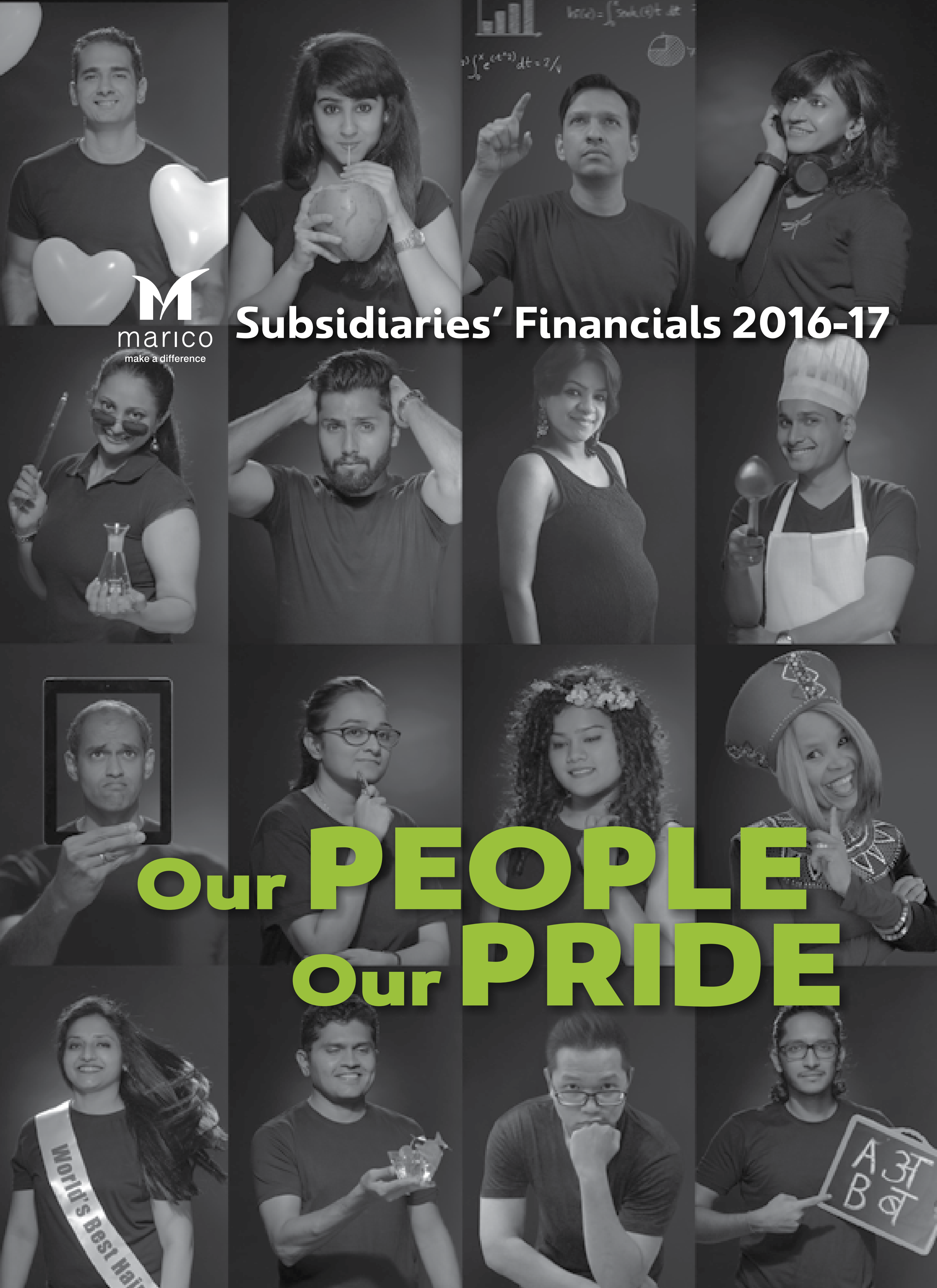

marico
make a difference

Subsidiaries' Financials 2016-17

Our PEOPLE Our PRIDE

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BOARD OF DIRECTORS	Mr. Saugata Gupta	Chairman
(As on March 31, 2017)	Mr. Sanjay Mishra	Director
	Mr. Vivek Karve	Director
	Mr. Aditya Shome	Managing Director (till September 1, 2016)
	Mr. Rohit Jaiswal	Director (till April 25, 2016)
	Mr. Naveen Pandey	Managing Director (w.e.f. September 1, 2016)
	Mr. Barrister Ashraful Hadi	Independent Director
	Mr. Masud Khan	Independent Director
	Ms. Rokia Afzal Rehman	Independent Director
MANAGEMENT TEAM	Mr. Aditya Shome	Managing Director (till September 1, 2016)
	Mr. Naveen Pandey	Managing Director (w.e.f. September 1, 2016)
	Mr. Mohammad Iqbal Chowdhury	Chief Financial Officer
	Mr. Nawbut Ali	Director-Marketing (till March 30, 2017)
	Mr. Sidhartha Das	Director-HR
	Mr. Kazi Amirul Hoque	Director-Sales
	Mr. Md. Nazim Uddin	Director- Supply Chain
	Mr. Md. Saiful Alam	Director- Manufacturing
	Ms. Christabel Randolph	Head- Legal & Secretarial

COMPANY SECRETARY Ms. Christabel Randolph

REGISTERED & CORPORATE OFFICE
House-1, Road-1, Sector-1, Uttara, Dhaka-1230
Telephone: +880 28931202, Fax: +880 28932322

DATE OF INCORPORATION September 6, 1999

OUR FACTORIES
Factory 1:
Mouchak, Kaliakoir, Gazipur
Factory 2:
Shirirchala, Mahona Bhabanipur, Gazipur

STATUTORY AUDITORS Hoda Vasi Chowdhury &Co.

PRINCIPAL BANKERS
Standard Chartered Bank
HSBC
BRAC Bank Ltd.
Islami Bank

STOCK INFORMATION
Dhaka Stock Exchange
Chittagong Stock Exchange
Stock Code: MARICO
ISIN: BD0481MRICO6
Sector: Pharmaceuticals & Chemicals

INVESTOR RELATIONS
Telephone: +880 28931202 Ext: 534
Fax: +880 28932322
Email: info@marico.com
Website: www.marico.com/bangladesh

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Marico Bangladesh Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Marico Bangladesh Limited (the "Company") which comprise the statement of financial position as at 31 March 2017, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2017 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report that:

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

(c) the Company's statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and

(d) the expenditure incurred was for the purposes of the Company's business.

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, April 24, 2017

BALANCE SHEET

As at March 31, 2017

Particulars	Note	As at March 31, 2017 Taka	2016 Taka	2017 ₹ Crore	2016 ₹ Crore
Assets					
Property, plant and equipment	4	593,536,255	595,760,075	48.31	50.34
Intangible assets	5	9,118,422	13,142,320	0.74	1.11
Deferred tax assets	6	76,756,882	81,632,588	6.25	6.90
Non-current financial assets	7	10,366,331	5,152,071	0.84	0.44
Long term advances	8	41,208,034	79,017,395	3.35	6.67
Total Non-current assets		**730,985,924**	**774,704,449**	**59.49**	**65.46**
Inventories	9	1,348,927,101	1,262,292,780	109.81	106.66
Advances, deposits and prepayments	10	193,919,425	127,225,116	15.78	10.75
Other current financial assets	11	1,311,435,690	862,547,947	106.75	72.89
Cash and cash equivalents	12	166,833,748	480,524,575	13.58	40.60
Total Current assets		**3,021,115,964**	**2,732,590,418**	**245.92**	**230.90**
Total assets		**3,752,101,888**	**3,507,294,867**	**305.41**	**296.36**
Equity and Liabilities					
Equity					
Share capital	13	315,000,000	315,000,000	25.64	26.62
Share premium		252,000,000	252,000,000	20.51	21.29
Retained earnings		1,013,110,293	1,141,720,944	82.47	96.48
Total equity		**1,580,110,293**	**1,708,720,944**	**128.62**	**144.39**
Liabilities					
Provision for gratuity	14	33,417,772	35,250,107	2.72	2.98
Provision for leave encashment	15	10,878,348	9,012,992	0.89	0.76
Total Non-current liabilities		**44,296,120**	**44,263,099**	**3.61**	**3.74**
Provision for gratuity	14	2,997,417	5,183,998	0.24	0.44
Provision for leave encashment	15	2,222,794	1,844,907	0.18	0.16
Trade and other payables	16	1,740,557,065	1,323,944,886	141.66	111.89
Current tax liabilities	17	381,918,199	423,337,033	31.10	35.77
Total Current liabilities		**2,127,695,475**	**1,754,310,824**	**173.18**	**148.26**
Total liabilities		**2,171,991,595**	**1,798,573,923**	**176.79**	**151.97**
Total equity and liabilities		**3,752,101,888**	**3,507,294,867**	**305.41**	**296.36**

The annexed notes 1 to 38 form an integral part of these financial statements.

Company Secretary | **Director** | **Managing Director**

As per our annexed report of same date.

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 24 April 2017

Note: The exchange rate use to convert Taka to ₹ 0.814 (Previous year Taka to ₹ 0.845)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended March 31, 2017

Particulars	Note	Year ended March 31, 2017 Taka	2016 Taka	2017 ₹ Crore	2016 ₹ Crore
Revenue	18	6,916,109,929	7,065,895,334	562.97	597.07
Cost of sales	19	(3,710,291,705)	(3,884,804,007)	(302.02)	(328.27)
Gross profit		**3,205,818,224**	**3,181,091,327**	**260.95**	**268.80**
Marketing, selling and distribution expenses	20	(537,613,344)	(638,507,781)	(43.76)	(53.94)
General and administrative expenses	21	(800,982,856)	(735,443,135)	(65.20)	(62.17)
Other income/(expense)	22	(8,771,723)	2,468,764	(0.71)	0.21
Operating profit		**1,858,450,301**	**1,809,609,175**	**151.28**	**152.90**
Finance income, net	23	68,516,585	114,518,588	5.57	9.67
Profit before tax		**1,926,966,886**	**1,924,127,763**	**156.85**	**162.57**
Income tax expense	24	(486,774,815)	(510,077,456)	(39.62)	(43.10)
Profit after tax		**1,440,192,071**	**1,414,050,307**	**117.23**	**119.46**
Other comprehensive income					
Remeasurement of defined benefit plan	14	10,011,988	–	0.81	–
Related taxes	6.1	(2,502,997)	–	(0.20)	–
Total other comprehensive income		7,508,991	–	0.61	–
Total comprehensive income		**1,447,701,062**	**1,414,050,307**	**117.84**	**119.46**
Earnings per share					
Basic earnings per share (par value of Tk 10)	25	45.72	44.89	37.22	37.93

The annexed notes 1 to 38 form an integral part of these financial statements.

Company Secretary **Director** **Managing Director**

As per our annexed report of same date.

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 24 April 2017

Note: The exchange rate use to convert Taka to ₹ 0.814 (Previous year Taka to ₹ 0.845)

CASH FLOWS STATEMENT

For the year ended March 31, 2017

Particulars	Year ended March 31, 2017 Taka	2016 Taka	2017 ₹ Crore	2016 ₹ Crore
Cash flows from operating activities				
Collection from customers	6,934,216,275	7,110,627,904	564.45	600.85
Payment to suppliers and for operating expenses	(4,582,285,098)	(4,568,337,004)	(373.00)	(386.02)
Cash generated from operating activities	**2,351,931,177**	**2,542,290,900**	**191.45**	**214.83**
Interest paid	(1,816,132)	(928,127)	(0.15)	(0.08)
Interest received	78,682,153	110,361,916	6.40	9.33
Income tax paid	(525,820,940)	(500,313,493)	(42.80)	(42.28)
Net cash from operating activities	**1,902,976,259**	**2,151,411,196**	**154.90**	**181.80**
Cash flows from investing activities				
Acquisition of property, plant and equipment	(193,103,896)	(92,079,077)	(15.72)	(7.78)
Acquisition of intangible assets	(847,822)	(9,217,547)	(0.07)	(0.78)
Disposal of property, plant and equipment	2,570,132	3,716,783	0.21	0.31
(Investment in)/encashment of short-term investments	(450,285,500)	(347,797,172)	(36.65)	(29.39)
Net cash used in investing activities	**(641,667,086)**	**(445,377,013)**	**(52.23)**	**(37.64)**
Cash flows from financing activities				
Dividend paid	(1,575,000,000)	(1,417,500,000)	(128.20)	(119.78)
Net cash used in financing activities	(1,575,000,000)	(1,417,500,000)	(128.20)	(119.78)
Net increase/(decrease) in cash and cash equivalents	(313,690,827)	288,534,183	(25.53)	24.38
Opening cash and cash equivalents	480,524,575	191,990,392	39.11	16.22
Closing Cash and cash equivalents	**166,833,748**	**480,524,575**	**13.58**	**40.60**

Note: The exchange rate use to convert Taka to ₹ 0.814 (Previous year Taka to ₹ 0.845)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31 , 2017

Particulars	Share capital	Share premium	Retained earnings	Total equity	Share capital	Share premium	Retained earnings	Total equity
	Taka	Taka	Taka	Taka	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Balance at 1 April 2015	**315,000,000**	**252,000,000**	**1,145,170,637**	**1,712,170,637**	**26.62**	**21.29**	**96.77**	**144.68**
Total comprehensive income for the year	–	–	1,414,050,307	1,414,050,307	–	–	119.49	**119.49**
Final dividend for 2014-2015	–	–	(157,500,000)	(157,500,000)	–	–	(13.31)	**(13.31)**
1st Interim dividend for 2015-2016	–	–	(945,000,000)	(945,000,000)	–	–	(79.85)	**(79.85)**
2nd Interim dividend for 2015-2016	–	–	(315,000,000)	(315,000,000)	–	–	(26.62)	**(26.62)**
Balance at 31 March 2016	**315,000,000**	**252,000,000**	**1,141,720,944**	**1,708,720,944**	**26.62**	**21.29**	**96.48**	**144.39**
Balance at 1 April 2016	315,000,000	252,000,000	1,141,720,944	1,708,720,944	25.64	20.51	92.94	**139.09**
Net profit for the year	–	–	1,440,192,071	1,440,192,071	–	–	117.23	**117.23**
Other comprehensive income for the year	–	–	7,508,991	7,508,991	–	–	0.61	**0.61**
Prior year adjustment	–	–	(1,311,713)	(1,311,713)	–	–	(0.11)	**(0.11)**
Final dividend for 2015-2016	–	–	(157,500,000)	(157,500,000)	–	–	(12.82)	**(12.82)**
1st interim dividend for 2016-2017	–	–	(472,500,000)	(472,500,000)	–	–	(38.46)	**(38.46)**
2nd interim dividend for 2016-2017	–	–	(945,000,000)	(945,000,000)	–	–	(76.92)	**(76.92)**
Balance at 31 March 2017	**315,000,000**	**252,000,000**	**1,013,110,293**	**1,580,110,293**	**25.64**	**20.51**	**82.47**	**128.62**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1 Reporting entity

1.1 Formation and legal status

"Marico Bangladesh Limited (hereinafter referred to as "MBL"/"the Company") is a public limited company incorporated on 6 September 1999, vide the certificate of incorporation number C-38527(485)/99 of 1999 in Bangladesh under the Companies Act 1994 and has its registered address at House # 01, Road # 01, Sector # 01, Uttara Model Town, Dhaka-1230. The Company was initially registered as a private limited company and subsequently converted into a public limited company on 21 September 2008. The Company listed its shares with both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 16 September 2009. The ultimate parent of MBL is Marico Limited incorporated in India."

1.2 Nature of business

The Company is engaged in manufacturing and marketing of consumer products under the brand name of Parachute, Nihar, Saffola, Hair Code, Livon, Parachute Advansed, Beliphool, Ayurvedic Gold, Extra Care, Parachute Body Lotion, Set-wet and Bio Oil in Bangladesh. The Company started its commercial operation on 30 January 2000. Subsequently, it started its commercial production at Filling unit, Crushing unit and Refinery Unit in 2002, 2012 & 2017 respectively. Its manufacturing plants are located at Mouchak, Kaliakoir, Gazipur and Shirirchala, Mahona Bhabanipur, Gazipur. The Company sells its products through its own distribution channels comprising of sales depots located in Gazipur, Chittagong, Bogra and Jessore.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities & Exchange rules 1987 and other applicable laws in Bangladesh.

2.2 Authorisation for issue

The Financial Statements were authorised for issue by the Board of Directors in its 95th Board of Directors Meeting held on 24 April 2017.

2.3 Basis of measurement

The financial statements have been prepared on going concern basis under the historical cost convention.

2.4 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka (Taka/TK/BDT) which is the Company's functional and presentation currency. All amounts have been rounded off to the nearest integer.

2.5 Reporting period

The financial statements of the Company cover the financial year from 1 April 2016 to 31 March 2017, with comparative figures for the financial year from 1 April 2015 to 31 March 2016.

2.6 Use of estimates and judgments

The preparation of financial statements in conformity with BFRS requires management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Judgements and estimates are based on historical experiences and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements are included in the following notes:

Note - 4	Property, plant and equipment
Note - 5	Intangible assets
Note - 6	Deferred tax assets
Note - 9	Inventories
Note - 14	Provision for gratuity
Note - 15	Provision for leave encashment
Note - 17	Current tax liabilities
Note -3.10	Provisions
Note -3.16	Contingencies

2.7 Basis of fair value measurement

As fair value is a market based measurement, when measuring the fair value of an asset or a liability, MBL uses market observable data as far as possible though entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant while measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in 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: inputs for the asset or liability that are not based on observable market data (unobservable input).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

MBL recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 31: Financial instruments - Fair values and financial risk management.

2.8 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.9 Current vs. non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is current when it is:

i) expected to be realised or intended to be sold or consumed in normal operating cycle

ii) held primarily for the purpose of trading

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

iii) expected to be realised within twelve months after the reporting period or

iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months

All other assets are classified as non-current.

A liability is current when it is:

i) expected to be settled in normal operating cycle

ii) held primarily for the purpose of trading

iii) due to be settled within twelve months after the reporting period or

iv) 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.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

2.10 Offsetting

The Company reports separately both assets and liabilities, and income and expenses, unless required or permitted by applicable accounting standards or offsetting reflects the substance of the transaction or other event and hence permitted by applicable accounting standards.

2.11 Comparative and reclassification

Comparative information has been disclosed for all numerical, narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Comparative figures have been rearranged/ reclassified wherever considered necessary, to ensure better comparability with the current year's financial statements and to comply with relevant BFRSs.

2.12 Statement of cash flows

Statement of cash flows is prepared under direct method in accordance with BAS 7 Statement of Cash Flows as required by the Securities and Exchange Rules 1987.

2.13 Going concern

The Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

2.14 New accounting standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2017 reporting periods and have not been early adopted by the Company.

BFRS 15 : Revenue from Contracts with Customers

This standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, this notion of control replaces the existing notion of risks and rewards. The standard is mandatory for reporting periods commencing on or after 1 January 2018. The Company is currently assessing the implications and consequences of this standard.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

3 Significant accounting policies

The Company has consistently (otherwise as stated) applied the following accounting policies to all periods presented in these financial statements.

Note	Particulars
3.1	Foreign currency transactions
3.2	Property, plant and equipment
3.3	Intangible assets
3.4	Inventories
3.5	Financial instruments
3.6	Share capital
3.7	Dividend to the equity holders
3.8	Employee benefits
3.9	Accruals
3.10	Provisions
3.11	Property, plant and equipment
3.12	Revenue
3.13	Finance income and finance cost
3.14	Lease
3.15	Impairment
3.16	Contingencies
3.17	Earnings per share
3.18	Events after the reporting period

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency (BDT) at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are re-translated into Bangladeshi Taka (BDT) at the exchange rates ruling at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into Bangladeshi Taka (BDT) at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

3.2 Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment (PPE) is recognised as an asset if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets, bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Parts of an item of property, plant and equipment having different useful lives, are accounted for as separate items (major components) of property, plant and equipment.

ii) Subsequent cost

Subsequent cost of an item of property, plant and equipment is capitalised only if it is probable that future economic benefits embodied within the item will flow to the Company and its costs can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

iii) Depreciation

No depreciation is charged on land and capital work in progress (CWIP) as the land has unlimited useful life and CWIP has not yet been placed in service /commissioned.

Other items of property, plant and equipment is depreciated on a straight line basis in profit or loss over the estimated useful lives of each item of property, plant and equipment. Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is charged from the month of acquisition of property, plant and equipment and no depreciation is charged in the month of disposal.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The estimated useful lives of the items of property, plant and equipment for the current and comparative period are as follows:

Assets	Depreciation rate
Plant and machinery	10-33%
Factory equipment	20-33%
Moulds	15-33%
Factory building	5-20%
Laboratory equipment	20-33%
Office equipment	33-50%
Vehicles	20-25%
Computers	33-50%
Furniture and fixtures	20-50%
Office building	10-20%
A.C and refrigerators	20-33%

iv) Derecognition

An asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains or losses arising from the derecognition of an asset are determined as the difference between net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

v) Capital work in progress

Capital work in progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost. These are transferred to the property, plant and equipment on the completion of the projects.

vi) Capitalisation of borrowing costs

As per the requirements of IAS/BAS 23 Borrowing Costs, directly attributable borrowing costs are capitalised during construction period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.3 Intangible assets

i) Recognition and measurement

Intangible assets have finite useful lives and are stated at cost less accumulated amortisation and any impairment losses. Intangible assets are recognised in accordance with BAS 38 Intangible assets. Intangible assets include cost of acquisition of computer software, intellectual property, copyright and other costs incidental to such capital expenditure.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

ii) Subsequent costs

Subsequent costs are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognised in profit or loss as incurred.

iii) Amortisation

Amortisation is recognised in profit or loss on straight line basis over the estimated useful lives of intangible assets from the date they are available for use.

Intangible assets are amortised at the rate of 20% to 33%.

iv) Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss.

