss for the year	-	-	-	-	(26,505,639)	-	(26,505,639)
As at 31st March, 2022	-	-	-	-	(98,316,105)	-	(98,316,105)



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3. Property Plant and Equipment, Capital work-in-progress, Investment Property and Other intangible assets:

S.No	Particulars of Assets	Gross Block						Depreciation / Amortisation				Net Block		
		Gross Cost / Value as at 1st April 2021	Addition				Sale / adjustment during this year	Gross Balance as at 31st March 2022	Gross Cost / Value as at 1st April 2021	For the year	Sale during the year	Gross Balance as at 31st March 2022	W.D.V as at 31st March 2022	W.D.V as at 31st March 2021
			Acquisition	Business Combination	Other Adjustment	Sub Total								
	Property, Plant and Equipment													
i)	Land: Leasehold	20,095,623	-	-	-	-	20,095,623	11,478,720	5,739,360	-	17,218,080	2,877,543	8,616,903	
ii)	Building	11,302,611	-	-	-	-	11,302,611	11,302,611	-	-	11,302,611	-	-	
iii)	Plant & Machinery	26,409,266	-	-	-	-	26,409,266	14,472,097	2,640,927	-	17,113,024	9,296,242	11,937,169	
iv)	Furniture and Fixtures	3,107,219	-	-	-	-	3,107,219	3,044,731	28,890	-	3,073,621	33,598	62,488	
v)	Vehicles	67,300	-	-	-	-	67,300	67,300	-	-	67,300	-	-	
vi)	Office Equipment	6,907,569	-	-	-	-	6,907,569	6,827,773	45,360	-	6,873,133	34,436	79,796	
vii)	Computer Equipments	1,361,475	-	-	-	-	1,361,475	1,361,475	-	-	1,361,475	-	-	
	Total:	69,251,063	-	-	-	-	69,251,063	48,554,707	8,454,537	-	57,009,244	12,241,819	20,696,356	
	As at 31 March'21						69,251,063				48,554,707	20,696,356		



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4. Others

Particulars	As at 31st March 2022	As at 31st March 2021
Security deposits	983,136	983,136
Total	983,136	983,136

5. Inventories

Particulars	As at 31st March 2022	As at 31st March 2021
Packing Materials	2,214,882	7,206,680
Total	2,214,882	7,206,680



6. Trade Receivables

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured Debts: considered good	-	81,445
Total	-	81,445

6.1 Ageing schedule of trade receivables

As at 31 March 2022	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	-	-	-	-	-	-	-

As at 31 March 2021	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	-	-	81,445	-	-	-	81,445

7. Cash and Cash Equivalents

Particulars	As at 31st March 2022	As at 31st March 2021
Cash and cash Equivalents		
Cash in hand	50,000	8,345
Balances with banks		
Current Accounts	499,880	-
Savings Accounts	4,911,326	6,414,197
Total Cash & Cash Equivalents	5,461,206	6,422,542



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7.1 Cash Generated From Operations

Particulars	31 March 2022	31 March 2021
Loss before tax	(26,174,421)	(56,273,698)
Add : Adjustments for non-cash charges and other items		
Depreciation	8,454,537	10,565,338
Provision for slow moving inventory and obsolescence	5,096,833	14,310,316
Loss before working capital changes	(12,623,051)	(31,398,044)
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets		
Inventories	(105,035)	19,900,341
Trade receivables	81,445	42,386
Other current assets	19,744	(12,138)
	(3,846)	19,930,589
Increase / (decrease) in current liabilities		
Trade payables	5,049	(389,523)
Other financial liabilities	20,874,262	20,270,746
Other current liabilities	(947,969)	784,023
Provisions	14,367	7,060
	19,945,709	20,672,306
Cash generated from operations	7,318,812	9,204,851

8. Current Tax Assets (Net)

Particulars	As at 31st March 2022	As at 31st March 2021
Advance payment of tax	4,356,744	3,229,795
Total	4,356,744	3,229,795

9. Other Current Assets

Particulars	As at 31st March 2022	As at 31st March 2021
Prepayment	-	19,744
Total	-	19,744