3.4 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Stores and spares and material in transit are measured at cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.5 Financial instruments

Financial instrument comprises any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-derivative financial instruments comprise of investments in shares and term deposit, trade and other receivables, cash and cash equivalents, trade and other payables, share capital and interest-bearing borrowings.

i) Financial assets

The Company initially recognises receivables and deposits issued on the date when they are originated. All other financial assets are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Company's financial assets comprise short term investment, accrued interest, refundable deposits, loans to employees and cash and cash equivalents.

Short-term investment

Short-term investment consists of fixed deposits with original maturity of more than three months. The Company has the positive intent and ability to hold FDR to maturity, and such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Accrued interest

Interest accrued on fixed deposits which is a part of original instrument of fixed deposits is classified as held to maturity financial asset as well.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. An investment normally meets the definition of a cash equivalent when it has a maturity of three months or less from the date of acquisition.

ii) Financial Liabilities

The Company initially recognises financial liabilities on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Trade and other payables

The Company's financial liabilities comprise trade and other payables which consist of payable against raw material, packing material, payable against transport and service, payable against royalty, general and technical assistance fees, payable against ASP and SLI activities, purchase of capital goods and for FOH expenses. These payables are classified as other financial liabilities.

The Company recognises such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

3.6 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

3.7 Dividend to the equity holders

The Company recognises a liability to make cash dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in Bangladesh, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.8 Employee benefits

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

ii) Defined benefit plans

The Company operates unfunded gratuity scheme, provision in respect of which is made annually covering all its eligible employees. This scheme is qualified as defined benefit plan.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. When the benefits of the plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit and loss on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit and loss. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. Relevant tax impacts of such remeasurements are also recognised under other comprehensive income.

iii) Leave Encashment

The Company operates unfunded leave encashment scheme, i.e. if its employees do not avail leave during his/her service, s/he will be entitled to encash privilege leave at the time of separation from the Company subject to maximum 40 days, at the rate of one month's basic pay for 30 days of privilege leave. This scheme is qualified as other long term employee benefits.

The Company's net obligation in respect of leave encashment scheme is the amount of future benefit that employees have earned in return for their service in the current and prior periods and the calculation is performed annually by a qualified actuary.

iv) Workers' profit participation and welfare fund

Workers' profit participation and welfare fund ("the Fund") qualifies as defined contribution plan. Each year the Fund will be entitled to get share of profit @ 5% on profit before tax of MBL as per provision of the Bangladesh Labour Act 2006.

The Fund is governed by Bangladesh Labour Act, 2006 as amended up to 22 July 2013 and the trust deed.

3.9 Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amongst due to employees. Accruals are reported as part of Trade and other payables.

3.10 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate thereof can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provision are reversed.

3.11 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for corporate income tax is made following the rate applicable for companies as per Finance Act 2016 i.e 25%.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.12 Revenue

Revenue is recognised when the risk and reward of the ownership is transferred to the buyer, recovery of the consideration is probable, the associated cost and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods sold and the amount of revenue can be measured reliably. Transfer of risk and rewards occurs for the sale of goods when the product is delivered along with dispatch documents and invoiced to customers. Revenue from sale of goods is measured at fair value of the consideration received or receivable net off return and allowance, volume rebates and value added tax.

3.13 Finance income and finance cost

i) Finance income

Finance income comprises interest income on funds invested and is recognised as it accrues in profit or loss using the effective interest method.

ii) Finance cost

Finance costs comprise interest expense on borrowings and foreign exchange gain or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.14 Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are considered as operating leases and not recognised in the Company’s statement of financial position. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

3.15 Impairment

i) Financial assets (non-derivative)

Financial assets not classified as at fair value through profit or loss and loans and receivables are assessed at each reporting date to determine whether there is objective evidence of impairment.

An impairment loss is calculated as the difference between an asset’s carrying amount and the present value of the estimated future cash flows discounted at the asset’s original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

ii) Non-financial assets

The carrying amounts of the Company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.16 Contingencies

i) Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the statement of financial position of the Company. Moreover, contingencies arising from claims, litigations, assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

ii) Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognise contingent asset.

3.17 Earnings per share

The Company represents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

3.18 Events after the reporting period

Events after statement of financial position date that provide additional information about the Company's position at the statement of financial position date are reflected in the financial statements. Events after statement of financial position date that are non-adjusting events are disclosed in the notes when material.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

4. Property, plant and equipment

Year 2017

Particulars	Cost				Accumulated depreciation and impairment losses					Carrying amount
	As at 1 April, 2016	Addition during the year	Disposal / Adjustment during the year	As at 31 March, 2017	As at 1 April, 2016	Depreciation	Impairment loss	Disposals	As at 31 March, 2017	As at 31 March, 2017
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Plant and machinery	558,720,997	113,598,169	5,802,567	666,516,599	397,704,293	95,477,933	697,009	5,759,802	488,119,433	178,397,166
Freehold land	176,749,959	–	–	176,749,959	–	–	–	–	–	176,749,959
Vehicles	20,537,027	–	4,096,117	16,440,910	19,440,253	1,096,774	–	4,096,117	16,440,910	–
Factory equipment	4,839,004	6,543,586	–	11,382,590	4,324,904	655,338	–	–	4,980,242	6,402,348
Moulds	103,517,397	34,866,760	–	138,384,157	60,439,028	19,708,345	3,415,175	–	83,562,548	54,821,609
Factory building	203,274,332	27,633,589	–	230,907,921	113,454,520	40,750,748	–	–	154,205,268	76,702,653
Office building	193,910,204	–	–	193,910,204	94,117,540	21,883,939	–	–	116,001,479	77,908,725
Laboratory equipment	5,430,533	35,000	–	5,465,533	4,092,314	896,789	–	–	4,989,103	476,430
Office equipment	33,112,437	2,777,409	665,118	35,224,728	25,499,171	6,476,623	11,520	599,525	31,387,789	3,836,939
Computers	15,365,527	807,440	2,385,131	13,787,836	10,971,655	2,488,378	17,113	2,267,447	11,209,699	2,578,137
Furniture and fixtures	44,088,624	5,833,442	1,276,745	48,645,321	36,069,493	5,208,990	5,653,241	1,139,772	45,791,952	2,853,369
A.C and refrigerators	12,030,711	1,210,681	156,859	13,084,533	9,703,506	1,201,357	1,163,158	135,234	11,932,787	1,151,746
	1,371,576,752	**193,306,076**	**14,382,537**	**1,550,500,291**	**775,816,677**	**195,845,214**	**10,957,216**	**13,997,897**	**968,621,210**	**581,879,081**
Capital work in progress (Note 4.1)	**–**	**204,963,250**	**193,306,076**	**11,657,174**	**–**	**–**	**–**	**–**	**–**	**11,657,174**
	1,371,576,752	**398,269,326**	**207,688,613**	**1,562,157,465**	**775,816,677**	**195,845,214**	**10,957,216**	**13,997,897**	**968,621,210**	**593,536,255**

4. Property, plant and equipment

Year 2016

Particulars	Cost				Accumulated depreciation and impairment losses					Carrying amount
	As at 1 April, 2015	Addition during the year	Disposal / Adjustment during the year	As at 31 March, 2016	As at 1 April, 2015	Depreciation	Impairment loss	Disposals	As at 31 March, 2016	As at 31 March, 2016
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Plant and machinery	553,813,748	6,276,477	1,369,228	558,720,997	286,755,831	112,317,690	–	1,369,228	397,704,293	161,016,704
Freehold land	176,749,959	–	–	176,749,959	–	–	–	–	–	176,749,959
Vehicles	33,665,188	–	13,128,161	20,537,027	28,173,136	3,309,092	–	12,041,975	19,440,253	1,096,774
Factory equipment	4,839,004	–	–	4,839,004	3,947,447	377,457	–	–	4,324,904	514,100
Moulds	75,471,406	28,045,991	–	103,517,397	44,468,585	15,970,443	–	–	60,439,028	43,078,369
Factory building	177,441,713	25,832,619	–	203,274,332	77,899,706	35,554,814	–	–	113,454,520	89,819,812
Office building	193,910,204	–	–	193,910,204	71,575,262	22,542,278	–	–	94,117,540	99,792,664
Laboratory equipment	5,430,533	–	–	5,430,533	3,090,495	1,001,819	–	–	4,092,314	1,338,219
Office equipment	27,762,171	5,438,626	88,360	33,112,437	18,249,020	7,310,801	–	60,650	25,499,171	7,613,266
Computers	12,155,299	3,259,228	49,000	15,365,527	8,129,437	2,891,218	–	49,000	10,971,655	4,393,872
Furniture and fixtures	43,277,810	1,217,482	406,668	44,088,624	32,062,867	4,279,171	–	272,545	36,069,493	8,019,131
A.C and refrigerators	9,847,014	2,294,127	110,430	12,030,711	8,298,988	1,514,948	–	110,430	9,703,506	2,327,205
	1,314,364,049	**72,364,550**	**15,151,847**	**1,371,576,752**	**582,650,774**	**207,069,731**	**–**	**13,903,828**	**775,816,677**	**595,760,075**
Capital work in progress (Note 4.1)	**–**	**72,364,550**	**72,364,550**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	1,314,364,049	**144,729,100**	**87,516,397**	**1,371,576,752**	**582,650,774**	**207,069,731**	**–**	**13,903,828**	**775,816,677**	**595,760,075**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Year 2017

Particulars	Cost				Accumulated depreciation and impairment losses					Carrying amount
	As at 1 April, 2016	Addition during the year	Disposal / Adjustment during the year	As at 31 March, 2017	As at 1 April, 2016	Depreciation	Impairment loss	Disposals	As at 31 March, 2017	As at 31 March, 2017
	₹ Crore	₹Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Plant and machinery	45.48	9.25	0.47	54.25	32.37	7.77	0.06	0.47	39.73	14.52
Freehold land	14.39	–	–	14.39	–	–	–	–	–	14.39
Vehicles	1.67	–	0.33	1.34	1.58	0.09	–	0.33	1.34	(0.00)
Factory equipment	0.39	0.53	–	0.93	0.35	0.05	–	–	0.41	0.52
Moulds	8.43	2.84	–	11.26	4.92	1.60	0.28	–	6.80	4.46
Factory building	16.55	2.25	–	18.80	9.24	3.32	–	–	12.55	6.24
Office building	15.78	–	–	15.78	7.66	1.78	–	–	9.44	6.34
Laboratory equipment	0.44	0.00	–	0.44	0.33	0.07	–	–	0.41	0.04
Office equipment	2.70	0.23	0.05	2.87	2.08	0.53	0.00	0.05	2.55	0.31
Computers	1.25	0.07	0.19	1.12	0.89	0.20	0.00	0.18	0.92	0.21
Furniture and fixtures	3.59	0.47	0.10	3.96	2.94	0.42	0.46	0.09	3.73	0.23
A.C and refrigerators	0.98	0.10	0.01	1.07	0.79	0.10	0.09	0.01	0.97	0.09
	111.65	**15.74**	**1.17**	**126.21**	**63.15**	**15.94**	**0.89**	**1.13**	**78.86**	**47.36**
Capital work in progress (Note 4.1)	–	16.68	15.74	0.95	–	–	–	–	–	0.95
	111.65	**32.42**	**16.91**	**127.16**	**63.15**	**15.94**	**0.89**	**1.13**	**78.86**	**48.31**

Year 2016

Particulars	Cost				Accumulated depreciation and impairment losses					Carrying amounts
	As at 1 April 2015	Additions	Disposals/ Transfers	As at 31 March 2016	As at 1 April 2015	Depreciation	Impairment loss	Disposals	As at 31 March 2016	As at 31 March 2016
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Plant and machinery	46.80	0.53	0.12	47.21	24.23	9.49	–	0.12	33.61	13.59
Freehold land	14.94	–	–	14.94	–	–	–	–	–	14.94
Vehicles	2.84	–	1.11	1.73	2.38	0.28	–	1.02	1.64	0.09
Factory equipment	0.41	–	–	0.41	0.33	0.03	–	–	0.37	0.05
Moulds	6.38	2.37	–	8.75	3.76	1.35	–	–	5.11	3.64
Factory building	14.99	2.18	–	17.17	6.58	3.00	–	–	9.59	7.59
Office building	16.39	–	–	16.39	6.05	1.90	–	–	7.95	8.44
Laboratory equipment	0.46	–	–	0.46	0.26	0.08	–	–	0.35	0.12
Office equipment	2.35	0.46	0.01	2.80	1.54	0.62	–	0.01	2.15	0.65
Computers	1.03	0.28	0.00	1.31	0.69	0.24	–	0.00	0.93	0.38
Furniture and fixtures	3.66	0.10	0.03	3.73	2.71	0.36	–	0.02	3.05	0.68
A.C and refrigerators	0.83	0.19	0.01	1.01	0.70	0.13	–	0.01	0.82	0.19
	111.08	**6.11**	**1.28**	**115.91**	**49.25**	**17.50**	**–**	**1.18**	**65.57**	**50.34**
Capital work in progress (Note 4.1)	**–**	**6.11**	**6.11**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	111.06	**12.23**	**7.40**	**115.91**	**49.25**	**17.50**	**–**	**1.18**	**65.57**	**50.34**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

4.1 Capital work in progress

Year 2017

Particulars	As at 1 April 2016	Additions	Transfers	As at 31 March 2017
	Taka	Taka	Taka	Taka
Plant and machinery	–	125,124,931	113,598,169	11,526,762
Factory equipment	–	6,543,586	6,543,586	–
Moulds	–	34,870,757	34,866,760	3,997
Factory building	–	27,633,589	27,633,589	–
Laboratory equipment	–	35,000	35,000	–
Office equipment	–	2,777,409	2,777,409	–
Computers	–	907,440	807,440	100,000
Furniture and fixtures	–	5,859,857	5,833,442	26,415
A.C and refrigerators	–	1,210,681	1,210,681	–
	–	**204,963,250**	**193,306,076**	**11,657,174**

Year 2016

Particulars	As at 1 April 2015	Additions	Transfers	As at 31 March 2016
	Taka	Taka	Taka	Taka
Plant and machinery	–	6,276,477	6,276,477	–
Moulds	–	28,045,991	28,045,991	–
Factory building	–	25,832,619	25,832,619	–
Office equipment	–	5,438,626	5,438,626	–
Computers	–	3,259,228	3,259,228	–
Furniture and fixtures	–	1,217,482	1,217,482	–
A.C and refrigerators	–	2,294,127	2,294,127	–
	–	**72,364,550**	**72,364,550**	**–**

Year 2017

Particulars	As at 1 April 2016	Additions	Transfers	As at 31 March 2017
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Plant and machinery	–	10.19	9.25	0.94
Factory equipment	–	0.53	0.53	–
Moulds	–	2.84	2.84	–
Factory building	–	2.25	2.25	–
Laboratory equipment	–	0.00	0.00	–
Office equipment	–	0.23	0.23	–
Computers	–	0.07	0.07	–
Furniture and fixtures	–	0.48	0.47	0.01
A.C and refrigerators	–	0.10	0.10	–
	–	**16.69**	**15.74**	**0.95**

Year 2016

Particulars	As at 1 April 2015	Additions	Transfers	As at 31 March 2016
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Plant and machinery	–	0.53	0.53	–
Moulds	–	2.37	2.37	–
Factory building	–	2.18	2.18	–
Office equipment	–	0.46	0.46	–
Computers	–	0.28	0.28	–
Furniture and fixtures	–	0.10	0.10	–
A.C and refrigerators	–	0.19	0.19	–
	–	**6.11**	**6.11**	**–**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

4.2 Disposal of property, plant and equipment

Year 2017

Particulars	Original cost	Accumulated depreciation	Book value	Sale value	Gain/(loss) on sale of assets
	Taka	Taka	Taka	Taka	Taka
Plant and machinery	5,802,567	5,759,802	42,764	339,010	296,246
Vehicles	4,096,117	4,096,117	–	1,998,000	1,998,000
Office equipment	665,118	599,525	65,593	97,187	31,594
Computers	2,385,131	2,267,447	117,684	55,914	(61,770)
Furniture and fixtures	1,276,745	1,139,772	136,973	61,026	(75,947)
A.C and refrigerators	156,859	135,234	21,625	18,995	(2,630)
	14,382,537	**13,997,897**	**384,639**	**2,570,132**	**2,185,493**

Year 2016

Particulars	Original cost	Accumulated depreciation	Book value	Sale value	Gain/(loss) on sale of assets
	Taka	Taka	Taka	Taka	Taka
Plant and machinery	1,369,228	1,369,228	–	195,450	195,450
Vehicles	13,128,161	12,041,975	1,086,186	3,325,000	2,238,814
Office equipment	88,360	60,650	27,710	30,083	2,373
Computers	49,000	49,000	–	3,000	3,000
Furniture and fixtures	406,668	272,545	134,123	144,250	10,127
A.C and refrigerators	110,430	110,430	–	19,000	19,000
	15,151,847	**13,903,828**	**1,248,019**	**3,716,783**	**2,468,764**

Year 2017

Particulars	Original cost	Accumulated depreciation	Book value	Sale value	Gain/(loss) on sale of assets
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Plant and machinery	0.47	0.47	–	0.03	0.03
Vehicles	0.33	0.33	–	0.17	0.17
Office equipment	0.05	0.05	0.01	0.01	–
Computers	0.19	0.18	0.01	–	(0.01)
Furniture and fixtures	0.10	0.09	0.01	–	(0.01)
A.C and refrigerators	0.01	0.01	–	–	–
	1.15	**1.13**	**0.03**	**0.21**	**0.18**

Year 2016

Particulars	Original cost	Accumulated depreciation	Book value	Sale value	Gain/(loss) on sale of assets
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Plant and machinery	0.12	0.12	–	0.02	0.02
Vehicles	1.11	1.02	0.09	0.28	0.20
Office equipment	0.01	0.01	–	–	–
Computers	–	–	–	–	–
Furniture and fixtures	0.03	0.02	0.01	0.01	–
A.C and refrigerators	0.01	–	–	–	–
	1.28	**1.17**	**0.10**	**0.31**	**0.22**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

4.3 Fully depreciated assets– at cost

Particulars	2017	2016	2017	2016
	Taka	Taka	₹ Crore	₹ Crore
Plant and machinery	115,435,035	96,371,615	9.40	8.14
Vehicles	16,440,910	10,042,620	1.34	0.85
Factory equipment	3,862,191	3,687,981	0.31	0.31
Moulds	54,041,428	30,245,347	4.40	2.56
Factory building	374,052	374,052	0.03	0.03
Office building	5,642,912	–	0.46	–
Laboratory equipment	2,086,465	936,211	0.17	0.08
Office equipment	24,017,276	14,517,435	1.96	1.23
Computers	7,243,271	7,144,752	0.59	0.60
Furniture and fixtures	30,618,785	26,943,356	2.49	2.28
A.C and refrigerators	9,342,962	8,189,623	0.76	0.69
	269,105,287	**198,452,992**	**21.91**	**16.77**

4.4 Depreciation allocated to:

Particulars		2017	2016	2017	2016
	Note	Taka	Taka	₹ Crore	₹ Crore
Cost of sales	19	164,052,019	172,443,428	13.35	14.57
General and administrative expenses	21	31,793,195	34,626,303	2.59	2.93
		195,845,214	**207,069,731**	**15.94**	**17.50**

4.5 Impairment loss

Particulars	Taka	
	Impairment loss	Reason for impairment
Plant and machinery	697,009	Change in expected economic benefit
Moulds	3,415,175	Some moulds will not be used as per initial expectation
Office equipment	11,520	Change in expected economic benefit
Computers	17,113	Change in expected economic benefit
Furniture and fixtures	5,653,241	Change in expected economic benefit due to decision of relocating Head Office
A.C and refrigerators	1,163,158	Change in expected economic benefit due to decision of relocating Head Office
	10,957,216	

Particulars	₹ Crore	
	Impairment loss	Reason for impairment
Plant and machinery	0.06	Change in expected economic benefit
Moulds	0.28	Some moulds will not be used as per initial expectation
Office equipment	0.00	Change in expected economic benefit
Computers	0.00	Change in expected economic benefit
Furniture and fixtures	0.46	Change in expected economic benefit due to decision of relocating Head Office
A.C and refrigerators	0.09	Change in expected economic benefit due to decision of relocating Head Office
	0.89	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

5 Intangible assets

Year 2017

Particulars	Rs Cost				Accumulated amortisation				Carrying amount
	As at 1 April 2016	Additions	Disposals/ Transfers	As at 31 March 2017	As at 1 April 2016	Amortisation	Disposals	As at 31 March 2017	As at 31 March 2017
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Computer software	20,343,052	847,823	–	21,190,875	7,200,732	4,871,721	–	12,072,453	9,118,422

Year 2016

Particulars	Cost				Accumulated amortisation				Carrying amount
	As at 1 April 2015	Additions	Disposals/ Transfers	As at 31 March 2016	As at 1 April 2015	Amortisation	Disposals	As at 31 March 2016	As at 31 March 2016
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Computer software	11,125,506	9,217,546	–	20,343,052	3,840,596	3,360,136	–	7,200,732	13,142,320

Year 2017

Particulars	Cost				Accumulated amortisation				Carrying amount
	As at 1 April 2016	Additions	Disposals/ Transfers	As at 31 March 2017	As at 1 April 2016	Amortisation	Disposals	As at 31 March 2017	As at 31 March 2017
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Computer software	1.66	0.07	–	1.73	0.59	0.40	–	0.99	0.74

Year 2016

Particulars	Cost				Accumulated amortisation				Carrying amount
	As at 1 April 2015	Additions	Disposals/ Transfers	As at 31 March 2016	As at 1 April 2015	Amortisation	Disposals	As at 31 March 2016	As at 31 March 2016
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Computer software	0.94	0.78	–	1.72	0.33	0.28	–	0.61	1.11

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

6 Deferred tax asset

Deferred tax (asset)/liability is arrived as follows:

Particulars	Note	Accounting base as at 31 March	Tax base as at 31 March	Temporary difference Taxable/ (deductible)	Accounting base as at 31 March	Tax base as at 31 March	Temporary difference Taxable/ (deductible)
		Taka	Taka	Taka	₹ Crore	₹ Crore	₹ Crore
Year 2017							
Property, plant and equipment	4	405,129,122	490,914,655	**(85,785,533)**	32.98	39.96	**(6.98)**
Intangible assets	5	9,118,422	13,309,199	**(4,190,777)**	0.74	1.08	**(0.34)**
Deferred revenue expense		–	8,791,645	**(8,791,645)**	–	0.72	**(0.72)**
Provision for gratuity	14	36,415,189	–	**(36,415,189)**	2.96	–	**(2.96)**
Provision for leave encashment	15	13,101,142	–	**(13,101,142)**	1.07	–	**(1.07)**
Royalty payable		139,398,614	–	**(139,398,614)**	11.35	–	**(11.35)**
General and technical assistance fees payable		19,344,629	–	**(19,344,629)**	1.57	–	**(1.57)**
Net deductible temporary difference				**(307,027,529)**			**(24.99)**
Income tax rate				**25%**			**25%**
Deferred tax assets				**(76,756,882)**			**(6.25)**
Year 2016							
Property, plant and equipment	4	419,007,200	428,051,041	(9,043,841)	35.41	36.17	(0.76)
Intangible assets	5	13,142,320	13,940,176	(797,856)	1.11	1.18	(0.07)
Deferred revenue expense		–	8,791,645	(8,791,645)	–	0.74	(0.74)
Provision for gratuity	14	40,434,105	–	(40,434,105)	3.42	–	(3.42)
Provision for leave in cashment	15	10,857,899	–	(10,857,899)	0.92	–	(0.92)
Royalty payable		139,398,614	–	(139,398,614)	11.78	–	(11.78)
General & technical assistance fees payable		117,206,393	–	(117,206,393)	9.90	–	(9.90)
Net deductable temporary differences				(326,530,353)			(27.59)
Income tax rate				25%			25%
Deferred tax assets				**(81,632,588)**			**(6.90)**

6.1 Change in deferred tax assets and liability

Particulars	Note	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
		Taka	Taka	₹ Crore	₹ Crore
Balance at 1 April- deferred tax asset		(81,632,588)	(33,726,602)	**(6.64)**	(2.85)
Recognised in profit or loss	24	**2,372,709**	(47,905,986)	**0.19**	(4.05)
Recognised in OCI		**2,502,997**	–	**0.20**	–
Balance at 31 March- deferred tax asset		**(76,756,882)**	**(81,632,588)**	**(6.25)**	**(6.90)**

Deferred tax assets as of 31 March 2017 includes deferred tax asset of Tk. 2,502,997 recognised against actuarial gain/(loss) from re-measurement of defined benefit obligations corresponding impact of which has been recognised under other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

7 Non-current financial assets

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Security deposits	**2,605,000**	2,706,000	**0.21**	0.23
Loans to employees	**7,761,331**	2,446,071	**0.63**	0.21
	10,366,331	**5,152,071**	**0.84**	**0.44**

8 Long term advances

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Advance for capital goods	**17,452,584**	45,429,748	**1.42**	3.83
Advance to suppliers and others	**23,755,450**	33,587,647	**1.93**	2.84
	41,208,034	**79,017,395**	**3.35**	**6.67**

9 Inventories

Particulars	Note	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
		Taka	Taka	₹ Crore	₹ Crore
Raw materials		**800,554,140**	814,760,354	**65.17**	68.84
Packing materials		**86,516,844**	71,917,837	**7.04**	6.08
Finished goods	9.1	**152,398,038**	142,234,909	**12.41**	12.02
Stores and spares		**17,159,318**	16,142,671	**1.40**	1.36
Materials in transit		**292,298,761**	217,237,009	**23.79**	18.36
		1,348,927,101	**1,262,292,780**	**109.81**	**106.66**

9.1 Finished goods

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Parachute coconut oil	**89,304,430**	102,710,357	**7.27**	8.68
Value added hair oil (VAHO)	**28,502,303**	30,911,367	**2.32**	2.61
Haircode	**952,143**	4,605,553	**0.08**	0.39
Saffola– Edible oil	**1,559,143**	1,072,731	**0.13**	0.09
Parachute body lotion	**11,952**	4,232	**–**	–
Others	**32,068,067**	2,930,669	**2.61**	0.25
	152,398,038	**142,234,909**	**12.41**	**12.02**

10 Advances, deposits and prepayments

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Advances				
Advance for materials	**50,001,171**	10,907,234	**4.07**	0.92
Advance for services	**92,896,659**	79,578,257	**7.56**	6.72
Advance to employees	**2,423,836**	1,044,719	**0.20**	0.09
	145,321,666	**91,530,210**	**11.83**	**7.73**
Deposits				
VAT current account	**41,324,458**	23,775,506	**3.36**	2.01
Supplementary duty	**839,950**	3,382,328	**0.07**	0.29
	42,164,408	**27,157,834**	**3.43**	**2.30**
Prepayments				
Prepaid expenses	**6,433,351**	8,537,072	**0.52**	0.72
	193,919,425	**127,225,116**	**15.78**	**10.75**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

11 Other current financial assets

Particulars	Note	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
		Taka	Taka	₹ Crore	₹ Crore
Fixed deposits	11.1	**1,298,082,672**	847,797,172	**105.66**	71.64
Accrued interest		**10,505,128**	13,458,959	**0.86**	1.14
Security deposits		**159,000**	24,000	**0.01**	0.00
Loans to employees		**2,688,890**	1,267,816	**0.22**	0.11
		1,311,435,690	**862,547,947**	**106.75**	**72.89**

11.1 Fixed deposits (having original maturity of more than three months)

Fixed deposits with	Credit rating	31 March, 2017	31 March,2016	31 March, 2017	31 March, 2016
		Taka	Taka	₹ Crore	₹ Crore
Brac Bank Limited	AA2	**220,000,000**	–	**17.91**	–
Delta Brac Housing Finance Corporation Ltd.	AAA	**330,072,131**	273,934,325	**26.87**	23.15
Eastern Bank Limited	AA	**–**	35,000,000	**–**	2.96
IDLC Finance Limited	AAA	**332,786,781**	273,862,847	**27.09**	23.14
One Bank Limited	AA	**120,000,000**	–	**9.77**	–
South East Bank Limited	AA	**295,223,760**	265,000,000	**24.03**	22.39
		1,298,082,672	**847,797,172**	**105.67**	**71.64**

12 Cash and cash equivalents

Particulars	Note	Credit rating	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
			Taka	Taka	₹ Crore	₹ Crore
Cash in hand			168,451	245,677	**0.01**	0.02
Cash at banks:						
BRAC Bank Limited		AA2	**34,839,167**	13,605,147	**2.84**	1.15
Citibank N.A.		AAA	**3,848**	5,700	**0.00**	0.00
Islami Bank Bangladesh Limited		AA	**41,720**	40,621	**0.00**	0.00
Sonali Bank Limited			**189,424**	21,062	**0.02**	0.00
Standard Chartered Bank*		AAA	**55,736,233**	(84,389,740)	**4.54**	(7.13)
Dutch Bangla Bank Limited		AA1	**890,000**	–	**0.07**	–
The Hongkong and Shanghai Banking Corporation Ltd.		AAA	**1,126,129**	543,865	**0.09**	0.05
			92,826,521	(70,173,345)	**7.56**	(5.93)
Fixed deposits	12.2		**73,838,776**	550,452,243	**6.01**	46.51
			166,833,748	**480,524,575**	**13.58**	**40.60**

*The negative balance in the Standard Chartered Bank represents balance in the MBL books only whereas actual balance in the current account of Standard Chartered Bank as at 31 March 2016 was Taka 6.6 million.

12.1 Overdraft facility

The Company also has overdraft facility with the below banks under which inventories are hypothecated.

Bank	Currency	Overdraft Limit	Currency	Overdraft Limit
The Hongkong and Shanghai Banking Corporation Limited	**BDT**	100,000,000	**BDT**	8.14
Standard Chartered Bank	**BDT**	30,000,000	**BDT**	2.44
Citibank N.A.	**USD**	2,000,000	**USD**	0.003

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

As of 31st march 2017, the compnay has no overdarft balance

12.2 Fixed deposits (having original maturity of three months or less)

	Credit rating	Currency	Overdraft Limit	Currency	Overdraft Limit
Fixed deposits with:		Taka	Taka	₹ Crore	₹ Crore
Islami Bank Bangladesh Limited	AA	–	50,000,000	–	4.23
Standard Chartered Bank	AAA	73,838,776	270,452,243	6.01	22.85
United Commercial Bank Limited	AA	–	230,000,000	–	19.43
		73,838,776	550,452,243	6.01	46.51

13 Share capital

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Authorised				
40,000,000 ordinary shares of Tk 10 each	400,000,000	400,000,000	32.56	33.80
Issued, subscribed and paid up				
Issued for cash	41,500,000	41,500,000	3.38	3.51
Issued for consideration other than cash	273,500,000	273,500,000	22.26	23.11
	315,000,000	315,000,000	25.64	26.62

13.1 Composition of shareholding

Details	No. of share		% of holding	
	2017	2016	2017	2016
Marico Limited, India	28,350,000	28,350,000	90.00	90.00
Institutions	2,786,979	2,945,052	8.85	9.35
General shareholders	363,021	204,948	1.15	0.65
	31,500,000	31,500,000	100.00	100.00

13.2 Classification of shareholders by holding

Holdings	Number of holders		% of total holding	
	2017	2016	2017	2016
Less than 500 shares	2868	1796	0.63	0.37
500 to 5,000 shares	164	109	0.61	0.46
5,001 to 10,000 shares	17	9	0.40	0.22
10,001 to 20,000 shares	10	8	0.42	0.34
20,001 to 30,000 shares	3	4	0.23	0.33
30,001 to 40,000 shares	0	2	0.00	0.23
40,001 to 50,000 shares	1	1	0.16	0.16
50,001 to 100,000 shares	5	2	0.95	0.49
100,001 to 1,000,000 shares	9	10	6.59	7.41
Over 1,000,000 shares	1	1	90.00	90.00
	3078	1942	100.00	100.00

13.3 Number of shares held by the members of the Company's leadership team

	No. of share	
	2017	2016
Managing Director	–	1
	–	1

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

14 Provision for gratuity

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Balance as at 1 April	**40,434,105**	23,111,764	**3.29**	1.95
Current service cost	**9,054,987**	17,861,378	**0.73**	1.52
Interest cost/(income)	**4,447,752**	2,542,294	**0.36**	0.21
Actuarial loss/(gain)	**(10,011,988)**	–	**(0.81)**	–
Benefit paid	**(7,509,667)**	(3,081,331)	**(0.61)**	(0.26)
Balance as at 31 March	**36,415,189**	40,434,105	**2.96**	3.42
Current	**2,997,417**	5,183,998	**0.24**	0.44
Non-current	**33,417,772**	35,250,107	**2.72**	**2.98**
	36,415,189	**40,434,105**	**2.96**	**3.42**

14.1 Significant actuarial assumptions

	2017	2016
Discount rate	11%	11%
Salary growth	12%	12%
Employee turnover	17.50%	17.50%
Year of mortality rate	2006-08	2006-08

15 Provision for leave encashment

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Balance as at 1 April	**10,857,899**	7,738,948	**0.88**	0.65
Provision made during the year	**8,655,681**	4,221,216	**0.71**	0.36
Paid during the year	**(6,412,438)**	(1,102,265)	**(0.52)**	(0.09)
Balance as at 31 March	**13,101,142**	10,857,899	**1.07**	0.92
Current	**2,222,794**	1,844,907	**0.18**	0.16
Non-current	**10,878,348**	9,012,992	**0.89**	0.76
	13,101,142	**10,857,899**	**1.07**	**0.92**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

16 Trade and other payables

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Trade payables				
Payable against raw material	**318,297,604**	170,848,411	**25.91**	14.44
Payable against packing material	**33,942,383**	25,530,345	**2.76**	2.16
Payable against finished goods	**34,387,018**	2,316,169	**2.80**	0.20
Payable against services	**51,013,957**	58,922,828	**4.15**	4.98
	437,640,962	**257,617,753**	**35.62**	**21.78**
Other payables				
Workers' profit participation and welfare fund	**101,419,310**	101,269,882	**8.26**	8.56
Royalty payable	**134,901,377**	139,398,614	**10.98**	11.78
Bank guarantee commission payable	**–**	8,893,986	**–**	0.75
General and technical assistance fees payable	**136,302,429**	117,849,181	**11.10**	9.96
Advance from customers	**69,034,750**	50,928,403	**5.62**	4.30
Withholding tax and VAT payable	**23,966,370**	22,985,750	**1.95**	1.94
Payable against business promotion expenses	**335,163,888**	243,539,512	**27.28**	20.58
Payable against advertisement expenses	**217,611,200**	230,232,526	**17.71**	19.45
Audit fees payable	**1,302,950**	412,000	**0.11**	0.03
Payable against capital goods	**8,163,323**	24,281,133	**0.66**	2.05
Import duty and related charges payable	**104,568,363**	41,777,053	**8.51**	3.53
Payable against expenses	**170,482,143**	84,759,093	**13.88**	7.16
	1,302,916,103	1,066,327,133	**106.06**	90.09
	1,740,557,065	**1,323,944,886**	**141.66**	**111.89**

17 Current tax liabilities

Particulars	Note	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
		Taka	Taka	₹ Crore	₹ Crore
Balance as at 1 April		**423,337,033**	365,667,085	**34.46**	30.90
Add: Provision during the year:				**–**	–
Provision for current year	24	**511,139,076**	536,229,894	**41.61**	45.31
Provision for prior years				**–**	–
Assessment year 2015-2016		**–**	1,253,548	**–**	0.11
Assessment year 2013-2014		**–**	20,500,000	**–**	1.73
Assessment year 2012-2013		**(30,518,071)**	–	**(2.48)**	–
Assessment year 2011-2012		**3,781,101**	–	**0.31**	–
Less:Payment during the year:		**907,739,139**	923,650,527	**73.90**	78.05
Payment for current year					
Payment for prior years		**(295,710,722)**	–	**(24.07)**	–
Assessment year 2016-2017				**–**	–
Assessment year 2015-2016		**(219,329,117)**	(297,500,017)	**(17.85)**	(25.14)
Assessment year 2013-2014		**–**	(202,500,000)	**–**	(17.11)
Assessment year 2011-2012		**(7,000,000)**	–	**(0.57)**	–
Balance as at 31 March		**(3,781,101)**	(313,477)	**(0.31)**	(0.03)
		381,918,199	**423,337,033**	**31.10**	**35.77**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

17.1 Year wise break up of provision for current tax and balance of advance income tax for open years

Accounting year ended	Assessment year	Provision for income tax Taka	Advance income tax Taka	Status	Provision for income tax ₹ Crore	Advance income tax ₹ Crore
31 March 2017	AY 2017-18	511,139,076	295,710,722	To be submitted	41.60	24.99
31 March 2016	AY 2016-17	536,229,894	516,829,134	Return submitted	43.65	43.67
31 March 2015	AY 2015-16	502,672,641	438,992,339	Return submitted	40.92	37.09
31 March 2014	AY 2014-15	475,304,697	468,166,315	At High Court	38.69	39.56
31 March 2013	AY 2013-14	303,189,572	206,086,374	At TAT*	24.68	17.41
31 March 2012	AY 2012-13	206,588,040	236,519,377	At TAT*	16.82	19.99
30 September 2008	AY 2009-10	9,098,540	–	At TAT*	0.74	–
Total		**2,544,222,460**	**2,162,304,261**		**207.10**	**182.71**

*Taxes Appellate Tribunal

18 Revenue

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Parachute coconut oil	5,345,714,157	5,630,387,454	435.14	475.77
Value added hair oil (VAHO)	1,077,951,369	944,173,188	87.75	79.78
Haircode	67,953,922	81,176,936	5.53	6.86
Saffola - Edible oil	25,850,605	13,492,240	2.10	1.14
Parachute body lotion	61,896,012	69,711,207	5.04	5.89
Others	336,743,864	326,954,309	27.41	27.63
	6,916,109,929	**7,065,895,334**	**562.97**	**597.07**

Business promotion and distribution/redistribution expenses have been regrouped with revenue in line with current year's presentation.

19 Cost of sales

Particulars	Note	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
		Taka	Taka	₹ Crore	₹ Crore
Opening stock of finished goods		142,234,909	287,803,616	11.58	24.32
Cost of goods manufactured	19.1	3,720,454,834	3,739,235,300	302.85	315.97
		3,862,689,743	4,027,038,916	314.43	340.29
Closing stock of finished goods		(152,398,038)	(142,234,909)	(12.41)	(12.02)
		3,710,291,705	**3,884,804,007**	**302.02**	**328.27**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

19.1 Cost of goods manufactured

Particulars	Note	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
		Taka	Taka	₹ Crore	₹ Crore
Materials consumed:					
Opening stock of raw and packing materials		1,120,057,871	1,535,049,279	91.17	129.71
Purchases during the year		3,489,707,684	3,033,620,119	284.06	256.34
Closing stock of raw and packing materials		(1,196,529,063)	(1,120,057,871)	(97.40)	(94.64)
		3,413,236,492	**3,448,611,527**	**277.83**	**291.41**
Factory overhead:					
Salaries and allowances		37,323,541	28,823,042	3.04	2.44
Cost of outsourced human resources		38,430,423	35,731,788	3.13	3.02
Power expenses		35,030,285	27,474,375	2.85	2.32
Repair and maintenance of plant and machinery		3,326,651	2,487,008	0.27	0.21
Repair and maintenance of factory building		1,018,282	1,081,885	0.08	0.09
Depreciation	4.4	164,052,019	172,443,428	13.35	14.57
LC charges		961,220	1,030,429	0.08	0.09
Communication expenses		794,180	1,568,349	0.06	0.13
Entertainment		5,089,806	3,064,708	0.41	0.26
Printing and stationery		869,918	714,594	0.07	0.06
Security charges		5,412,406	4,891,894	0.44	0.41
Travelling and conveyance-Local		5,459,283	5,446,210	0.44	0.46
Insurance premium		9,450,328	5,866,063	0.80	0.50
		307,218,342	**290,623,773**	**25.02**	**24.56**
		3,720,454,834	**3,739,235,300**	**302.85**	**315.97**

20 Marketing, selling and distribution expenses

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Advertisement	**343,282,113**	480,758,635	**27.94**	40.62
Business promotion expenses	**43,941,986**	30,278,130	**3.58**	2.56
Collection charges	**302,069**	788,427	**0.02**	0.07
Distribution/Redistribution expenses	**50,577,178**	53,622,551	**4.12**	4.53
Entertainment	**10,682,327**	8,631,544	**0.87**	0.73
Free sample	**1,124,531**	2,775,864	**0.09**	0.23
Freight- outward	**58,311,042**	48,221,006	**4.75**	4.07
Market research expenses	**29,392,098**	13,431,624	**2.39**	1.13
	537,613,344	**638,507,781**	**43.76**	**53.94**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

21 General and administrative expenses

Particulars	Note	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
		Taka	Taka	₹ Crore	₹ Crore
Salaries and allowances		**326,598,757**	259,099,286	**26.59**	21.91
Gratuity		**13,502,739**	20,403,672	**1.10**	1.72
Workers' profit participation and welfare fund		**101,419,310**	101,269,882	**8.26**	8.56
Rent, rates and taxes		**1,433,848**	1,253,191	**0.12**	0.11
Professional charges		**27,059,375**	36,455,903	**2.20**	3.08
Security charges		**1,732,177**	1,515,843	**0.14**	0.13
Legal charges		**3,192,635**	2,622,410	**0.26**	0.22
Stamp and license fees		**3,807,122**	3,499,009	**0.31**	0.30
Directors' remuneration		**24,787,585**	23,990,570	**2.02**	2.03
Directors' fees		**667,645**	667,644	**0.05**	0.06
Repair and maintenance		**20,796,575**	20,711,619	**1.69**	1.75
Communication expenses		**11,020,081**	8,785,471	**0.90**	0.74
Subscription to trade association		**150,715**	210,350	**0.01**	0.02
Entertainment		**14,493,130**	17,619,583	**1.18**	1.49
Printing and stationery		**3,065,889**	3,218,123	**0.25**	0.27
Vehicle running expenses		**46,655,549**	33,199,420	**3.80**	2.81
Travelling and conveyance-Local		**9,890,079**	8,719,445	**0.81**	0.74
Travelling and conveyance-Foreign		**4,595,041**	6,486,220	**0.37**	0.55
Statutory audit fees	21.1	**1,302,950**	412,000	**0.11**	0.03
Recruitment expenses		**1,685,158**	4,094,562	**0.14**	0.35
Insurance premium		**5,602,784**	7,137,961	**0.46**	0.60
Books and periodicals		**116,171**	99,901	**0.01**	0.01
Bank charges		**653,695**	1,071,433	**0.05**	0.09
AGM and public relation expenses		**2,898,131**	2,586,562	**0.24**	0.22
Conference and training expenses		**2,507,097**	3,449,657	**0.20**	0.29
Electricity and gas charges		**2,911,766**	2,718,206	**0.24**	0.23
Amortisation	5	**4,871,721**	3,360,136	**0.40**	0.28
Royalty		**65,561,325**	69,340,052	**5.34**	5.86
Depreciation	4.4	**31,793,195**	34,626,303	**2.59**	2.93
Listing fees		**315,000**	157,500	**0.03**	0.01
General and technical assistance fees		**54,071,433**	42,769,367	**4.40**	3.61
CSR project	21.2	**11,824,178**	13,891,854	**0.96**	1.17
		800,982,856	**735,443,135**	**65.20**	**62.17**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

21.1 Auditor's remuneration

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Statutory audit fees	**1,302,950**	412,000	**0.11**	0.03
Other advisory services	**–**	309,000	**–**	0.03
	1,302,950	**721,000**	**0.11**	**0.06**

21.2 MARICO Bangladesh Limited (MARICO) and Dhaka Ahsania Mission (DAM) entered into an agreement to implement "DAM-Marico Children Learning Centre (DAM-Marico CLC)" project from 01 October 2014 to 30 September 2017 in 1 (one) Upazila (Melandah) under Jamalpur District as per agreed Project Proposal and in line with the policies, strategies and guidelines of Government of Bangladesh (GoB) and MARICO. The beneficiaries of the project are uprooted children who are also dropped out from school.