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10. Equity Share Capital

Particulars	As at 31st March 2022	As at 31st March 2021
Authorised 1,000,000 (31st March 2021: 1,000,000, 31st March 2020: 1,000,000) Ordinary shares of Rs.10 each	10,000,000	10,000,000
Issued, subscribed and fully paid up 507,752 (31st March 2021: 507,752, 31st March 2020:507,752) Ordinary shares of Rs.10 each for consideration in cash	5,077,520	5,077,520

a) During the year 2019, the Company received an Order under section 464 of The Companies Act 2017 from Securities and Exchange Commission of Pakistan (SECP). Through this Order, the Company was advised that its Form "3", all Forms "A" (Annual Return) filed by the Company in previous years have been cancelled and accordingly stand rejected in terms of Companies Act 2017. This was consequent to regret letter received by SECP from Ministry of Interior in relation to security clearance of foreign shareholder of the Company - Dabur International Limited (DIL), Isle of Man in pursuance of section of 461 of the Companies Act 2017 read conjunctively with the standing instruction of Ministry of Interior. Subsequently, DIL sold its entire shareholding (507,750 ordinary shares) to Excel Investments (FZE), Sharjah. The Company filed the statutory documents (Form 3A) with SECP on 29 August 2019. In response to the above-mentioned filing, SECP received a letter from Ministry of Interior refusing security clearance of foreign shareholder of the Company - Excel Investments (FZE), Sharjah and advised to replace / transfer the shareholding of the Company within fourteen days of receipt of the letter. The Company has responded on 14 February 2022 requiring a reasonable time to transfer the shares and to file statutory returns within fourteen days of the completion of transaction. No further correspondence has been received from SECP till date.

b) **Rights, preference and restrictions attached to Equity Shares**

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

c) **Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the company**

Particulars	As at 31st March 2022	As at 31st March 2021
Equity shares of Rs. 10 held by: Excel Investments (FZE) (Ordinary Shares)	507,750	507,750

d) **Details of promoter shareholding**

Name of promoter	As at 31 March 2022			As at 31 March 2021		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Excel Investment (FZE)	507,750	100%	0%	507,750	100%	0%
Muhammad Nauman Khan	1	0%	0%	1	0%	0%
Muhammad Ovais Obaidullah Khan	1	0%	0%	1	0%	0%



11. Long Term Borrowings

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured		
Long term maturities of finance lease obligations	-	3,960,422
Total	-	3,960,422

Particulars	As at 31st March 2022		As at 31st March 2021	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	4,019,474	3,960,422	7,608,438	6,821,982
After one year but not more than five years	-	-	4,019,474	3,960,422
More than five years	-	-	-	-
Total minimum lease payments	4,019,474	3,960,422	11,627,912	10,782,404
Less: amounts representing finance charges	(59,052)	-	(845,508)	-
Present Value of minimum lease payments	3,960,422	-	10,782,404	-



12. Trade Payables

Particulars	As at 31st March 2022	As at 31st March 2021
Creditors for goods and services:		
- Dabur International Limited	886,268	736,228
- Others	87,548	232,539
Total	973,816	968,767

12.1 Ageing schedule of trade payables

As at 31 March 2022	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dabur International Limited	886,268	-	-	-	886,268
Others	87,548	-	-	-	87,548

As at 31 March 2021	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dabur International Limited	736,228	-	-	-	736,228
Others	232,539	-	-	-	232,539

13. Other Financial Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
Accrued liabilities	6,258,093	9,959,990
Other payables	109,230,335	87,515,735
Total	115,488,428	97,475,725

14. Other Current Liabilities

Particulars	As at 31st March 2022	As at 31st March 2021
Advances from customers	468,549	558,777
Statutory liabilities	1,464,792	2,322,533
Total	1,933,341	2,881,310

15. Short-Term Provisions

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for leave encashment	100,787	86,420
Total	100,787	86,420



16. Revenue From Operations

Particulars		For the year ended 31st March 2022	For the year ended 31st March 2021
A	Sale of Products		
	Domestic	-	3,633,053
B	Less: rebates and discounts	-	2,302,672
	Total	-	5,935,725