22 Other income/(expense)

Particulars	Note	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
		Taka	Taka	₹ Crore	₹ Crore
Gain on sale of assets	4.2	**2,185,493**	2,468,764	**0.18**	0.21
Impairment loss	4	**(10,957,216)**	–	**(0.89)**	–
		(8,771,723)	**2,468,764**	**(0.71)**	**0.21**

23 Finance income, net

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Interest on fixed deposits	**74,846,945**	108,458,549	**6.09**	9.16
Interest on call deposits	**881,377**	1,341,250	**0.07**	0.11
Interest on overdraft and STL	**(1,816,132)**	(928,127)	**(0.15)**	(0.08)
Foreign exchange gain/(loss)	**(5,395,605)**	5,646,916	**(0.44)**	0.48
	68,516,585	**114,518,588**	**5.57**	**9.67**

24 Income tax expense

Particulars	Note	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
		Taka	Taka	₹ Crore	₹ Crore
Current tax expense					
Current year	17	**511,139,076**	536,229,894	**41.61**	45.31
Adjustment for prior years	17	**(26,736,970)**	21,753,548	**(2.18)**	1.84
Deferred tax (income)/expense	6.1	**2,372,709**	(47,905,986)	**0.19**	(4.05)
		486,774,815	**510,077,456**	**39.62**	**43.10**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

24.1 Reconciliation of effective tax

Particulars	31 March, 2017		31 March, 2016	
	%	Taka	%	Taka
Profit before tax		**1,926,966,886**		1,924,127,763
Income tax using the domestic corporate tax rate	25%	**481,741,722**	25%	481,031,941
Factors affecting the tax charge for current year				
Non deductible expenses		**107,253,412**		119,635,844
Deductible expenses		**(77,856,058)**		(64,437,891)
Adjustment for prior years		**(26,736,970)**		21,753,548
Deferred tax (income)/expense		**2,372,709**		(47,905,986)
Total income tax expenses	**25.26%**	**486,774,815**	**26.51%**	**510,077,456**

24.1 Reconciliation of effective tax

Particulars	31 March, 2017		31 March, 2016	
	%	₹ Crore	%	₹ Crore
Profit before tax		**156.86**		162.59
Income tax using the domestic corporate tax rate	**25%**	**39.21**	25%	40.65
Factors affecting the tax charge for current year		**–**		–
Non deductible expenses		**8.74**		10.11
Deductible expenses		**(6.34)**		(5.45)
Adjustment for prior years		**(2.18)**		1.84
Deferred tax (income)/expense		**0.19**		(4.05)
Total income tax expenses	**25.26%**	**39.62**	**26.51%**	**43.10**

25 Earnings per share

25.1 Basic earnings per share

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
The computation of EPS is given below:				
Earnings attributable to ordinary shareholders (Net profit after tax)	**1,440,192,071**	1,414,050,307	**1,172,316,346**	1,194,872,509
Weighted average number of ordinary shares outstanding during the year	**31,500,000**	31,500,000	**31,500,000.00**	31,500,000.00
Earnings per share (EPS) in Taka	**45.72**	**44.89**	**37.22**	**37.93**

25.2 Diluted earnings per share

Since there is no dilutive factor, diluted earnings per share is not required to be calculated.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

26 Related party transactions

During the year the Company carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. The name of related parties, nature of transactions, their total value and closing balance have been set out in accordance with the provisions of BAS 24 Related party disclosure:

Name of the related party	Relationship	Nature of transactions	Transaction Amount	As at 31 March, 2017	As at 31 March,2016	Transaction Amount	As at 31 March, 2017	As at 31 March, 2016
			Taka	Taka	Taka	₹ Crore	₹ Crore	₹ Crore
Marico Limited, India	Parent company	Purchase of RM, PM and FG	1,351,764,811	**153,267,190**	104,628,380	110.03	**12.48**	8.84
		Purchase of Assets	7,413,325	**–**	–	0.60	**–**	–
		Royalty	65,561,325	**134,901,377**	139,398,614	5.34	**10.98**	11.78
		Bank guarantee commission	–	**–**	8,893,986	–	**–**	0.75
		Dividend	1,417,500,000	**–**	–	115.38	**–**	–
		General and technical assistance fees	54,071,433	**136,302,429**	117,849,181	4.40	**11.10**	9.96
Marico Middle East FZE	Subsidiary of parent company	Purchase of raw materials	819,303,763	**90,381,891**	57,604,021	66.69	**7.36**	4.87

27 Capacity

Major product	Unit of measure	Installed Capacity
PCNO	KL	22,450
VAHO	KL	10,600
Copra	Ton	50,500

28 Operating leases – leases as lessee

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Non–cancellable operating lease rentals are payable as follows:				
No later than one year	**1,840,000**	1,635,000	**0.15**	0.14
Between two and five years	**5,520,000**	5,995,000	**0.45**	0.51
More than five years	**–**	–	**–**	–
	7,360,000	**7,630,000**	**0.60**	**0.65**

The Company leases a number of warehouses, deposits and sales offices facilities under cancellable operating leases. During the year, an amount of BDT 1,710,000 was recognised relating to non-cancellable operating lease.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

29 Commitment

(i) Capital commitment

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Estimated amount of contracts remaining to be executed on capital account	**39,831,095**	166,565,101	**3.24**	14.07

(ii) Other commitment

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Outstanding L/C	**493,308,632**	395,857,230	**40.16**	33.45

L/C amount for import of raw material, packing materials and finished goods which were not received till the reporting date.

30 Contingent Liabilities

The Company has contingent liability of Taka 1,390,016,048 (Crs : 113.15) as on 31 March 2017 in respect of indirect tax (VAT) and workers' profit participation & welfare fund. These are being vigorously defended by the Company. The management does not consider that it is appropriate to make provision in respect of any of these claims.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

31 Financial instruments – Fair values and financial risk management

31.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March, 2017

Figures in Taka

Particulars	Note	Carrying amount								Fair value			
		Held for trading	Designated at fair value	Fair value - hedging instruments	Held -to- maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value		–	–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–	–
Financial assets not measured at fair value													
Fixed deposits	11.1	–	–	–	1,298,082,672	–	–	–	1,298,082,672	–	–	–	–
Accrued interest	11				10,505,128				10,505,128	–	–	–	–
Security deposits	7 & 11	–	–	–	–	2,764,000	–	–	2,764,000	–	–	–	–
Loan to employees	7 & 11	–	–	–	–	10,450,221		–	10,450,221	–	–	–	–
Cash and cash equivalents	12	–	–	–		166,833,748	–	–	166,833,748	–	–	–	–
		–	**–**	**–**	**1,308,587,800**	**180,047,969**	**–**	**–**	**1,488,635,769**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value		–	–	–	–	–	–	–	–	–	–	–	
		–	–	–	–	–	–	–	–	–	–	–	–
Financial liabilities not measured at fair value													
Trade and other payables	16	–	–	–	–	–	–	1,740,557,065	1,740,557,065	–	–	–	–
		–	–	–	–	–	–	1,740,557,065	1,740,557,065	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

31 March, 2016

Figures in Taka

Particulars	Note	Carrying amount								Fair value			
		Held for trading	Designated at fair value	Fair value - hedging instruments	Held -to- maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value		–	–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–	–
Financial assets not measured at fair value													
Fixed deposits	11.1	–	–	–	847,797,172	–	–	–	847,797,172	–	–	–	–
Accrued interest	11	–	–	–	13,458,959	–	–	–	13,458,959	–	–	–	–
Security deposits	7 & 11	–	–	–	–	2,730,000	–	–	2,730,000	–	–	–	–
Loan to employees	7 & 11	–	–	–	–	3,713,887	–	–	3,713,887	–	–	–	–
Cash and cash equivalents	12	–	–	–	–	480,524,575	–	–	480,524,575	–	–	–	–
		–	**–**	**–**	**861,256,131**	**486,968,462**	**–**	**–**	**1,348,224,593**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value		–	–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–	–
Financial liabilities not measured at fair value		–	–	–	–	–	–	–	–	–	–	–	–
Trade and other payables	16	–	–	–	–	–	–	1,323,944,886	1,323,944,886	–	–	–	–
		–	–	–	–	–	–	1,323,944,886	1,323,944,886	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

31 Financial instruments– Fair values and financial risk management

31.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March, 2017

₹ in Crore

Particulars	Note	Carrying amount								Fair value			
		Held for trading	Designated at fair value	Fair value - hedging instruments	Held -to- maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value		–	–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–	–
Financial assets not measured at fair value													
Fixed deposits	11.1	–	–	–	105.66	–	–	–	105.66	–	–	–	–
Accrued interest	11	–	–	–	0.86	–	–	–	0.86	–	–	–	–
Security deposits	7 & 11	–	–	–	–	0.22	–	–	0.22	–	–	–	–
Loan to employees	7 & 11	–	–	–	–	0.85	–	–	0.85	–	–	–	–
Cash and cash equivalents	12	–	–	–	–	13.58	–	–	13.58	–	–	–	–
		–	**–**	**–**	**106.52**	**14.65**	**–**	**–**	**121.17**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value		–	–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–	
Financial liabilities not measured at fair value		–	–	–	–	–	–	–	–	–	–	–	–
Trade and other payables	16	–	–	–	–	–	–	141.68	141.68	–	–	–	–
		–	–	–	–	–	–	141.68	141.68	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

31 March, 2016

₹ in Crore

Particulars	Note	Carrying amount								Fair value			
		Held for trading	Designated at fair value	Fair value - hedging instruments	Held -to- maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value		–	–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–	–
Financial assets not measured at fair value													
Fixed deposits	11.1	–	–	–	71.64	–	–	–	71.64	–	–	–	–
Accrued interest	11	–	–	–	1.14	–	–	–	1.14	–	–	–	–
Security deposits	7 & 11	–	–	–	–	0.23	–	–	0.23	–	–	–	–
Loan to employees	7 & 11	–	–	–	–	0.32	–	–	0.32	–	–	–	–
Cash and cash equivalents	12	–	–	–	–	40.60	–	–	40.60	–	–	–	–
		–	**–**	**–**	**72.78**	**41.15**	**–**	**–**	**113.93**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value		–	–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–	–
Financial liabilities not measured at fair value		–	–	–	–	–	–	–	–	–	–	–	–
Trade and other payables	16	–	–	–	–	–	–	111.87	111.87	–	–	–	–
		–	–	–	–	–	–	111.87	111.87	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

31.2 Financial risk management

The Company management has overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks from its use of financial instruments-

- Credit risk
- Liquidity risk
- Market risk

31.2.1 Credit risk

Credit risk is the risk of financial loss if a customer or counterpart to a financial instrument fails to meet its contractual obligation which arises principally from the Company's receivables from customers.

The Company makes sales on advance basis i.e. it receives advance from customers prior to sale so there is no credit risk due to uncollectibility from the customers. However, the Company maintains most of the financial assets with short-term deposits and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Financial assets	Note	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
		Taka	Taka	₹ Crore	₹ Crore
Fixed deposits	11.1	**1,298,082,672**	847,797,172	**105.66**	71.64
Accrued interest	11	**10,505,128**	13,458,959	**0.86**	1.14
Security deposits	7 & 11	**2,764,000**	2,730,000	**0.22**	0.23
Loans to employees	7 & 11	**10,450,221**	3,713,887	**0.85**	0.32
Cash and cash equivalents	12	**166,833,748**	480,524,575	**13.58**	40.60
Total financial assets		**1,488,635,769**	**1,348,224,593**	**121.17**	**113.93**

31.2.2 Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The contractual maturities of financial liabilities of the Company are as follows:

<table>
<tr><th colspan="3"></th><th colspan="3">Contractual cash flows</th><th></th><th colspan="3">Contractual cash flows</th></tr>
<tr><th rowspan="2">Year</th><th>Note</th><th>Carrying amount</th><th>Total</th><th>Upto 1 year</th><th>Above 1 year</th><th>Carrying amount</th><th>Total</th><th>Upto 1 year</th><th>Above 1 year</th></tr>
<tr><th></th><th>Taka</th><th>Taka</th><th>Taka</th><th>Taka</th><th>₹ Crore</th><th>₹ Crore</th><th>₹ Crore</th><th>₹ Crore</th></tr>
<tr><td>2017</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Trade and other payables</td><td>16</td><td>1,740,557,065</td><td>1,740,557,065</td><td>1,740,557,065</td><td>–</td><td>141.68</td><td>141.68</td><td>141.68</td><td>–</td></tr>
<tr><td>2016</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Trade and other payables</td><td>16</td><td>1,323,944,886</td><td>1,323,944,886</td><td>1,323,944,886</td><td>–</td><td>111.87</td><td>111.87</td><td>111.87</td><td>–</td></tr>
</table>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

31.2.3 Market risk

Market risk is the risk that includes changes in market price, such as foreign exchange rate, interest rates and equity prices that may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Company's exposures to foreign currency risk at 31 March, 2017 are as follows:

Particulars	2017	2016	2017	2016
	US Dollar	US Dollar	₹ Crore	₹ Crore
Import of goods and services	**(5,152,613)**	(3,619,307)	**(33.41)**	(23.98)
Bank balance	**79,805**	84,597	**0.52**	0.56
	(5,072,809)	**(3,534,710)**	**(32.90)**	**(23.42)**

The following significant exchange rates have been applied during the year:

Particulars	Average rate		Year-end spot rate	
	2017	2016	2017	2016
Exchange rate (USD/BDT)	**78.57**	78.12	**79.71**	78.38
Exchange rate (USD/INR)	**67.07**	65.43	**64.85**	66.25

ii) Foreign exchange rate sensitivity analysis

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies.

A 1% change in foreign exchange rates would have increased/(decreased) equity and profits or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

Particulars	Profit/(loss)		Equity	
	Strengthening	Weakening	Strengthening	Weakening
Effect in BDT				
31 March, 2017				
USD (1% movement)	(4,043,282)	4,043,282	(4,043,282)	4,043,282
31 March, 2016				
USD (1% movement)	(2,770,329)	2,770,329	(2,770,329)	2,770,329
Effect in INR				
31 March, 2017				
USD (1% movement)	(21.00)	21.00	(21.00)	21.00
31 March, 2016				
USD (1% movement)	(16.00)	16.00	(16.00)	16.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

iii) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates. The Company is not exposed to fluctuations in interest rates as it has no floating interest rate bearing financial liability as at the reporting date. The Company has not entered into any agreement involving derivative instrument at the reporting date.

As at 31st March 2017, The interest rate profit of the company's interest bearing financial instruments was:

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Fixed rate instruments				
Financial assets				
Fixed deposit receipts	**1,371,921,448**	1,398,249,415	**111.67**	118.15
Financial liabilities	–	–	–	–
Variable rate instruments				
Financial assets	–	–	–	–
Financial liabilities	–	–	–	–

32. Value of import calculated on CIF Basis

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Materials and finished goods	**2,431,319,139**	2,064,014,143	**197.91**	174.41
Capital goods	**96,801,369**	50,157,179	**7.88**	4.24
	2,528,120,508	**2,114,171,322**	**205.79**	**178.65**

33. Expenditure in foreign currency

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
General and technical assistance fees	**54,071,433**	42,769,367	**4.40**	3.61
Professional consultation fees	**14,719,725**	194,512	**1.20**	0.02
	68,791,158	**42,963,879**	**5.60**	**3.63**

34. Dividends

The Company remitted the following amounts in foreign exchange during the year to Marico Limited, India, a non-resident shareholder of the Company.

Particulars	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
	Taka	Taka	₹ Crore	₹ Crore
Final dividend for 2015-2016	**141,750,000**	–	**11.54**	–
1st interim dividend for 2016-2017	**425,250,000**	–	**34.62**	–
2nd interim dividend for 2016-2017	**850,500,000**	–	**69.23**	–
Final dividend for 2014-2015	**–**	141,750,000	**–**	11.98
1st Interim dividend for 2015-2016	**–**	850,500,000	**–**	71.87
2nd Interim dividend for 2015-2016	**–**	283,500,000	**–**	23.96
	1,417,500,000	**1,275,750,000**	**115.39**	**107.81**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

35 Capital management

For the purpose of the company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

To maintain or adjust capital structure, the Company may adjust the amount of dividend, return on capital, issue new share or obtain long term-debt. All major investment and financing decisions, as a part of its capital management, are evaluated and approved by its Board of Directors.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 2016.

36 Segment Information

MBL essentially provides similar products to customers across the country. Business activities in which it engages and the economic environments in which it operates are of similar nature. Its business is not segmented by products or geographical areas and its operating result is viewed as a whole by its management. Hence, segment information is not relevant for the Company.

37 Number of employees

The number of employees engaged for the whole period or part thereof who received a total salary of Taka 36,000 p.a. and above was 252 (previous year: 227) among them 40 employees left from Marico Bangladesh Limited and total 212 (previous year: 193) employees existed as at 31 March 2017.

38 Subsequent events

For the year ended 31 March 2017 the Board of Directors recommended final cash dividend @ 50% per share at 95th Board of Directors Meeting held on 24 April 2017.

The Company has also decided to relocate its head office in financial year 2017-18.

There is no other event identified after the statement of financial position date which might be material.

Board of Directors	Mr. Pawan Agarwal
(As on March 31, 2017)	Mr. Vivek Karve
	Mr. Rohit Jaiswal (till March 31, 2017)
	Mr. Aditya Shome (till September 1, 2016)
	Mr. Naveen Pandey (w.e.f. September 1, 2016)
	Mr. Mohammad Iqbal Chowdhury (w.e.f. September 1, 2016)
Registered Office	House-1, Road-1, Sector-1
	Uttara, Dhaka-1230, Bangladesh
Auditors	Ahmed Mashuque & Co.
	Chartered Accountants
Bankers	Standard Chartered Bank
	Citi N.A.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MBL INDUSTRIES LTD

Report on the Financial Statements

We have audited the accompanying financial statements of MBL Industries Limited ("the Company") which comprise the balance sheet as at 31 March 2017, and the profit and loss account, statement of changes in equity and statement of cash flows for the eighteen months period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2017, and of its financial performance and its cash flows for the eighteen months period then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with the applicable sections of the Companies Act, 1994 we also report that:

a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and

c) the Company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account.

Dated, 24 April 2017
Dhaka

Ahmed Mashuque & Co.
Chartered Accountants

BALANCE SHEET

As at 31, March 2017

Particulars	Note	As at March 31, 2017 Taka	As at March 31, 2016 Taka	As at September 30, 2016 Taka	As at September 30, 2015 Taka	As at March 31, 2017 ₹ Crore	As at March 31, 2016 ₹ Crore	As at September 30, 2016 ₹ Crore	As at September 30, 2015 ₹ Crore
Source of funds									
Shareholders' funds									
Share capital	**4**	1,000,000	1,000,000	1,000,000	1,000,000	0.08	0.08	0.09	0.08
Retained earnings		4,127,287	2,013,116	4,286,782	2,001,162	0.34	0.17	0.36	0.17
Total		**5,127,287**	**3,013,116**	**5,286,782**	**3,001,162**	**0.42**	**0.25**	**0.45**	**0.25**
Application of funds									
Current assets									
Interest receivable	**5**	–	–	–	291,760	–	–	–	0.02
Cash and cash equivalents	**6**	8,425,490	9,354,915	8,426,990	33,042,637	0.69	0.79	0.72	2.78
		8,425,490	**9,354,915**	**8,426,990**	**33,334,397**	**0.69**	**0.79**	**0.72**	**2.80**
Current liabilities									
Payable for expenses	**7**	963,672	620,255	657,005	580,005	0.08	0.05	0.06	0.05
Payable to holding company	**8**	–	3,609,981	–	3,609,981	–	0.31	–	0.30
Dividend payable	**9**	–	–	–	24,000,000	–	–	–	2.02
Current tax liabilities	**10**	2,334,532	2,111,563	2,483,203	2,143,249	0.19	0.18	0.21	0.18
		3,298,203	**6,341,799**	**3,140,208**	**30,333,235**	**0.27**	**0.54**	**0.27**	**2.55**
Net current assets		**5,127,287**	**3,013,116**	**5,286,782**	**3,001,162**	**0.42**	**0.25**	**0.45**	**0.25**
Total		**5,127,287**	**3,013,116**	**5,286,782**	**3,001,162**	**0.42**	**0.25**	**0.45**	**0.25**

These financial statements should be read in conjunction with the annexed notes.

Director

Director

As per our annexed report of same date.

Dated: 24 April,2017
Dhaka

Ahmed Mashuque & Co.
Chartered Accountants

Note: The exchange rate use to convert (March) Taka to ₹ 0.814 (Previous year Taka to ₹ 0.845)
The exchange rate use to convert (September) Taka to ₹ 0.850 (Previous year Taka to ₹ 0.843)

PROFIT AND LOSS ACCOUNT

For the year ended March 31, 2017

Particular	Note	For 12 months		For Extended 6 months		For Cumulative 18 months	
		1 October 2015 to 30 September 2016	1 October 2014 to 30 September 2015	1 October 2016 to 31 March 2017	1 October 2015 to 31 March 2016	1 October 2015 to 31 March 2017	1 October 2014 to 31 March 2016
		Taka	Taka	Taka	Taka	Taka	Taka
Turnover		–	–	–	–	–	–
Cost of sales		–	–	–	–	–	–
Gross profit		–	–	–	–	–	–
General and administrative expenses	11	(183,086)	(814,221)	(308,166)	(71,054)	(491,252)	(885,275)
Other income	12	3,960,792	1,463,917	–	–	3,960,792	1,463,917
Net operating profit		**3,777,706**	**649,696**	**(308,166)**	**(71,054)**	**3,469,540**	**578,642**
Net finance (expense)/ income	13	(261,368)	2,573,519	–	89,443	(261,368)	2,662,962
Net profit before income tax		**3,516,338**	**3,223,215**	**(308,166)**	**18,389**	**3,208,172**	**3,241,604**
Income tax expense							
Current tax (expense)/ income	14	(1,230,718)	(1,208,706)	148,671	(6,436)	(1,082,047)	(1,215,142)
Net profit after income tax		**2,285,620**	**2,014,509**	**(159,495)**	**11,954**	**2,126,125**	**2,026,463**

Particular	Note	For 12 months		For Extended 6 months		For Cumulative 18 months	
		1 October 2015 to 30 September 2016	1 October 2014 to 30 September 2015	1 October 2016 to 31 March 2017	1 October 2015 to 31 March 2016	1 October 2015 to 31 March 2017	1 October 2014 to 31 March 2016
		₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Turnover		–	–	–	–	–	–
Cost of sales		–	–	–	–	–	–
Gross profit		–	–	–	–	–	–
General and administrative expenses	11	(0.02)	(0.07)	(0.03)	(0.01)	(0.04)	(0.07)
Other income	12	0.34	0.12	–	–	0.32	0.12
Net operating profit		0.32	**0.05**	**(0.03)**	**(0.01)**	**0.28**	**0.05**
Net finance (expense)/ income	13	(0.02)	0.22	–	0.01	(0.02)	0.23
Net profit before income tax		**0.30**	**0.27**	**(0.03)**	**0.00**	**0.26**	**0.28**
Income tax expense							
Current tax (expense)/ income	14	(0.10)	(0.10)	0.01	0.00	(0.09)	(0.10)
Net profit after income tax		**0.20**	**0.17**	**(0.02)**	**0.00**	**0.17**	**0.18**

These financial statements should be read in conjunction with the annexed notes.

Director   Director

As per our annexed report of same date.

Dated: 24 April,2017
Dhaka

Ahmed Mashuque & Co.
Chartered Accountants

Note: The exchange rate use to convert (March) Taka to ₹ 0.814 (Previous year Taka to ₹ 0.845)
The exchange rate use to convert (September) Taka to ₹ 0.850 (Previous year Taka to ₹ 0.843)

CASH FLOWS STATEMENT

For the year ended March 31, 2017

Particulars	For 12 months		For Extended 6 months		For Cumulative 18 months		For 12 months		For Extended 6 months		For Cumulative 18 months	
	1 October 2015 to 30 September 2016	1 October 2014 to 30 September 2015	1 October 2016 to 31 March 2017	1 October 2015 to 31 March 2016	1 October 2015 to 31 March 2017	1 October 2014 to 31 March 2016	1 October 2015 to 30 September 2016	1 October 2014 to 30 September 2015	1 October 2016 to 31 March 2017	1 October 2015 to 31 March 2016	1 October 2015 to 31 March 2017	1 October 2014 to 31 March 2016
	Taka	Taka	Taka	Taka	Taka	Taka	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Cash flows from operating activities												
Net profit/(loss) before income tax	3,516,338	3,223,215	(308,167)	18,389	3,208,171	3,241,604	0.30	0.27	(0.03)	–	0.26	0.27
Decrease/(Increase) in Interest receivable	291,760	181,301	–	291,760	291760	473,061	0.02	0.02	–	0.02	0.02	0.04
(Decrease)/Increase in Payable for expenses	77,000	499,505	306,667	40,250	383,667	539,755	0.01	0.04	0.02	–	0.03	0.05
(Decrease)/Increase in Other payable	(3,609,981)	(1,463,917)	–	–	(3,609,981)	(1,463,917)	(0.31)	(0.12)	–	–	(0.29)	(0.12)
Cash generated from/(used in) operating activities	**275,117**	**2,440,104**	**(1,500)**	**350,399**	**273,617**	**2,790,503**	**0.02**	**0.21**	**(0.01)**	**0.03**	**0.02**	**0.24**
Income tax paid	(890,764)	(950,305)	–	(38,121)	(890,764)	(988,426)	(0.08)	(0.08)	–	–	(0.07)	(0.08)
Net cash generated from/(used in) operating activities	(615,647)	1,489,799	(1,500)	312,278	(617,147)	1,802,077	(0.06)	0.13	(0.01)	0.03	(0.05)	0.16
Cash flows from investing activities												
Encashment of fixed deposits	–	31,197,525	–	–	–	31,197,525	–	2.63	–	–	–	2.64
Net cash generated from investing activities	–	31,197,525	–	–	–	31,197,525	–	2.63	0.00	–	–	2.64
Cash flows from financing activities												
Dividend paid	(24,000,000)	–	–	(24,000,000)	(24,000,000)	(24,000,000)	(2.04)	–	–	(2.03)	(1.95)	(2.03)
Net cash used in financing activities	(24,000,000)	–	–	(24,000,000)	(24,000,000)	(24,000,000)	(2.04)	–	–	(2.03)	(1.95)	(2.03)
Net (decrease)/increase in cash and cash equivalents	(24,615,647)	32,687,324	(1,500)	(23,687,722)	(24,617,147)	8,999,602	(2.10)	2.76	0.00	(2.00)	(2.00)	0.76
Opening cash and cash equivalents	33,042,637	355,313	8,426,990	33,042,637	33,042,637	355,313	2.82	0.03	0.69	2.79	2.69	0.03
Closing cash and cash equivalents	**8,426,990**	**33,042,637**	**8,425,490**	**9,354,915**	**8,425,490**	**9,354,915**	**0.72**	**2.78**	**0.69**	**0.79**	**0.69**	**0.79**

Note: The exchange rate use to convert (March) Taka to ₹ 0.814 (Previous year Taka to ₹ 0.845)
The exchange rate use to convert (September) Taka to ₹ 0.850 (Previous year Taka to ₹ 0.843)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended March 31, 2017

Particulars	Share capital	Retained earnings	Total	Share capital	Retained earnings	Total
	Taka	Taka	Taka	₹Crore	₹Crore	₹Crore
12 Month ended on 30 September 2016						
Balance as at 01 October 2014	1,000,000	23,986,653	24,986,653	0.08	2.02	2.10
Profit for the year	-	2,014,509	2,014,509	-	0.17	0.17
Interim dividend for 2014-2015	-	(24,000,000)	(24,000,000)	-	(2.02)	(2.02)
Balance as at 30 September 2015	**1,000,000**	**2,001,162**	**3,001,162**	**0.08**	**0.17**	**0.25**
Balance as at 01 October 2015	1,000,000	2,001,162	3,001,162	0.09	0.16	0.25
Profit for the year	–	2,285,620	2,285,620	–	0.20	0.20
Balance as at 30 September 2016	**1,000,000**	**4,286,782**	**5,286,782**	**0.09**	**0.36**	**0.45**
Extended 6 Months from 01 October 2016 to 31 March 2017						
Balance as at 01 October 2015	1,000,000	2,001,162	3,001,162	0.08	0.17	0.25
Profit for the period	-	11,954	11,954	-	0.00	0.00
Balance as at 31 March 2016	**1,000,000**	**2,013,116**	**3,013,116**	**0.08**	**0.17**	**0.25**
Balance as at 01 October 2016	**1,000,000**	**4,286,782**	**5,286,782**	**0.08**	**0.36**	**0.44**
Loss for the period	-	(159,495)	(159,495)	-	(0.02)	(0.02)
Balance as at 31 March 2017	**1,000,000**	**4,127,287**	**5,127,287**	**0.08**	**0.34**	**0.42**
Cumulative 18 Months from 01 October 2015 to 31 March 2017						
Balance as at 01 October 2014	**1,000,000**	**23,986,653**	**24,986,653**	**0.08**	**2.02**	**2.10**
Profit for the period	-	2,026,463	2,026,463	-	0.18	0.18
Interim dividend for 2014-2015	-	(24,000,000)	(24,000,000)	-	(2.03)	(2.03)
Balance as at 31 March 2016	**1,000,000**	**2,013,116**	**3,013,116**	**0.08**	**0.17**	**0.25**
Balance as at 01 October 2015	**1,000,000**	**2,001,162**	**3,001,162**	**0.08**	**0.17**	**0.25**
Profit for the period	-	2,126,125	2,126,125	-	0.17	0.17
Balance as at 31 March 2017	**1,000,000**	**4,127,287**	**5,127,287**	**0.08**	**0.34**	**0.42**

Note: The exchange rate use to convert (March) Taka to ₹ 0.814 (Previous year Taka to ₹ 0.845)
The exchange rate use to convert (September) Taka to ₹ 0.850 (Previous year Taka to ₹ 0.843)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1. Reporting entity

1.1 Company profile

MBL Industries Limited ("the Company") is a private limited company incorporated on 2 August 2003 in Bangladesh under the Companies Act 1994 having it's registered office at House no–1, Road no–1, Sector no–1, Uttara Model Town, Dhaka – 1230. The Company is a wholly owned subsidiary of Marico Middle East FZE (MME) which is a 100% subsidiary of Marico Limited, India.

1.2 Nature of business

The principal activities of the Company are import trading and local trading, marketing and selling of coconut oil and hair code. The main operation of the entity is discontinued since 2009. No sales has taken place for the year.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994 and other applicable laws and regulations.

2.2 Date of authorisation

The Board of Directors has authorised these financial statements on 24 April 2017

2.3 Basis of measurement

The financial statements have been prepared on historical cost basis.

2.4 Functional and presentational currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the functional currency and presentation currency of the Company. All financial information presented in Taka has been rounded off to the nearest Taka.

2.5 Reporting period

"The Company presented the Financial Statements for the period covered

i. Twelve months from 01 October 2015 to 30 September 2016

ii. Extended six months from 01 October 2016 to 31 March 2017

iii. Eighteen months from 01 October 2015 to 31 March 2017

The Company has changed its reporting period to keep alignment with it's parent company."

2.6 Use of estimates and judgments

The preparation of the financial statements in conformity with Bangladesh Financial Reporting Standards, requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

2.7 Statement of cash flows

Statement of cash flows has been prepared in accordance with the BAS 7: Statement of cash flows under indirect method.

2.8 Going concern

The financial statements have been prepared on a going concern basis, which means the Company will be able to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

MBL Industries Ltd. has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available by it. The directors consider that this will enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Based on this undertakings the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

3. Significant accounting policies

The accounting policies set below have been applied consistently to all periods presented in these financial statements.

3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.1.1 Financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Short term investment

Short term investment consists of fixed deposits with original maturity of more than three months. The Company has the positive intent and ability to hold FDR to maturity, and such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and fixed deposits original maturities of three months or less. Cash comprises cash at bank which are available for use by the Company without any restriction. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.1.2 Financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies financial liabilities into the other financial liabilities (liabilities carried at amortised cost) category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities include payable for expenses, payable to holding company, dividend payable and other payable.

3.2 Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

3.3 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net off any tax effects.

Paid up capital represents total amount of shareholders capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time.

3.4 Taxation

Income tax expenses comprises of current tax which is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in equity.

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3.5 General

Previous year's figures and account titles in the financial statements have been rearranged, where necessary, to conform to current year's presentation along with the explanatory notes, if material.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

4. Share capital

Particulars	31-March-17 Taka	31-March-16 Taka	31-March-17 ₹ Crore	31-March-16 ₹ Crore
Authorized:				
1,000,000 Ordinary shares of Tk 10 each	**10,000,000**	10,000,000	**0.85**	0.84
Issued, subscribed and paid–up:				
100,000 Ordinary shares of Tk 10 each fully paid up in cash	**1,000,000**	1,000,000	**0.09**	0.08
Shareholding position of the Company is as follows				
Marico Middle East FZE (MME)	**999,960**	999,960	**0.08**	0.08
Directors (as joint holders with MME)	**40**	40	**–**	–
	1,000,000	**1,000,000**	**0.09**	**0.08**

5. Interest receivable

Particulars	31-Mar-17 Taka	31-Mar-16 Taka	30-Sep-16 Taka	30-Sep-15 Taka	31-Mar-17 ₹ Crore	31-Mar-16 ₹ Crore	30-Sep-16 ₹ Crore	30-Sep-15 ₹ Crore
Interest on fixed deposit	–	–	–	291,760	–	–	–	0.02
	–	–	–	291,760	–	–	–	0.02

6. Cash and cash equivalents

Particulars	31-Mar-17 Taka	31-Mar-16 Taka	30-Sep-16 Taka	30-Sep-15 Taka	31-Mar-17 ₹ Crore	31-Mar-16 ₹ Crore	30-Sep-16 ₹ Crore	30-Sep-15 ₹ Crore
Cash at banks:								
Standard Chartered Bank	**–**	118,352	–	119,427	**–**	0.01	–	0.01
Citibank, N.A.	**8,425,490**	9,236,563	8,426,990	48,393	**0.69**	0.78	0.72	–
	8,425,490	**9,354,915**	**8,426,990**	**167,820**	**0.69**	**0.78**	**0.72**	**0.01**
Fixed deposits with original maturity of three months or less:								
IDLC Finance Limited	**–**	–	–	32,874,817	**–**	–	–	2.78
	8,425,490	**9,354,915**	**8,426,990**	**33,042,637**	**0.69**	**0.79**	**0.72**	**2.78**

7. Payable for expenses

Particulars	31-Mar-17 Taka	31-Mar-16 Taka	30-Sep-16 Taka	30-Sep-15 Taka	31-Mar-17 ₹ Crore	31-Mar-16 ₹ Crore	30-Sep-16 ₹ Crore	30-Sep-15 ₹ Crore
Audit fees	86,250	28,750	57,500	80,500	0.01	0.00	0.01	0.01
Services	**877,422**	591,505	599,505	499,505	**0.07**	0.05	0.05	0.04
	963,672	620,255	657,005	580,005	**0.08**	0.05	0.06	0.05

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

8. Payable to holding company

Particulars	31-Mar-17 Taka	31-Mar-16 Taka	30-Sep-16 Taka	30-Sep-15 Taka	31-Mar-17 ₹ Crore	31-Mar-16 ₹ Crore	30-Sep-16 ₹ Crore	30-Sep-15 ₹ Crore
Bank guarantee commission	–	3,609,981	–	3,609,981	–	0.31	–	0.30

9. Dividend payable

Particulars	31-Mar-17 Taka	31-Mar-16 Taka	30-Sep-16 Taka	30-Sep-15 Taka	31-Mar-17 ₹ Crore	31-Mar-16 ₹ Crore	30-Sep-16 ₹ Crore	30-Sep-15 ₹ Crore
Dividend payable	–	–	–	24,000,000	–	–	–	2.02

The Board of Directors declared an interim cash dividend based on nine months period ended 30 June 2015 of Taka 240/– per share on face value of Taka 10/-.

10. Current tax liabilities

Particulars	31-Mar-17 Taka	31-Mar-16 Taka	30-Sep-16 Taka	30-Sep-15 Taka	31-Mar-17 ₹ Crore	31-Mar-16 ₹ Crore	30-Sep-16 ₹ Crore	30-Sep-15 ₹ Crore
Provision for income tax (Note 10.1)	**5,438,646**	41,208,502	42,432,784	41,202,066	**0.44**	3.48	3.60	3.47
Advance income tax (Note 10.2)	**(3,104,114)**	(39,096,938)	(39,949,581)	(39,058,817)	**(0.25)**	(3.30)	(3.39)	(3.29)
	2,334,532	**2,111,563**	**2,483,203**	**2,143,249**	**0.19**	**0.18**	**0.21**	**0.18**

10.1 Provision for tax

Particulars	31-Mar-17 Taka	31-Mar-16 Taka	30-Sep-16 Taka	30-Sep-15 Taka	31-Mar-17 ₹ Crore	31-Mar-16 ₹ Crore	30-Sep-16 ₹ Crore	30-Sep-15 ₹ Crore
Opening balance	**42,432,784**	41,202,066	41,202,066	39,993,360	**3.45**	**3.48**	**3.50**	3.38
Add: Provision made during the period	**–**	6,436	1,230,718	1,208,706	**–**	**0.00**	**0.10**	0.10
Less: Adjustment for completed assessments	**(36,845,467)**	**–**	**–**	–	**(3.00)**	**–**	**–**	–
Reversal of excess provision for completed assessment	**(148,671)**	**–**	**–**	–	**(0.01)**	**–**	**–**	–
	5,438,646	**41,208,502**	**42,432,784**	**41,202,066**	**0.44**	**3.48**	**3.60**	**3.47**

10.2 Advance income tax

Particulars	31-Mar-17 Taka	31-Mar-16 Taka	30-Sep-16 Taka	30-Sep-15 Taka	31-Mar-17 ₹ Crore	31-Mar-16 ₹ Crore	30-Sep-16 ₹ Crore	30-Sep-15 ₹ Crore
Opening balance	**39,949,581**	39,058,817	39,058,817	38,108,512	**3.25**	3.30	3.32	3.21
Add: Advance income tax paid during the period					**–**	–	–	–
TDS on interest	**–**	38,121	38,121	275,482	**–**	0.00	0.00	0.02
Tax deposited (under section 74)	**–**	–	852,643	674,823	**–**	–	0.07	0.06
Less: Adjustment for completed assessments	**(36,845,467)**	–	–	–	**(3.00)**	–	–	–
	3,104,114	**39,096,938**	**39,949,581**	**39,058,817**	**0.25**	**3.30**	**3.39**	**3.29**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

11 General and administrative expenses

Particulars	For 12 months		For Extended 6 months		For Cumulative 18 months	
	1 October 2015 to 30 September 2016	1 October 2014 to 30 September 2015	1 October 2016 to 31 March 2017	1 October 2015 to 31 March 2016	1 October 2015 to 31 March 2017	1 October 2014 to 31 March 2016
	Taka	Taka	Taka	Taka	Taka	Taka
Professional charges	80,500	660,287	**277,916**	–	**358,416**	660,287
Statutory audit fees	57,500	80,500	**28,750**	40,250	**86,250**	120,750
Bank charges	32,234	28,185	**1,500**	30,804	**33,734**	58,989
License fees	5,328	33,103	**–**	–	**5,328**	33,103
Legal fees	7,524	12,146	**–**	–	**7,524**	12,146
	183,086	**814,221**	**308,166**	**71,054**	**491,252**	**885,275**

Particulars	For 12 months		For Extended 6 months		For Cumulative 18 months	
	1 October 2015 to 30 September 2016	1 October 2014 to 30 September 2015	1 October 2016 to 31 March 2017	1 October 2015 to 31 March 2016	1 October 2015 to 31 March 2017	1 October 2014 to 31 March 2016
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Professional charges	0.01	0.06	**0.03**	–	**0.03**	0.06
Statutory audit fees	0.01	0.01	**0.00**	0.01	**0.01**	0.01
Bank charges	0.00	0.00	**0.00**	0.00	**0.00**	0.00
License fees	0.00	0.00	**–**	–	**0.00**	0.00
Legal fees	0.00	0.00	**–**	–	**0.00**	0.00
	0.02	**0.07**	**0.03**	**0.01**	**0.04**	**0.07**

12 Other income

Particulars	For 12 months		For Extended 6 months		For Cumulative 18 months	
	1 October 2015 to 30 September 2016	1 October 2014 to 30 September 2015	1 October 2016 to 31 March 2017	1 October 2015 to 31 March 2016	1 October 2015 to 31 March 2017	1 October 2014 to 31 March 2016
	Taka	Taka	Taka	Taka	Taka	Taka
Write back of expenses	–	1,463,917	**–**	–	**–**	1,463,917
Write back of bank guarantee commission	3,960,792	–	**–**	–	**3,960,792**	–
	3,960,792	**1,463,917**	**–**	**–**	**3,960,792**	**1,463,917**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Particulars	For 12 months		For Extended 6 months		For Cumulative 18 months	
	1 October 2015 to 30 September 2016	1 October 2014 to 30 September 2015	1 October 2016 to 31 March 2017	1 October 2015 to 31 March 2016	1 October 2015 to 31 March 2017	1 October 2014 to 31 March 2016
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Write back of expenses	–	0.12	**–**	–	**–**	0.12
Write back of bank guarantee commission	0.34	–	**–**	–	**0.32**	–
	0.34	**0.12**	**–**	**–**	**0.32**	**0.12**

13 Net finance (expense)/income

Particulars	For 12 months		For Extended 6 months		For Cumulative 18 months	
	1 October 2015 to 30 September 2016	1 October 2014 to 30 September 2015	1 October 2016 to 31 March 2017	1 October 2015 to 31 March 2016	1 October 2015 to 31 March 2017	1 October 2014 to 31 March 2016
	Taka	Taka	Taka	Taka	Taka	Taka
Interest on fixed deposits	89,443	2,573,519	**–**	89,443	**89,443**	2,662,962
Foreign exchange loss	(350,811)	–	**–**	–	**(350,811)**	–
	(261,368)	**2,573,519**	**–**	**89,443**	**(261,368)**	**2,662,962**

Particulars	For 12 months		For Extended 6 months		For Cumulative 18 months	
	1 October 2015 to 30 September 2016	1 October 2014 to 30 September 2015	1 October 2016 to 31 March 2017	1 October 2015 to 31 March 2016	1 October 2015 to 31 March 2017	1 October 2014 to 31 March 2016
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Interest on fixed deposits	0.01	0.22	**–**	0.01	**0.01**	0.23
Foreign exchange loss	(0.03)	–	**–**	–	**(0.03)**	–
	(0.02)	**0.22**	**–**	**0.01**	**(0.02)**	**0.23**

14 Current tax expenses

Particulars	For 12 months		For Extended 6 months		For Cumulative 18 months	
	1 October 2015 to 30 September 2016	1 October 2014 to 30 September 2015	1 October 2016 to 31 March 2017	1 October 2015 to 31 March 2016	1 October 2015 to 31 March 2017	1 October 2014 to 31 March 2016
	Taka	Taka	Taka	Taka	Taka	Taka
Current year tax expense	**1,230,718**	**1,208,706**	**(148,671)**	**6,436**	**1,082,047**	**1,215,142**

Particulars	For 12 months		For Extended 6 months		For Cumulative 18 months	
	1 October 2015 to 30 September 2016	1 October 2014 to 30 September 2015	1 October 2016 to 31 March 2017	1 October 2015 to 31 March 2016	1 October 2015 to 31 March 2017	1 October 2014 to 31 March 2016
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Current year tax expense	**0.10**	**0.10**	**(0.01)**	**0.00**	**0.09**	**0.10**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

15 Financial risk management

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Company.