16.1 The Company (including its associated companies) is under litigation in trademark cases with Hilal Foods (Private) Limited (counterparty) for several years. In the year 2019, an ex parte stay order has been obtained by the counterparty against the Company in a fresh suit filed before the single bench of the Honourable High Court of Sindh. At first appearance, the above order seems to conflict with a previous stay order passed by the division bench of the same court, in counterparty's own appeal, which entitles both Dabur and counterparty to use the mark 'Hajmola' on their respective labels as an interim arrangement. For the sake of due process, the Company voluntarily decided to suspend the sales of its products under the brand name 'Hajmola' from 13 November 2019 till date. The Company's application for vacation of stay order was heard and reserved for judgment on 22 November 2019. The order has not been announced so far due to change in court's roster of sittings and lockdown caused by COVID-19.

The Company, based on the advice of its legal counsel, is confident that there are real prospects of success in having the stay vacated against the Company in near future and the Company will resume its sales accordingly.

17. Other Income

Particulars		For the year ended 31st March 2022	For the year ended 31st March 2021
A	Interest income	376,220	317,020
B	Net gain on foreign currency transaction & translation	-	66,952
C	Miscellaneous receipts	9,100,483	5,100
	Total	9,476,703	389,072

18. Cost of Materials Consumed

Particulars		For the year ended 31st March 2022	For the year ended 31st March 2021
	Raw and packing material consumed	-	-
	Total	-	-

19. Changes In Inventories of Finished Goods, Stock-in-Trade and Work-In-Progress

Particulars		For the year ended 31st March 2022	For the year ended 31st March 2021
A	Opening inventories:		
i	Finished goods - manufactured	-	25,882,379
ii	Stock-in-trade	-	1,388,216
B	Closing inventories:		
i	Finished goods - manufactured	-	-
ii	Stock-in-trade	-	-
C	Free Samples	-	26,036,068
D	Slob Provision	5,036,015	7,039,160
	Total	5,036,015	8,273,687



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20. Employee Benefits Expense

Particulars		For the year ended 31st March 2022	For the year ended 31st March 2021
A	Salaries, wages and bonus	11,767,039	9,794,880
B	Contribution to provident and other funds	106,059	105,300
C	Workmen and staff welfare	11,480	3,316
Total		11,884,578	9,903,496

21. Finance Costs

Particulars		For the year ended 31st March 2022	For the year ended 31st March 2021
A	Interest expense	786,456	1,517,062
B	Bank charges	6,772	6,847
C	Net loss on foreign currency transaction & translation	150,043	-
Total		943,271	1,523,909

22. Depreciation expense

Particulars		For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation on tangible fixed assets		8,454,537	10,565,338
Total		8,454,537	10,565,338



23. Other Expenses

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Power and fuel	1,570,658	419,069
Stores and spares consumed	108,180	5,460
Repair to others	839,888	229,550
Rent	887,789	1,358,330
Insurance	581,308	671,669
Freight and forwarding charges	-	946,545
Advertisement and publicity	99,062	25,934,003
Travel and conveyance	64,433	28,082
Legal and professional	2,339,959	1,084,596
Telephone and fax expenses	78,570	51,930
Security expenses	550,319	578,139
Auditor's remuneration	403,568	347,489
Other expenses	1,808,989	677,203
Total	9,332,723	32,332,065



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24. Earning Per Share

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Net loss after tax	(26,505,639)	(55,409,776)
Weighted average number of equity shares outstanding	507,752	507,752
Basic loss per share [face value of Rs. 10 each]	(52.20)	(109.13)
Diluted loss per share [face value of Rs. 10 each]	(52.20)	(109.13)



25. Auditor's Remuneration

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Audit Fees	332,750	302,500
Reimbursement of Expenses	70,818	44,989
Total	403,568	347,489