15.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the statement of financial position is as follows:

Particulars	Note	2017 Taka	2016 Taka	2017 ₹Crore	2016 ₹Crore
Interest receivable	5	**–**	–	**–**	–
Cash and cash equivalents	6	**8,425,490**	9,354,915	**0.69**	0.79
		8,425,490	**9,354,915**	**0.69**	**0.79**

15.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities:

Particulars	Note	Carrying amount Taka	Contractual cash flows Taka	6 months or less Taka	6 – 12 months Taka	1 – 2 years Taka	2 – 5 years Taka	More than 5 years Taka
As at 31 March 2017								
Payable for expenses	7	963,672	963,672	963,672	–	–	–	–
Payable to holding company	8	–	–	–	–	–	–	–
Dividend payable	9	**–**	**–**	**–**	**–**	**–**	**–**	**–**
		963,672	963,672	963,672	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Particulars	Note	Carrying amount Taka	Contractual cash flows Taka	6 months or less Taka	6 – 12 months Taka	1 – 2 years Taka	2 – 5 years Taka	More than 5 years Taka
As at 31 March 2016								
Payable for expenses	7	620,255	620,255	620,255	–	–	–	–
Payable to holding company	8	3,609,981	3,609,981	–	3,609,981	–	–	–
Dividend payable	9	–	–	–	–	–	–	–
		4,230,236	**4,230,236**	**620,255**	**3,609,981**	**–**	**–**	**–**

Particulars	Note	Carrying amount ₹ Crore	Contractual cash flows ₹ Crore	6 months or less ₹ Crore	6 – 12 months ₹ Crore	1 – 2 years ₹ Crore	2 – 5 years ₹ Crore	More than 5 years ₹ Crore
As at 31 March 2017								
Payable for expenses	7	0.08	0.08	0.08	–	–	–	–
Payable to holding company	8	–	–	–	–	–	–	–
Dividend payable	9	–	–	–	–	–	–	–
		0.08	**0.08**	**0.08**	**–**	**–**	**–**	**–**

Particulars	Note	Carrying amount ₹ Crore	Contractual cash flows ₹ Crore	6 months or less ₹ Crore	6 – 12 months ₹ Crore	1 – 2 years ₹ Crore	2 – 5 years ₹ Crore	More than 5 years ₹ Crore
As at 31 March 2016								
Payable for expenses	7	0.05	0.05	0.05	–	–	–	–
Payable to holding company	8	0.31	0.31	–	0.31	–	–	–
Dividend payable	9	–	–	–	–	–	–	–
		0.36	**0.36**	**0.05**	**0.31**	**–**	**–**	**–**

15.3 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

15.3.1 Currency risk

The Company is not exposed to any currency risk as the payable to holding company is denominated in a currency which is the functional currency of the Company. The Company has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 30 September 2016.

15.3.2 Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. The Company has no loans which may be significantly affected by fluctuations in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

16 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

17 Accounting classification and fair values

Fair value of financial assets and liabilities together with carrying amount shown in the balance sheet are as follows:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
	Taka	Taka	Taka	Taka
Financial assets				
Assets carried at fair value through profit or loss	–	–	–	–
Held to maturity assets	–	–	–	–
Loans and receivables				
Interest receivable	–	–	–	–
Cash and cash equivalents	8,425,490	8,425,490	9,354,915	9,354,915
Available for sale financial assets	–	–	–	–
Financial liabilities				
Liabilities carried at fair value through profit or loss	–	–	–	–
Liabilities carried at amortised costs				
Payable for expenses	963,672	N/A*	620,255	N/A*
Payable to holding company	–	N/A*	3,609,981	N/A*
Dividend payable	–	N/A*	–	N/A*

* Determination of fair value is not required as per the requirements of BFRS 7: Financial Instruments: Disclosures (ref: Para 29). However, fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Particulars	As at 31 March 2017		As at 31 March 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Financial assets				
Assets carried at fair value through profit or loss	–	–	–	–
Held to maturity assets	–	–	–	–
Loans and receivables				
Interest receivable	–	–	–	–
Cash and cash equivalents	0.69	0.69	0.79	0.79
Available for sale financial assets	–	–	–	–
Financial liabilities				
Liabilities carried at fair value through profit or loss	–	–	–	–
Liabilities carried at amortised costs				
Payable for expenses	0.08	N/A*	0.05	N/A*
Payable to holding company	–	N/A*	0.31	N/A*
Dividend payable	–	N/A*	–	N/A*

18 Number of employees

MBL Industries Limited has no employee since July 2009. The employees of Marico Bangladesh Limited provide support for continuing its operations. Preparation and presentation of the financial statements was also done by the employees of Marico Bangladesh Limited.

19 Capital expenditure commitment

There is no such commitment as at 31 March 2017.

20 Events after the reporting period

For the period ended 31 March 2017 the Board of Directors recommended cash dividend @ 400% per share at the Board of Directors Meeting held on 24 April 2017.

There is no other event identified after the statement of financial position date which might be material.

MARICO MIDDLE EAST FZE

Board of Directors	Mr. Vivek Karve
(As on March 31, 2017)	Mr. Sridhar Balakrishnan (till June 10, 2016)
	Mr. Rohit Jaiswal (till March 31, 2017)
	Mr. Saugata Gupta (w.e.f. August 29, 2016)
	Mr. Ashish Modak (w.e.f. August 29, 2016)
Secretary, Manager & Negotiator	Mr. Rohit Jaiswal (till March 31, 2017)
Registered Office	Office No. LOB 15326, Jebel Ali, Dubai, UAE
Auditors	M/s. Price Waterhouse Coopers, Dubai
Bankers	Standard Chartered Bank
	HSBC Bank
	Citibank NA
	Pt. Bank Mandiri (Persero) TBK, Indonesia

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF MARICO MIDDLE EAST FZE

Report on the audit of the financial statements

Our qualified opinion

In our opinion, except for the effects of the matter described in the basis for qualified opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Marico Middle East FZE (the "Company") as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 March 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for qualified opinion

The financial information of the Company and its subsidiaries is consolidated into the ultimate holding company which prepares financial statements in accordance with Indian Generally Accepted Accounting Principles ("IGAAP"). These financial statements, prepared for statutory filing purposes, relate to the Company only and do not consolidate the financial position, results of operations and cash flows of its subsidiaries. This is a departure from the requirements of IFRS 10, 'Consolidated Financial Statements' and clause 96 of the The Jebel Ali Free Zone Companies Implementing Regulations 2016, which requires an entity that controls one or more other entities to present consolidated financial statements.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Emphasis of matter

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of AED 8,637,479 during the year ended 31 March 2017 and, as of that date, the Company's current liabilities exceeded its current assets by AED 95,931,821. As stated in Note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the financial statements

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF MARICO MIDDLE EAST FZE

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

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

Report on other legal and regulatory requirements

Further, we report that the financial statements of the Company comply, in all material respects, with the applicable provisions of the Jebel Ali Free Zone Companies Implementing regulations 2016.

PricewaterhouseCoopers
23 May, 2016

Paul Suddaby
Registered Auditor Number 309
Dubai, United Arab Emirates

BALANCE SHEET

As at March 31, 2017

Particulars	Note	As at March 31, 2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
ASSETS					
Non-current assets					
Equipment and vehicles	6	94,053	166,403	0.17	0.30
Investments in subsidiaries	7	422,294	422,294	0.75	0.76
		516,347	**588,697**	**0.91**	**1.06**
Current assets					
Inventories		241,815	1,420,873	0.43	2.56
Trade and other receivables	8	22,280,325	32,404,190	39.34	58.45
Advance to subsidiary	9	2,017,000	3,302,550	3.56	5.96
Due from related parties	10	4,493,556	2,756,732	7.93	4.97
Cash and bank balances	11	1,761,172	91,676	3.11	0.17
		30,793,868	**39,976,021**	**54.37**	**72.10**
Total assets		**31,310,215**	**40,564,718**	**55.28**	**73.18**
EQUITY AND LIABILITIES					
EQUITY					
Capital and reserves					
Share capital	12	22,000,000	22,000,000	38.84	39.68
Accumulated losses		(118,873,911)	(110,236,432)	(209.88)	(180.31)
Net deficit		**(96,873,911)**	**(88,236,432)**	**(171.04)**	**(159.15)**
LIABILITIES					
Non-current liability					
Provision for employees' end of service benefits	13	1,458,437	1,238,794	2.58	2.23
Current liabilities					
Trade and other payables	14	39,187,803	44,740,762	69.19	80.71
Due to related parties	10	16,302,518	15,093,556	28.78	27.22
Bank borrowings	15	71,235,368	67,728,038	125.77	122.16
		126,725,689	**127,562,356**	**223.75**	**230.09**
Total liabilities		**128,184,126**	**128,801,150**	**226.32**	**232.33**
Total equity and liabilities		**31,310,215**	**40,564,718**	**55.28**	**73.18**

These financial statements were approved by the Board of Directors on ………………… and signed on their behalf by:

Ashish Modak
Director

Prasad Shinde
Financial Manager

The exchange rate use to convert AED to ₹17.656 (Previous year AED to ₹ 18.037)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended March 31, 2017

Particulars		Year ended March 31,			
	Note	**2017**	**2016**	**2017**	**2016**
		AED	**AED**	**₹ Crore**	**₹ Crore**
Revenue		107,353,383	167,176,552	189.54	301.54
Other income		256,084	164,356	0.45	0.30
		107,609,467	**167,340,908**	**190.00**	**301.83**
Expenses					
Cost of inventories consumed		(69,371,074)	(118,830,147.)	(122.48)	(214.33)
Staff costs	16	(11,128,219)	(11,557,005)	(19.65)	(20.85)
Depreciation expense	6	(91,934)	(103,865)	(0.16)	(0.19)
Dividend income	10	-	1,108,830.	-	2.00
Other expenses	17	(34,573,304)	(41,477,198)	(61.04)	(74.81)
Operating loss		**(7,555,064)**	**(3,518,477)**	**(13.34)**	**(6.35)**
Finance costs	18	(1,082,415)	(755,614)	(1.91)	(1.36)
Loss for the year		**(8,637,479)**	**(4,274,091)**	**(15.25)**	**(7.71)**
Other comprehensive income		–	–	–	–
Total comprehensive loss for the year		**(8,637,479)**	**(4,274,091)**	**(15.25)**	**(7.71)**

The exchange rate use to convert AED to ₹17.656 (Previous year AED to ₹ 18.037)

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2017

Particulars	Share capital AED	Accumulated losses AED	Total AED	Share capital ₹ Crore	Accumulated losses ₹ Crore	Total ₹ Crore
At 1 April, 2015	22,000,000	(105,962,341)	**(83,962,341)**	37.44	(180.31)	**(142.87)**
Total comprehensive loss for the year	-	(4,274,091)	**(4,274,091)**	-	(77.09)	**(77.09)**
At 31 March, 2016	**22,000,000**	**(110,236,432)**	**(88,236,432)**	**39.68**	**(198.83)**	**(159.15)**
Total comprehensive loss for the year	-	(8,637,479)	**(8,637,479)**	0	(15.25)	**(15.25)**
At 31 March, 2017	**22,000,000**	**(118,873,911)**	**(96,873,911)**	**38.84**	**(209.88)**	**(171.04)**

The exchange rate use to convert AED to ₹17.656 (Previous year AED to ₹ 18.037)

STATEMENT OF CASH FLOWS

For the year ended March 31, 2017

Particulars	Note	Year ended March 31, 2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Cash flow from operating activities					
Loss for the year		(8,637,479)	(4,274,091)	(15.25)	(7.71)
Adjustments for:					
Depreciation	6	91,934	103,865	0.16	0.19
Loss on sale of equipment and vehicles		598	49	0.00	0.00
Provision for employees' end of service benefits	13	446,496	492,720	0.79	0.89
Finance costs	19	1,082,415	755,614	1.91	1.36
Operating cash flows before payment of employees' end of service benefits and changes in working capital		(7,016,036)	(2,921,843)	(12.39)	(5.27)
Payment of employees' end of service benefits	13	(226,853)	(110,990)	(0.40)	(0.20)
Changes in working capital:				-	-
Inventories		1,179,058	(1,153,868)	2.08	(2.08)
Trade and other receivables		10,123,865	(9,719,602)	17.87	(17.53)
Due to related parties		1,208,962	3,649,764	2.13	6.58
Due from related parties		(1,736,824)	2,974,191	(3.07)	5.36
Trade and other payables		(5,552,959)	6,773,349	(9.80)	12.22
Net cash used in operating activities		(2,020,787)	(508,999)	(3.57)	(0.92)
				-	-
Cash flows from investing activities				-	-
Purchase of equipment and vehicles	6	(20,182)	(170,299)	(0.04)	(0.31)
Repayment of advance by subsidiary		1,285,550	3,305,700	2.27	5.96
Net cash generated from investing activities		1,265,368	3,135,401	2.23	5.66
				-	-
Cash flows from financing activities				-	-
Repayment of term loan		-	(5,503,500)		(9.93)
Interest paid		(1,082,415)	(755,614)	(1.91)	(1.36)
Net cash used in financing activities		(1,082,415)	(6,259,114)	(1.91)	(11.29)
				-	-
Net decrease in cash and cash equivalents		**(1,837,834)**	**(3,632,712)**	**(3.24)**	**(6.55)**
Cash and cash equivalents, beginning of the year		(16,208,362)	(12,575,650)	(28.62)	(22.68)
Cash and cash equivalents, end of the year	11	**(18,046,196)**	**(16,208,362)**	**(31.86)**	**(29.24)**

The exchange rate use to convert AED to ₹17.656 (Previous year AED to ₹ 18.037)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1 Legal status and activities

Marico Middle East FZE (“the company”) was incorporated in the Jebel Ali Free Zone on 8 November, 2005 as a Free Zone Establishment and operates under a trade license issued by the Jebel Ali Free Zone Authority. The registered address of the company is PO Box 50394, Dubai, United Arab Emirates.

The principal activity of the company is the trading of beauty and personal care, hair care, food and health care products, dried vegetables and fruits. The company is a wholly owned subsidiary of Marico Limited (“the parent company” or “the ultimate holding company”), a company incorporated in India and listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

2 Going concern

The company incurred a net loss of AED 8,637,479 (2016: AED 4,274,091) during the year ended 31 March 2017. Also as at 31 March 2017, the company had net current liabilities of AED 95,931,821 (2016: AED 87,586,335) and negative equity of AED 96,873,911 (2016: AED 88,236,432). The ability of the company to continue as a going concern is contingent on the continued support of the parent company, who have confirmed that it is their intention to continue to provide financial support to the company for a period of at least twelve months from the date of approval of these financial statements, to enable the company both to meet its obligations as they fall due and to carry on its business without a significant curtailment of its operations. Accordingly, these financial statements have been prepared on a going concern basis.

3 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (“IFRSs”) and IFRS Interpretation Committee (“IFRS IC”) applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The company has prepared these separate financial statements for statutory filing purposes. These financial statements, however, do not include the results of the operations and the assets and liabilities of its subsidiaries (Note 7) which is a departure from the requirements of the International Financial Reporting Standard 10, “Consolidated Financial Statements” (”IFRS 10”). The financial information of the company and its subsidiaries is consolidated into the ultimate holding company which prepares financial statements in accordance with Indian Generally Accepted Accounting Principles (“IGAAP”). However, the exemption from preparing consolidated financial statements included in IFRS 10 is not applicable since the ultimate holding company prepares consolidated financial statements in accordance with IGAAP and not IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

(a) New amendments to standards adopted by the company;

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2016:

- IAS 16, 'Property, plant and equipment' (amendment), (effective from 1 January 2016);
- IAS 38, 'Intangible assets' (amendment), (effective from 1 January 2016);
- IAS 1, 'Presentation of financial statements' (amendment), (effective from 1 January 2016); and
- IAS 19, 'Employee Benefits' (amendment), (effective from 1 January 2016).

The above standards and amendments do not have a material impact on the financial statements. There are no other IFRSs or IFRIC interpretations that are effective and would be expected to have a material impact on the company.

(b) New standards and amendments to standards not yet adopted by the company;

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below:

- IFRS 16, 'Leases', (effective from 1 January 2019);
- IAS 7, 'Cash flow statement'(amendment), (effective from 1 January 2017);
- IFRS 9, 'Financial instruments' (effective from 1 January 2018); and
- IFRS 15, 'Revenue from contracts with customers' (effective from 1 January 2018).

Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the company's financial statements for the year beginning 1 April 2017 or as and when they are applicable. The adoption of these new standards, interpretations and amendments, except for IFRS 15, are not expected to have a material impact on the financial statements of the company in the period of initial application.

3.2 Equipment and vehicles

Equipment and vehicles is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to acquisition of the items. 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 item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced asset is derecognised. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation is computed using the straight line method at rates calculated to reduce the cost of assets to their estimated residual values over their expected useful lives, as follows:

	Years
Equipment	3
Fixture and fittings	8
Motor vehicles	10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

3.3 Investments in subsidiaries

Subsidiaries are all entities over which the company has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are stated at cost less provision for any impairment in value.

3.4 Impairment of non–financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash–generating units). Non–financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.5 Financial assets

The classification of financial assets depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The company currently classifies its financial assets as loans and receivables.

(a) Loans and receivables

Loans and receivables are non–derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non–current assets. The company's loans and receivables comprise trade and other receivables (excluding prepayments and advances to suppliers) (Note 8), due from related parties (Note 10), advance to a subsidiary (Note 9) and cash and bank balances (Note 11).

(b) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade–date, the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. The amortised cost is computed using the effective interest method.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or counterparty.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

(d) Impairment of financial assets

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If a loan or held–to–maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

3.6 Trade receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non–current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first–in first–out (FIFO) method and includes all costs incurred in acquiring the inventories and bringing them to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less variable selling expenses, if any.

3.8 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

3.9 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

3.10 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non–current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.11 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.12 Provision for employees' benefits

A provision is made for the estimated liability for employees' entitlements to annual leave and leave passage as a result of services rendered by the employees up to the balance sheet date. A provision is also made, using actuarial techniques, for the end of service benefits due to employees in accordance with UAE labour law and labour regulations of Jebel Ali Free Zone Authority.

The provision relating to annual leave and leave passage is included in trade and other payables, while that relating to employees' end of service benefits is disclosed as a non–current liability.

3.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts and returns. The company recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity, and when specific criteria have been met, for each of the company's activities as described below. The company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

(a) **Sales of goods – wholesale distributors**

The company sells a range of consumer goods in the wholesale market. Sales of goods are recognised when the goods are shipped to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products.

(b) **Interest income**

Interest income is recognised on a time proportion basis using the effective interest method.

3.14 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in UAE Dirhams ("AED"), which is the company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year–end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

3.15 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash on hand, amounts held in bank accounts and bank overdrafts. In balance sheet, bank overdrafts are shown within borrowings in current liabilities.

3.16 Leases

Leases in which significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight–line basis over the period of the lease.

3.17 Share capital

Ordinary shares are classified as equity.

4 Financial risk management

4.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

(a) Market risk

(i) Foreign exchange risk

The company does not have any significant foreign currency exposure, as a significant proportion of the revenue and purchases are denominated in USD or in AED. The company does not have a significant foreign currency exposure with respect to the US Dollar ('USD') as the UAE Dirham (AED) is pegged to USD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all the instruments traded in the market. The company has no significant exposure to price risk.

(iii) Cash flow and fair value interest rate risk

The company is exposed to interest rate risk on its interest bearing assets and liabilities. Borrowings at variable rates expose the company to cash flow interest rate risk. The company is not exposed to fair value interest rate risk because there are no borrowings at fixed rates.

The table below indicates the interest rate exposure on borrowings with variable interest rates at 31 March 2017 and 2016. The analysis calculates the effect on the statement of comprehensive income of a reasonably possible movement in interest rate.

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Interest cost				
+ 100 basis points	**712,354**	677,280	**1.26**	1.22
– 100 basis points	**(712,354)**	(677,280)	**(1.26)**	(1.22)

(b) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from credit exposure to customers, amounts due from related parties and cash and cash equivalents.

The maximum exposure to credit risk at the reporting date represented by the carrying amounts of the financial assets classified as 'loans and receivables' is set out below:

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Trade and other receivables (excluding prepayments and advances to suppliers)	**21,893,471**	30,825,597	**38.66**	55.60
Advances to a subsidiary	**2,017,000**	3,302,550	**3.56**	5.96
Due from related parties	**4,493,556**	2,756,732	**7.93**	4.97
Cash and bank balances	**1,761,172**	91,676	**3.11**	0.17
	30,165,199	**36,976,555**	**53.26**	**66.69**

Management does not expect any losses from non-performance of the carrying amounts of the financial assets. The credit quality of trade receivables is disclosed in Note 8.

Banking transactions are limited to branches of reputed local and international banks.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

The table below shows the credit quality of cash and bank balances with external counterparties at the balance sheet date:

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Cash at bank with credit rating (Moody's)				
A2	**1,696,780**	48,895	**3.00**	0.09
Baa2	**12,202**	7,782	**0.02**	0.01
Baa3	**25,518**	16,558	**0.05**	0.03
Cash on hand	**26,672**	18,441	**0.05**	0.03
Total	**1,761,172**	**91,676**	**3.11**	**0.17**

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The company maintains flexibility in funding by keeping committed credit lines available.

The table below analyses the company's financial liabilities classified as 'other liabilities' into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

Particulars	Carrying amount AED	Contractual cash flows AED	Less than 1 year AED	Carrying amount ₹ Crore	Contractual cash flows ₹ Crore	Less than 1 year ₹ Crore
At 31 March, 2017						
Trade and other payables	39,187,803	39,187,803	39,187,803	69.19	69.19	69.19
Due to related parties	16,302,518	16,302,518	16,302,518	28.78	28.78	28.78
Bank borrowings	71,235,368	71,738,450	71,738,450	125.77	126.66	126.66
	126,725,689	**127,228,771**	**127,228,771**	**223.75**	**224.64**	**224.64**

Particulars	Carrying amount AED	Contractual cash flows AED	Less than 1 year AED	Carrying amount ₹ Crore	Contractual cash flows ₹ Crore	Less than 1 year ₹ Crore
At 31 March, 2016						
Trade and other payables	44,740,762	44,740,762	44,740,762	80.70	80.70	80.70
Due to related parties	15,093,556	15,093,556	15,093,556	27.22	27.22	27.22
Bank borrowings	67,728,038	68,648,684	68,648,684	122.16	123.82	123.82
	127,562,356	**128,483,002**	**128,483,002**	**230.08**	**231.74**	**231.74**

(d) Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns to its shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may raise cash calls from its existing shareholder to increase or decrease its share capital.

The company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by shareholder's funds. Net debt represents 'bank borrowings' less 'cash and bank balances' as shown in the balance sheet. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Total borrowings (Note 15)	**71,235,368**	67,728,038	**125.77**	122.16
Cash and bank balances (Note 11)	**(1,761,172)**	(91,676)	**(3.11)**	(0.17)
Net debt	**69,474,196**	**67,636,362**	**122.66**	**122.00**
Total equity	**(96,873,911)**	(88,236,432)	**(171.04)**	(159.15)
Total shareholder's funds	**(27,399,715)**	**(20,600,070)**	**(48.38)**	**(37.16)**
Gearing ratio	**-254%**	**-328%**	**-254%**	**-328%**

4.2 Fair value estimation

At 31 March 2017 and 2016, financial assets and liabilities of the company approximate their fair values as none of them are non-current and the impact of discounting is considered immaterial.

5 Critical accounting estimates and judgements

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

5.1 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The company's estimates and assumptions that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year are as follows;

(a) **Impairment of investments in subsidiaries**

The company follows the guidance of IAS 39 to determine when an investment in a subsidiary is impaired. This determination requires significant judgement. In making this judgement, the company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

6 Equipment and vehiclies

Particulars	Equipments, fixture and fittings AED	Motor vehicles AED	Capital Work in Progress AED	Total AED
Cost				
At 1 April 2015	792,768	88,171	10,220	**891,159**
Additions	170,299	-	-	**170,299**
Transfer	10,220	-	(10,220)	**-**
Disposals	**(608,393)**	**-**	**-**	**(608,393)**
At 31 March 2016	364,894	88,171	-	**453,065**
Additions	20,182	-	-	**20,182**
Disposals	(4,960)	-	-	**(4,960)**
At 31 March 2017	**380,116**	**88,171**	**-**	**468,287**
Accumulated depreciation				
At 1 April 2015	738,455	52,686	-	**791,141**
Charge of the year	91,223	12,642	-	**103,865**
Disposals	(608,344)	-	-	**(608,344)**
At 31 March 2016	**221,334**	**65,328**	**-**	**286,662**
Charge of the year	79,292	12,642	-	**91,934**
Disposals	(4,362)	-	-	**(4,362)**
At 31 March 2017	**296,264**	**77,970**	**-**	**374,234**
Net book amount				
At 31 March 2017	**83,852**	**10,201**	**-**	**94,053**
At 31 March 2016	**143,560**	**22,843**	**-**	**166,403**

Particulars	Equipments, fixture and fittings ₹ Crore	Motor vehicles ₹ Crore	Capital Work in Progress ₹ Crore	Total ₹ Crore
Cost				
At 1 April 2015	1.35	0.15	0.02	**1.52**
Additions	0.31	-	-	**0.31**
Transfer	0.02	-	(0.02)	**-**
Disposals	**(1.10)**	**-**	**-**	**(1.10)**
At 31 March 2016	0.66	0.02	-	**0.82**
Additions	0.04	-	-	**0.04**
Disposals	(0.01)	-	-	**(0.01)**
At 31 March 2017	**0.67**	**0.16**	**-**	**0.83**
Accumulated depreciation				
At 1 April 2015	1.21	0.09	-	**1.30**
Charge of the year	0.16	0.02	-	**0.19**
Disposals	(1.10)	-	-	**(1.10)**
At 31 March 2016	**0.40**	**0.12**	**-**	**0.52**
Charge of the year	0.14	0.02	-	**0.16**
Disposals	(0.01)	-	-	**(0.01)**
At 31 March 2017	**0.52**	**0.14**	**-**	**0.66**
Net book amount				
At 31 March 2017	**0.15**	**0.02**	**-**	**0.17**
At 31 March 2016	**0.26**	**0.04**	**-**	**0.30**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

7 Investments in subsidiaries

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
MEL Consumer Care Company	**162,016**	162,016	**0.29**	0.29
Egypt American Investment and Industrial Development Company (EAIIDC) – Gross	**12,551,836**	12,551,836	**22.16**	22.64
Marico Malaysia SDN. BHD - Gross	**19,084,000**	19,084,000	**33.69**	34.42
MBL Industries Limited	**53,971**	53,971	**0.10**	0.10
	31,851,823	**31,851,823**	**56.24**	**57.45**
Less: Provision for impairment of investment in EAIIDC	**(12,551,836)**	(12,551,836)	**(22.16)**	(22.64)
Less: Provision for impairment of investment in Marico Malaysia SDN. BHD	**(18,877,693)**	(18,877,693)	**(33.33)**	(34.05)
Investment in subsidiaries - Net	**422,294**	**422,294**	**0.75**	**0.76**

Movement in company's provision for impairment of investments is as follows

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
At 1 April,	**31,429,529**	31,429,529	**55.49**	56.69
Provision during the year	**-**	-	**-**	-
At 31 March,	**31,429,529**	**31,429,529**	**55.49**	**56.69**

8 Trade and other receivables

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Trade receivables	**21,288,205**	29,830,992	**37.59**	53.81
Advances to suppliers	**71,831**	1,050,715	**0.13**	1.90
Prepayments	**315,023**	527,878	**0.56**	0.95
Other receivables	**605,266**	994,605	**1.07**	1.79
	22,280,325	**32,404,190**	**39.34**	**58.45**

At 31 March 2017, the company faced a concentration of credit risk with five customers (2016: four customers) accounting for 88% (2016: 92%) of trade receivables at that date. There is no history of any material default with any of these customers.

Trade receivables that are less than 60 days outstanding amounting to AED 15,730,178 (2016: AED 16,656,444), are generally not considered impaired. As of 31 March 2017, trade receivables amounting to AED 5,558,027 (2016: AED 13,174,548) were past due but not impaired.These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
60 - 90 days	**580,779**	7,470,179	**1.03**	13.47
Above 90 days	**4,977,248**	5,704,369	**8.79**	10.29
	5,558,027	**13,174,548**	**9.81**	**23.76**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

As of 31 March 2017 and 31 March 2016 none of the trade receivable balances were impaired and provided for.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

The carrying amount of trade and other receivables are either denominated in AED or USD and approximate their fair value. The company does not hold any collateral as security.

9 Advance to a subsidiary

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
MEL Consumer Care Company	**2,017,000**	3,302,550	**3.56**	5.96
	2,017,000	**3,302,550**	**3.56**	**5.96**

This represents interest free advances repayable within one year.

10 Related party transactions and balances

Related parties include the shareholder, associate, joint ventures, subsidiaries, key management personnel, directors and businesses including affiliates controlled directly or indirectly by the shareholder or over which they exercise significant management influence.

(a) Related party transactions

During the year, the following significant transactions were carried out with related parties in the ordinary course of business at mutually agreed rates:

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Purchases of goods from an affiliated company	**33,314,221**	48,663,334	**58.82**	87.77
Sale of goods to an affiliated company	**38,300,425**	79,556,337	**67.62**	143.50
Royalty expense to parent company (Note 17)	**1,660,160**	2,131,287	**2.93**	3.84
Dividend income	**-**	1,108,830		2.00
Key management remuneration (including end of service benefits of AED 38,115 (2016: AED 132,817)	**1,446,659**	2,034,007	**2.55**	3.67
Amount received/advanced - net of repayments to subsidiaries	**1,924,694**	3,305,700	**3.40**	5.96

(b) Related party balances

The company maintains significant balances with the related parties which arise in the normal course of business from transactions that are carried out at terms mutually agreed between the parties.

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Due from related parties				
Affiliates	**4,493,556**	2,756,732	**7.93**	4.97
Due to related parties				
Parent company	**16,274,544**	15,052,297	**28.73**	27.15
Affiliates	**27,974**	41,259	**0.05**	0.07
	16,302,518	**15,093,556**	**28.78**	**27.22**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

11 Cash and bank balances

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Cash at bank	**1,734,500**	73,235	**3.06**	0.13
Cash on hand	**26,672**	18,441	**0.05**	0.03
Cash and bank balances	**1,761,172**	**91,676**	**3.11**	**0.17**

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Cash and bank balances	**1,761,172**	91,676	**3.11**	0.17
Bank overdrafts (Note 15)	**(19,807,368)**	(16,300,038)	**(34.97)**	(29.40)
Cash and cash equivalents	**(18,046,196)**	**(16,208,362)**	**(31.86)**	**(29.24)**

12 Share capital

Share capital comprises twenty-two shares of AED 1 million each (2016 : twenty-two shares of AED 1 million each), which is fully paid up.

13 Provision for employee's end of service benefits

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
At 1 April	**1,238,794**	857,064	**2.19**	1.55
Charge for the year (Note 16)	**446,496**	492,720	**0.79**	0.89
Payments during the year	**(226,853)**	(110,990)	**(0.40)**	(0.20)
At 31 March	**1,458,437**	**1,238,794**	**2.58**	**2.23**

In accordance with the provisions of IAS 19, "Employee Benefits" (revised), management has carried out an exercise to assess the present value of its obligation at 31 March 2017 and 31 March 2016, using the projected unit credit method, in respect of employees' end of service benefits payable under the labour regulations issued by Jebel Ali Free Zone Authority. Under this method, an assessment has been made of an employee's expected service life with the company and the expected basic salary at the date of leaving the service. Management has assumed average increment/promotion costs 5% (2016: 5%). The expected liability at the date of leaving the service has been discounted to its net present value using a discount rate of 2.58 % (2016: 3.18%).

14 Trade and other payables

Particulars	2016 AED	2015 AED	2016 ₹ Crore	2015 ₹ Crore
Trade payables	**10,172,361**	10,129,943	**17.96**	18.27
Accruals and other payables	**29,015,442**	34,610,819	**51.23**	62.43
	39,187,803	**44,740,762**	**69.19**	**80.70**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

15 Bank borrowings

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Term loans	**51,428,000**	51,428,000	**90.80**	92.76
Bank Overdrafts (Note 11)	**19,807,368**	16,300,038	**34.97**	29.40
	71,235,368	**67,728,038**	**125.77**	**122.16**

Bank borrowings represent term loans and overdrafts availed from the banks for the purchases made by the company and these are repayable within 365 days from the date of issue. During the year, the interest rate on these bank borrowings ranged from LIBOR+0.6% to LIBOR+1.1% per annum (2016: LIBOR+0.7% to LIBOR+2% per annum). These bank borrowings are secured by a standby letter of credit issued by the bankers of the parent company.

16 Staff costs

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Salaries and wages	**4,187,828**	3,692,064	**7.39**	6.66
End of service benefits (Note 13)	**446,496**	492,720	**0.79**	0.89
Other benefits	**6,493,895**	7,372,221	**11.47**	13.30
	11,128,219	**11,557,005**	**19.65**	**20.85**

17 Other expenses

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Advertising and promotions	**25,853,124**	31,443,167	**45.65**	56.71
Royalty (Note 10)	**1,660,160**	2,131,287	**2.93**	3.84
Freight clearing and forwarding expense	**1,614,895**	1,637,329	**2.85**	2.95
Travel and conveyance	**1,229,389**	1,427,754	**2.17**	2.58
Bank charges	**1,153,361**	1,201,481	**2.04**	2.17
Legal and professional charges	**1,135,345**	1,352,969	**2.00**	2.44
Other expenses	**549,236**	793,924	**0.97**	1.43
Rental expense	**417,024**	441,616	**0.74**	0.80
Printing, stationery and communication expense	**335,400**	266,228	**0.59**	0.48
Vehicle expense	**164,509**	162,846	**0.29**	0.29
Rates and taxes	**156,313**	62,850	**0.28**	0.11
Insurance	**136,673**	23,694	**0.24**	0.04
Repairs and maintenance	**114,460**	79,639	**0.20**	0.14
Staff welfare expense	**53,415**	452,414	**0.09**	0.82
	34,573,304	**41,477,198**	**61.04**	**74.81**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

18 Finance costs

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016T ₹ Crore
Finance costs				
Interest on bank borrowings	**(1,082,415)**	(755,614)	**(1.91)**	(1.36)

19 Commitments

(a) Operating lease commitments

The company had contracted to lease office premises under non-cancellable operating lease agreements. Minimum lease payments under the leases are as follows:

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Not later than 1 year	**303,718**	302,382	**0.54**	0.55

20 Financial instruments by category

As of 31 March 2017 and 31 March 2016, financial assets comprised trade and other receivables (excluding prepayments and advance to suppliers), advance to a subsidiary, due from related parties and cash and bank balances. These financial assets are classified as loans and receivables. Financial liabilities comprised trade and other payables, bank borrowings and due to related parties. These financial liabilities are classified as other financial liabilities.

Particulars	2017 AED	2016 AED	2017 ₹ Crore	2016 ₹ Crore
Financial assets - Loans and receivables				
Trade receivables and other receivables (excluding prepayments and advance to suppliers)	**21,893,471**	30,825,597	**38.66**	55.60
Advance to a subsidiary	**2,017,000**	3,302,550	**3.56**	5.96
Due from related parties	**4,493,556**	2,756,732	**7.93**	4.97
Cash and bank balances	**1,761,172**	91,676	**3.11**	0.17
	30,165,199	**36,976,555**	**53.26**	**66.69**
Financial liabilities - Other financial liabilities				
Trade and other payables	**39,187,803**	44,740,762	**69.19**	80.70
Due to related parties	**16,302,518**	15,093,556	**28.78**	27.22
Bank borrowings	**71,235,368**	67,728,038	**125.77**	122.16
	126,725,689	**127,562,356**	**223.75**	**230.08**

Board of Directors (As on March 31, 2017)	Mr. Ashutosh Telang Mr. Padmanabh Maydeo Mr. Ashish Modak (w.e.f. September 27, 2016) Mr. Durgesh Chugh (w.e.f. March 8, 2017) Mr. Sridhar Balakrishnan (till June 30, 2016) Mr. Rohit Jaiswal (till March 8, 2017)
Registered Office	Building 3,Section 1141, 34, IBAD Elrahman Street, Masaken Sheraton, Nozha District, Cairo, Egypt
Auditors	Moore Stephens
Bankers	HSBC SAIB Bank Arab African Bank
Legal Advisors	Yasser Maharem Office for Accounting & Auditing , Nassef Law Firm

INDEPENDENT AUDITOR'S REPORT

To: The shareholders of MEL Consumer Care Company SAE

Cairo – Egypt

Report on the standalone financial statements

We have audited the accompanying standalone Financial statements of MEL Consumer Care company SAE which comprise the standalone balance sheet as at March 31, 2017 and the standalone statements of income, standalone changes shareholders' equity and standalone cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

These standalone financial statements are the responsibility of the company's management. The management is responsible for the preparation and fair presentation of these standalone financial statements in accordance with Egyptian Accounting Standards and in light of the prevailing Egyptian laws this responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We conducted our audit in accordance with the Egyptian Auditing Standards and the relevant laws and regulations. Those standards require that we comply with ethical requirements to obtain reasonable assurance about whether the standalone financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the entity'spreparation and fair presentation of the standalone financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion, the standalone financial statements present fairly in all material respects, the financial position of MEL Consumer Care Company and its partner wind SAE as of March 31, 2017 and of its financial performance and its standalone cash flows for the financial year then ended in accordance with the Egyptian Accounting Standards and the relevant laws and regulations relating to the preparation of these standalone financial statements.

Emphasis of matter

Without qualifying our opinion, we draw attention to follow:-

As mentioned in note (16)From the note of financial statements,the accumulated losses at Financial Postion date Exceeded half issued capiatl amounted to EGP 18,039,426 This condition indicates the existence of a material uncertainty, That may cast significant doubt about the Company's ability to continue as a going concern. In accordance with artcile (69) of the company law no. (159) on 1981, the Regulatory should invite the Extraordinary General Assembly Meeting of Shareholders to decide on continuity of the Company.

As mentioned in note (17) from the accompanying notes of separate financial statement,"contingent liabilities", the company owns investment in subsidary company MEL consumer care company and partner company "wind"(partner company) amounted to EGP 1,609,640 representing 99% of the company capital (Main Partner), the accumulated losses of the company at 31 December 2016 amounted to EGP 51,291,015 on which the company had to make impairment to the investment value

Report on other legal and regulatory requirements

The company keeps proper accounting records, include all that is required by law to be recorded therein and the accompanying standalone financial statements are agreement therewith.

The financial information included in the board of directors' report in compliance with companies law No. 159 year 1981 and its executive regulation and its agreement with the accounting record of the company to the extent that such information is recorded therein.

Cairo, 22 May, 2017

Sherin Noureldin
R.A.A 6809
Moore Stephens Egypt

BALANCE SHEET

As at March 31, 2017

Particulars	Note No.	As at March 31, 2017 EGP	2016 EGP	2017 ₹ Crore	2016 ₹ Crore
Long-term assets					
Fixed assets (net)	7	9	9	0.00	0.00
Investments in subsidiares	8	3,116,358	3,116,358	1.12	2.33
Total Long-term Assets		**3,116,367**	**3,116,367**	**1.12**	**2.23**
Current assets					
Due from related parties	9	83,886,610	77,819,988	30.14	58.09
Debtors and other debit balances	10	6,692	11,259	0.00	0.01
Banks - current accounts	11	24,155	1,777,199	0.01	1.33
Total current assets		**83,917,457**	**79,608,446**	**30.15**	**59.43**
Total Assets		**87,033,824**	**82,724,813**	**31.27**	**61.75**
Current liabilities					
Provision		198,033	198,033	0.07	0.15
Due to related parties	12	104,389,044	97,062,526	37.51	72.46
Creditors & other credit balances		31,863	33,539	0.01	0.03
Total current Liabilities		**104,618,940**	**97,294,098**	**37.59**	**72.64**
		(17,585,116.00)	**(14,569,285.00)**	**(6.32)**	**(10.88)**
Shareholder's equity					
Issued and paid-up-capital	13	250,000	250,000	0.09	0.19
Legal reserve		204,310	204,310	0.07	0.15
Accumulated (losses)		(18,039,426)	(15,023,595)	(6.48)	(11.22)
Total (Deficit) shareholders' equity		**(17,585,116)**	**(14,569,285)**	**(6.32)**	**(10.88)**
Total shareholder equity and current liabilities		**87,033,824**	**82,724,813**	**31.27**	**61.75**

- The accompanying notes from (1) to (17) form an integral part of these standalone financial statements and are to be read there with.

Auditor's report attached.

Financial Manager **Chairman**

Note: The exchange rate use to convert EGP to ₹ 3.593 (Previous year EGP to ₹ 7.465)

INCOME STATEMENT

For the year ended March 31, 2017

Particulars	Note No.	For the year ended March 31, 2017 EGP	2016 EGP	2017 ₹ Crore	2016 ₹ Crore
Expenses					
General and administrative expenses		79,909	261,273	0.03	0.20
Add					
Foregin currency difference		2,935,922	2,342,707	1.05	1.75
Net (Losses) for the year	6	**(3,015,831)**	**(2,603,980)**	**(1.08)**	**(1.94)**
Net (Losses) per share for the year (EGP/Share)		**(12,063.32)**	**(10,415.92)**	**(0.00)**	**(0.01)**

- The accompanying notes from (1) to (17) form an integral part of these standalone financial statements and are to be read therewith

Note: The exchange rate use to convert EGP to ₹ 3.593 (Previous year EGP to ₹ 7.465)

STANDALONE INCOME STATEMENT

For the year ended March 31, 2017

Particulars	Note No.	For the year ended March 31, 2017 EGP	2016 EGP	2017 ₹ Crore	2016 ₹ Crore
Net (Losses) for the year		(3,015,831)	(2,603,980)	(1.08)	(1.94)
Total Comprehensive income of the year		**(3,015,831)**	**(2,603,980)**	**(1.08)**	**(1.94)**

- The accompanying notes from (1) to (17) form an integral part of these standalone financial statements and are to be read therewith

STANDALONE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended March 31, 2017

Description	Issued & paid -up-capital	Legal reserve	Accumulated (losses)	Total
2016	**EGP**	**EGP**	**EGP**	**EGP**
Balance as of 1/4/2015	250,000	204,310	(12,419,615)	(11,965,305)
Net (losses) for the year	–	–	(2,603,980)	(2,603,980)
Balance as of 31/3/2016	**250,000**	**204,310**	**(15,023,595)**	**(14,569,285)**

Description	Issued & paid -up-capital	Legal reserve	Accumulated (losses)	Total
2016	**₹Crore**	**₹ Crore**	**₹ Crore**	**₹ Crore**
Balance as of 1/4/2015	0.19	0.15	(9.27)	(8.93)
Net (losses) for the year	–	–	(1.94)	(1.94)
Balance as of 31/3/2016	**0.19**	**0.15**	**(11.21)**	**(10.87)**

Description	Issued & paid -up-capital	Legal reserve	Accumulated (losses)	Total
2017	**EGP**	**EGP**	**EGP**	**EGP**
Balance as of 1/4/2016	250,000	204,310	(15,023,595)	(14,569,285)
Net (losses) for the year	–	–	(3,015,831)	(3,015,831)
Balance as of 31/3/2017	**250,000**	**204,310**	**(18,039,426)**	**(17,585,116)**

Description	Issued & paid -up-capital	Legal reserve	Accumulated (losses)	Total
2017	**₹Crore**	**₹ Crore**	**₹ Crore**	**₹ Crore**
Balance as of 1/4/2016	0.09	0.07	(5.40)	(5.23)
Net (losses) for the year	-	-	(1.08)	(1.08)
Balance as of 31/3/2017	**0.09**	**0.07**	**(6.48)**	**(6.32)**

- The accompanying notes from (1) to (17) form an integral part of these seperate financial statements and are to be read therewith.