26. Financial ratios

Ratio	As at 31 March 2022	As at 31 March 2021	Variance %	Comments
	Ratio	Ratio		
Current ratio	0.10	0.17	-41%	The current ratio decreased, due to decrease in current assets by 29%, led by reduction in inventory and increase in current liabilities by 17% led by increase in intercompany payable by Rs. 21.7 million.
Debt-equity ratio	(0.04)	(0.16)	-75%	The debt-equity ratio significantly decreased due to decrease in lease liability arising from right of use assets.
Debt service coverage ratio	(22.33)	(8.81)	153%	The significant increase in the ratio is mainly due to decrease in the loss incurred caused by decrease in advertisement expense.
Loss on equity ratio	0.33	1.42	-77%	The change is due to the fact that the loss for the year reduced as in prior year the inventory of "hajmola" amounting to Rs. 25.83 million was distributed on Free of cost basis.
Trade receivables turnover ratio	-	72.88	-100%	The change is due to the fact that no amount was receivable as at March 31, 2022 as no sales were made during the year.
Trade payables turnover ratio	9.61	27.79	-65%	The change is led by decrease in payables due to decrease in advertisement expense.
Net capital turnover ratio	-	(0.07)	-100%	The company is unoperational therefore no sales made during the year.
Net loss ratio	-	(9.33)	-100%	The company is unoperational therefore no sales made during the year.
Loss on capital employed	0.19	0.77	-75%	The change is due to the fact that the loss for the year reduced as in prior year the inventory of "Hajmola" amounting to Rs. 25.83 million was distributed on Free of cost.
Loss on investment	(5.22)	(10.91)	-52%	The change occurred due to reduction in the loss due to reduction in the advertisement expense and increase of other income by Rs. 8.6 million due to toll manufacturing service provided for 12 months.



Financial Instruments - Accounting classifications and fair value measurements

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair Value of cash, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short term maturities of these instruments.

Particulars	Carrying amount	Fair Value		
	As at 1st April 2021	Level-1	Level-2	Level-3
Financial assets at amortised cost				
Security deposits	983,136			
Trade receivables	81,445			
Cash and Bank balances	6,422,542			
Total	7,487,123			

Financial liabilities at amortised cost

Trade Payables	968,767			
Other financial liabilities (current)	90,653,743			
Statutory liabilities	2,322,533			
Provision	86,420			
Total	94,031,463			

Particulars	Carrying amount	Fair Value		
	As at 31st March 2022	Level-1	Level-2	Level-3
Financial assets at amortised cost				
Security deposits	983,136			
Cash and Bank balances	5,461,206			
Total	6,444,342			

Financial liabilities at amortised cost

Trade Payables	973,816			
Other financial liabilities (current)	111,528,006			
Statutory liabilities	1,464,792			
Provision	100,787			
Total	114,067,401			



Financial Risk Management Objectives and Policies (Contd.)

The Company's financial risk management is an integral part of how to plan and execute its business strategies.

Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables and payables.



A handwritten signature in blue ink, consisting of a stylized initial 'A' followed by a vertical line and a horizontal stroke.

Financial Risk Management Objectives and Policies (Contd.)

Foreign currency exposure as at 31st March 2021	USD
Payable to Dabur International Limited	4,817

Foreign currency exposure as at 31st March 2022	USD
Payable to Dabur International Limited	4,817

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax.

Particulars	31st March 2022		31st March 2021	
	1% increase	1% decrease	1% increase	1% decrease
USD	(8,862)	8,862	(7,363)	7,363
(Decrease) / increase in profit or loss	(8,862)	8,862	(7,363)	7,363

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information.

Financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the company.



Financial Risk Management Objectives and Policies - (Contd.)

Exposure to credit risks	For the year ended 31st March 2022	For the year ended 31st March 2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL) Cash and cash equivalents	5,461,206	6,422,542
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) Trade Receivables	-	81,445

The ageing analysis of receivables (gross of provision) has been considered from the date the invoice falls due.

Particulars	Amount
As at 31st March 2022	
Upto 6 months	-
More than 6 months	-
	-
As at 31st March 2021	
Upto 6 months	-
More than 6 months	81,445
	81,445



Financial Risk Management Objectives and Policies - (Contd.)

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31st March 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	973,816	-	-	973,816
Other financial liabilities	111,528,006	-	-	111,528,006
Statutory liabilities	1,464,792	-	-	1,464,792
Provision	100,787	-	-	100,787

As at 31st March 2021	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	968,767	-	-	968,767
Other financial liabilities	90,653,743	-	-	90,653,743
Statutory liabilities	2,322,533	-	-	2,322,533
Provision	86,420	-	-	86,420