Note: The exchange rate use to convert EGP to ₹ 3.593 (Previous year EGP to ₹ 7.465)

STANDALONE CASH FLOW STATEMENT

For the year ended March 31, 2017

Particulars	Note No.	2017 EGP	2016 EGP	2017 ₹ Crore	2016 ₹ Crore
Cash flows from operating activities					
Net (losses) of the year		(3,015,831)	(2,603,980)	(1.08)	(1.94)
Change in due from related parties		(6,066,622)	(13,608,498)	(2.18)	(10.16)
Change in debtors and other debit balances		4,567	(7,282)	0.00	(0.01)
Change in due to related parties		7,326,518	17,606,622	2.63	13.14
Change in Banks overdraft		--	(4,878)	--	(0.00)
Change in Creditors & other credit balances		(1,676)	13,665	(0.00)	0.01
Cash flows (used in) provided from operating activities		**(1,753,044)**	**1,395,649**	**(0.63)**	**1.04**
Net change in cash and cash equivalents during the year		(1,753,044)	1,395,649	(0.63)	1.04
Cash and cash equivalents at the beginning of the year		1,777,199	381,550	0.64	0.28
Cash and cash equivalents at bank at the end of year	11	**24,155**	**1,777,199**	**0.01**	**1.33**

Year ended March 31,

- The accompanying notes from (1) to (17) form an integral part of these standalone financial statements and are to be read therewith.

Note: The exchange rate use to convert EGP to ₹ 3.593 (Previous year EGP to ₹ 7.465)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1. The company's background and its activities

MEL Consumer Care Company - An Egyptian Joint Stock Company – was established under the provisions of law No. 159 of 1981 and its executive regulation. The company was registered in the commercial register under No.20683 dated October 1st 2006.

The objective of the company

The company's main objective is to produce products related to consumer care and skin care at third party's factories, selling and distributing these products. The company may have an interest or participate in any manner with the companies and others who practice similar activities or may cooperate with the company to achieve its objectives in Egypt or abroad. The company may also merge into the aforementioned Entities, purchasing them or make them affiliated there to according to the provision of law and its executive regulations.

2. Significant accounting policies

2.1 Compliance with accounting standards

The financial statements are prepared in accordance with the Egyptian Accounting Standards, laws & current regulations.

The new standards will be applied by entities that begin its fiscal year from this date or after it. The company is currently assessing whether these changes will affect the financial statements in the period of initial application.

2.2 Basis of preparation of seperate financial statements

The financial statement has been prepared in Egyptian pound. The financial statement has been prepared according to historical cost and continuity presumption. According to Egyptian Standard No. 42 specified for financial statements, item no. (4); the company is not required to prepare consolidate financial statement.

2.3 Changes in accounting principles

The accounting principles applied in the current year comply with those adopted in the previous year.

2.4 Translation of foreign currencies

Foreign currency transactions are translated into Egyptian pounds using the fixed exchange rates amended monthly. Monetary assets and liabilities in foreign currencies are revaluated at the date of statements preparation at the exchange rates then prevailing. Foreign exchange gains and losses resulting from the settlement of such transactions and valuation differences are recognized in the income statement.

2.5 Fixed assets and its depreciation

Recognition measurement

Fixed assets are reported at historical cost minus accumulated depreciation and impairment losses.

These costs include when realized and at its recognition, the cost of the replaced part of buildings and land. When applying an overall test its cost is recognized in case of compliance with recognition conditions with the book value of the replacement of buildings and equipment. All fixing and other maintenance expenses are recognized in the income statement when realized.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Depreciation

Depreciation is calculated by straight-line method according to the estimated useful life of the asset as follows:

Description	Useful life year
Furniture & office equipment	4
Computers	2

2.6 Investment in subsidiaries

Subsidiary and affiliated companies are companies that are under the control of the Company. Such control is achieved when the company is in control of the financial and operation policies of that company for the purpose of obtaining the benefit result from its activities. When ascertaining the amount of future voting power and its affect on the control and domination, the company studies all the circumstances and facts that affect the future voting power.

The investment in subsidiary and affiliated companies is recorded at the acquisition cost. In case that there is a reduction in the fair value below the book value, the book value is amended to reflect the reduced value and it is reflected in the income statement under impairment in the value of investments in subsidiary and affiliated companies. In case that there is an appreciation in the fair value, it will be added to the same item to the extent that it has been charged in the income statement for previous periods for each investment separately.

The accounting for investments in subsidiary and affiliated companies is according to the cost method and the revenues generated from such investment is booked according to the amount collected by the company from the dividends of the company invested in which has been achieved after its acquisition. This is starting from the date of the resolution of the general assembly of the company invested in and that has approved such distribution.

2.7 Impairment in the value of non-financial assets

The book value of the Company's non-financial assets, other than inventory and deferred tax assets is reviewed at the date of each financial position to ascertain the amount of impairment. The Company carries out a regular review to ascertain if there has been impairment in the value of an asset and in case that there is an indication of such impairment; the resale value is compared to the book value. If the book value is above the resale value, then there is impairment in the value of the asset and the resale value is reduced and the loss is charged in the income statement.

The amount of impairment may be returned in case that there is a change in the resale value to the extent that the amount was reduced in the past.

2.8 Impairment in the value of financial assets

On the date of each balance sheet, an objective estimate is carried out to ascertain if there is true indication that any of the assets have been impaired. Once there is a impairment in the value of an asset the loss is recorded only if there are objective proofs that the impairment of the value was due to an incident or more after the initial realization of the asset and that such incident or incidents had an effect that can be evaluated in a reliable manner for the expected future cash flow from the asset. In the case of financial assets that are recorded according to their amortized cost impairment, the loss due to impairment of its value between the book value of such asset and the present value of the future cash flow that has been discounted by the original actual interest rate relating to this asset.

The book value of the financial asset is reduced directly except in case of clients' accounts that is reduced using provisions. Any amount that is not to be collected is to be written off from the provision and the amount of the realized loss will be reimbursed either directly or by settling the provisions account. It should be ensured that such reversal will not generate a book value for the asset which is higher than the amortized cost at the date of the writing off of the amount of impairment if such impairment has not been recognized. The amount of write off will be reflected in the income statement.

2.9 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost

2.10 Employee's benefits

- Insurance and pension system

The Company participates in the governmental social insurance of the employee's benefits according to social insurance law no.79 for the year 1975 and its amendments, employee's and the Company participate according to this law in the system by a fixed present of wages, the Company's obligations are limited in its value of participation, the Companies participations are charged in the income statement according to accrual basis.

- Share of employees in profit

According to its constitution, the Company distributes part of the dividends to the employees as a share of profit according to the recommendations stipulated by the Board of Directors and approved by the General Assembly. The employee share of profit will be recognized as distribution of profit in shareholder's equity statement and as an obligation for the period that the Company's shareholders have approved such distribution.

2.11 Current and deferred income tax

The income tax of the year is calculated according to the current tax law on the date of the financial statement. Management annually evaluates the tax position and taking into consideration the differences that could arise from different justifications of management and organization, the suitable provision for it is set according to estimated settled amounts for the tax authority.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of their book value in the financial statement.

The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a business contribution that at the time of the transaction affects neither accounting nor taxable profits.

Deferred income tax is specified by using tax rate, according to the applied laws in the date of the financial statement, which is predicted to be equal when using the assets deferred tax or settling the liabilities deferred tax.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized that could form deferred tax differences.

2.12 Related parties transactions

All transactions with related parties are booked by the company in the same manner as any other normal transaction with other parties.

2.13 Expenses

All expense, including administrative and general expenses, are to be charged to the income statement in the financial period that such expenses were incurred.

2.14 Legal reserve

According to the Company's articles no.159 for the year 1981, 5% of the net profits of the year is transferred to the legal reserve, according to the proposal of the Board of Directors, the setting aside of legal reserve could be stopped, when this reserve reaches 50% of the issued capital. The legal reserve should not be distributed on the shareholders

2.15 Cash flow statement

The cash flow statement prepared according to the indirect method.

2.16 Cash at bank

For the presentation of the cash flows, cash at bank are to be considered current accounts, cash on hand, and at banks balances, short term deposits and deposits with maturity of three months or less.

2.17 Comparative figures

The comparative figures shall be reclassified when necessary to be in conformity with the changes to presentation used in the current year.

2.18 Losses per share

Losses per share is calculated by the weighted average method according to the number of outstanding common stocks during the year after deducting the employees' share and benefits of the board of directors' from the profits.

3. Financial Instruments

Financial instruments are made up of any contractual agreement that gives the right in financial assets of the company and creates a financial obligation or shareholding to the other side of the contract.

3.1. Debtors and other debit balances

Receivables are recognized initially by fair value and subsequently measured at amortized value using the effective interest method, less any reduction in the value. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms with debtors.

In the case, there are significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than granted credit limits) are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted by the lending price for the effective asset which used to determine the amortized cost. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the income statement. When a receivable is uncollectible, it is written off against the allowance account for receivables.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2017

3.2. Creditors

Creditors are recognized initially by Actual value .

4. Financial Instruments & related Risk

Financial risks

Financial risks are represented in market risks that include (changes in foreign exchange rate, price risk and interest rate risk on cash flows and fair value) also, credit and liquidity risk. The company doesn't use any financial derivatives for hedging specific risks.

4.1 Credit risk

Credit risk arises in customers' and individuals' accounts represented in receivables account. For banks, the Company deals with banks according to high credit rating and banks with high credit worthiness in case of absence of the separate credit rate. For customers, management evaluates their credit worthiness with their cash position and historical dealings and other effects. Required provisions are formed to face adequacy risk of customers individually.

4.2 Foreign exchange rate risk

The Company is exposed to risk of changes in exchange rates as a result of various activities and mainly USD. Risk of changes in exchange rates is due to future commercial transactions, assets and liabilities in foreign currency on the date of the financial statement.

As stated in notes no. (2-4) foreign currency translation, assets and liabilities were revaluated at year end at the exchange rate declared as of the date of balance sheet.

4.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through and adequate amounts of available credit finance. Due to dynamic nature of the underlying business, the company's management aims to maintain flexibility in funding through associate company.

4.4 Interest rate risk

Interest rate risk appears in the change in interest rate that may affect the business output. This risk is not applicable as the Company does not depend on credit facilities from banks to finance working capital or long term assets.

4.5 Fair value estimation

The fair value of financial assets and liabilities with maturities of less than one year is assumed to be approximated carrying value. The fair value of financial liabilities-for disclosure purpose-is estimated by discounting the future cash flow at the current market interest rate that is available to the Company for similar financial instruments.

5. Significant accounting estimates and personal judgements

5.1 Significant accounting estimates and judgements

Estimates and assumptions are evaluated on basis of historical experience and other factors including expectations about future events that are believed to be reasonable under certain circumstances.

The Company makes future estimates and assumptions, which may not be equal to the actual results. Estimates and assumptions that are used by the Company are shown as follows:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2017

a. **Income tax**

The Company is subjected to corporate income tax. The Company estimates the income tax provision by using expert's advice. In case of any difference between any of the final and preliminary results, these differences will affect the income tax and deferred income tax provision in these periods.

b. **Impairment of trade receivables**

The evaluation in the value of receivables is made through debt ageing. The Company management is studying the credit position and the ability of payments of the customers who their numerous debts are due during the credit limit grated for them and the impairment is recorded with the value of the due amounts on the customers who the Company management sees that their credit position do not allow them to pay their liabilities.

c. **Useful lives of fixed assets**

The estimated useful life is depending on estimation and personal judgment based on the experience of the Company with similar fixed assets taking into consideration the estimated usage of the asset and number of working shifts and technical limitations. Residual values and useful lives of assets are reviewed on periodic basis.

d. **Write down in value of inventory**

The company provides for slow moving and obsolete inventory based on the reports which are related to its condition and future utility.

5.2 Significant personal judgements in applying the Company's accounting policies

In general the application of the Company's accounting policies do not require from management the use of personal judgement which may have a major impact on the value recognized in the financial statement.

6. Losses per share

Particulars	2017 EGP	2016 EGP	2017 ₹ Crore	2016 ₹ Crore
Net (losses) of the year	**(3,015,831)**	(2,603,980)	**(1.08)**	(1.94)
No. of Shares	**250**	250	**0.00**	0.00
(Losses) per share for the year (EGP/Share)	**(12,063.32)**	**(10,415.92)**	**(0.00)**	**(0.01)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2017

7. Fixed assets (Net)

	Furniture & office equipment	Computers	Total
2017	**EGP**	**EGP**	**EGP**
Cost as of 1/4/2016	--	342,917	342,917
Disposals during the year	--	--	--
Cost as of 31/3/2015	--	**342,917**	**342,917**
Acc. depreciation at 1/4/2016			
Accumuleted depreciation disposals	--	342,908	342,908
Acc. depreciation as of 31/3/2017	--	**342,908**	**342,908**
Net fixed assets as of 31/3/2017	--	**9**	**9**
2016			
Cost as of 1/4/2015	--	342,917	342,917
Disposals during the year	--	--	--
Cost as of 31/3/2016	--	**342,917**	**342,917**
Acc. depreciation at 1/4/2015	--	**342,908**	**342,908**
Accumuleted depreciation disposals	--	--	--
Acc. depreciation as of 31/3/2016	--	**342,908**	**342,908**
Net fixed assets as of 31/3/2016	--	**9**	**9**

2017		**₹ Crore**	**₹ Crore**
Cost as of 1/4/2016	--	0.12	0.12
Disposals during the year	--	--	--
Cost as of 31/3/2015	--	**0.12**	**0.12**
Acc. depreciation at 1/4/2016			
Accumuleted depreciation disposals	--	0.12	0.12
Acc. depreciation as of 31/3/2017	--	**0.12**	**0.12**
Net fixed assets as of 31/3/2017	--	**0.00**	**0.00**
2016			
Cost as of 1/4/2015	--	0.26	0.26
Disposals during the year	--	--	--
Cost as of 31/3/2016	--	**0.26**	**0.26**
Acc. depreciation at 1/4/2015	--	**0.26**	**0.26**
Accumuleted depreciation disposals			
Acc. depreciation as of 31/3/2016	--	**0.26**	**0.26**
Net fixed assets as of 31/3/2016	--	**0.00**	**0.00**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2017

8. Investments in subsidiaries

Particulars	2017 EGP	2016 EGP	2017 ₹ Crore	2016 ₹ Crore
Marico Egypt Industries Company (MEI) SAE	**1,506,718**	1,506,718	**0.54**	1.12
MEL Consumer Care & its Partner Company (Wind) (Partnership Co.)	**1,609,640**	1,609,640	**0.58**	1.20
	3,116,358	**3,116,358**	**1.12**	**2.33**

- The contribution percentage in Marico Egypt Industries Company (MEI) SAE is 99%.

- The contribution percentage in MEL Consumer Care & its Partner Company (Wind) partner is 99%.

9. Due from related parties

Particulars	2017 EGP	2016 EGP	2017 ₹ Crore	2016 ₹ Crore
MEL Consumer Care & its Partner Company (Wind)	**79,497,959**	59,207,966	**28.56**	44.20
Egyptian American for investment and Industrial Development Co. (EAIIDC)	**4,388,651**	18,612,022	**1.58**	13.89
	83,886,610	**77,819,988**	**30.14**	**58.09**

10. Debtors and other debit balances

Particulars	2017 EGP	2016 EGP	2017 ₹ Crore	2016 ₹ Crore
General authority for social insurance	**433**	--	**0.00**	--
Other debit balances	**6,259**	11,259	**0.00**	0.01
	6,692	**11,259**	**0.00**	**0.01**

11. Banks - Current accounts

Particulars	2017 EGP	2016 EGP	2017 ₹ Crore	2016 ₹ Crore
Bank - Local currency	**5,267**	26,645	**0.00**	0.02
Bank - Foreign currency	**18,888**	1,750,554	**0.01**	1.31
	24,155	**1,777,199**	**0.01**	**1.33**

12. Due to related parties

Particulars	2017 EGP	2016 EGP	2017 ₹ Crore	2016 ₹ Crore
Marico Middle East Company (MME) Holding Compnay	**9,927,500**	7,987,500	**3.57**	5.96
Marico Egypt for Industries Company (MEI)	**94,461,544**	89,075,026	**33.94**	66.49
	104,389,044	**97,062,526**	**37.51**	**72.46**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2017

13. Capital

The authorized capital amounted by EGP 2,500,000 (Two million five hundred thousand Egyptian pounds) and the issued and paid-up capital is EGP 250,000 (two hundred fifty thousand Egyptian pounds) distributed into 250 shares (Two hundred fifty shares), the nominal value of each share is EGP 1000 (One thousand Egyptian pounds) .

14. Related partie's transactions

The Related partie's transactions as of March 31, 2017 represents as follows

Party name	Nature of Relation	Nature of transaction	Amount transaction EGP	Balance 2017 EGP	Size of transaction ₹ Crore	Balance 2017 ₹ Crore
MEL Consumer Care & Partner Company (Wind)	Related party	Financing	20,289,992	--	7.29	--
Egyptian American Co. for Investment and Industrial Development (EAIIDC)	Related party	Financing	(14,223,371)	--	(5.11)	--
Marico Middle East Company (MME)	Related party	Financing	(1,940,000)	--	(0.70)	--
Marico Egypt for Industries Company (MEI)	Related party	Financing	5,386,519	--	1.94	--

15. Tax status

a. Corporate tax

- The company submits its tax return on the legal date and the latest for the year ended 31 March, 2016.
- The company books did not scrutinize till now.

b. Salaries & wages tax

- The company books were scrutinized from the beginning of activity till March 31, 2008.
- The company pays salaries & wages tax regularly.

c. Stamp duty

- The company was examined from the beginning of activity till December 31, 2013.

d. Withholding tax

- The company pays withholding tax regularly on Form No. (41).
- The company books didn't scrutinize till now.

e. Vat (sales tax)

- The company was examined from beginning of activity till August 31, 2013.
- The Company Submits The VAT Return regularly

16. Going concern

The accumulated include losses of the year ended at 31/03/2017 amounted as EGP 18,039,426 exceeded. this condition indicates the existence of a material uncertainty that may cast significant doubt on the companys ability to ontinue as a going concern. In accordance with articles 69 of the company law no 159 of 1981the regulaory should invite the Extraordinary General Assembly meeting of shareholders to decide the continuity of the company

17. Contingent liabilities

The company owns investments in subsidiary company MEL Consumer Care Company and its partner company "wind" (Partnership Company) amounted to EGP 1,609,640 representing 99% of the company's capital(Main partner), the accumulated losses of the company at 31 December 2016 balance amounted to EGP 51,291,015 and there is a plan to restructure the company to cover these losses in the subsequent period.

Board of Directors (As on March 31, 2017)	Mr. Ashutosh Telang Mr. Padmanabh Maydeo Mr. Ashish Modak (w.e.f. September 27, 2016) Mr. Durgesh Chugh (w.e.f. March 8, 2017) Mr. Sridhar Balakrishnan (till June 30, 2016) Mr. Rohit Jaiswal (till March 8, 2017)
Registered Office	Building 3,Section 1141, 34, IBAD Elrahman Street, Masaken Sheraton, Nozha District, Cairo, Egypt
Auditors	Moore Stephens
Bankers	HSBC QNB Al-Ahly Arab African Bank
Legal Advisors	Yasser Maharem Office for Accounting and Auditing Nassef Law Firm

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To: The shareholders of Egyptian American Co. For Investment and Industrial Development (SAE) Cairo-Egypt

Report on the financial statements

We have audited the accompanying financial statements of Egyptian American Company For Investment and Indwwustrial Development (SAE) which comprise the balance sheet as of December 31, 2015 and statements of income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

These financial statements are the responsibility of the company's management. The management is responsible for the preparation and fair presentation of these financial statements in accordance with Egyptian Accounting Standards and in the light of the Egyptian laws. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable to the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Egyptian Auditing Standards and the relevant laws and regulations. Those standards require planning and audit performance to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control . An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly in all material respects, the financial position of Egyptian American Co. For Investment and Industrial Development SAE as of December 31, 2015 and of its financial performance and its cash flows for the financial year then ended in accordance with the Egyptian Accounting Standards and the relevant laws and regulations.

Emphasis of matter

Without qualifying our opinion as indicated in no (19) from the notes to the financial statements, the accumulated losses at the balance sheet date exceeded the half of issued capital which amounted 19,091,516 EGP. This condition indicates the existence of a material uncertainly, which indication significant doubt about the company's ability to continue as a going concern. In accordance with articles 69 of the company's law No. 159 of 1981, the regulatory should invite the extraordinary General Assembly Meeting of Shareholders to decide the continuity of the company.

Report on other legal and regulatory requirements

The company keeps proper accounting records, include all that is required by law to be recorded therein and the accompanying financial statements are agreement therewith, the company applies a sufficient costing system. Inventory count and valuation was made by the company's management and in accordance with the proper process.

The financial information included in the board of directors' report in compliance with companies law No. 159 year 1981 and its executive regulation and it's agreed with the accounting record of the company to the extent that such information is recorded therein.

Cairo April 20, 2017

Sherin Noureldin
R.A.A 6809
Moore Stephens Egypt

BALANCE SHEET

As at December 31, 2016

Particulars	Note No.	As at December 31, 2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
Assets					
Non -current assets					
Fixed assets (net)	7	859,181	912,796	0.32	0.77
Deferred tax assets	15	336,987	324,806	0.13	0.28
Total Non -current assets		**1,196,168**	**1,237,602**	**0.45**	**1.05**
Current Assets					
Debtors and other debit balances	8	134,096	123,864	0.05	0.10
Banks current A/C	9	41,443	5,201,467	0.02	4.41
Total current assets		**175,539**	**5,325,331**	**0.07**	**4.51**
Total Assets		**1,371,707**	**6,562,933**	**0.51**	**5.56**
Current liabilities					
Provisions	10	489,875	519,407	0.18	0.44
Due to related parties	11	10,454,251	17,671,823	3.92	14.97
Suppliers and notes payable	12	64,850	45,000	0.02	0.04
Creditors and other credit balances	13	40,554	21,060	0.02	0.02
Total current liabilities		**11,049,530**	**18,257,290**	**4.14**	**15.47**
To be financed as follows					
Shareholder's Equity					
Issued capital	14	6,892,000	6,892,000	2.58	5.84
Legal reserve		504,666	504,666	0.19	0.43
Other reserves		493	493	0.00	0.00
Accumulated (losses)		(17,074,982)	(19,091,516)	(6.40)	(16.17)
Total Shareholder's Equity		**(9,677,823)**	**(11,694,357)**	**(3.63)**	**(9.91)**
Total Shareholder's Equity and current liabilities		**1,371,707**	**6,562,933**	**0.51**	**5.56**

- The accompanying notes from (1) to (21) form an integral part of these financial statements and are to be read therewith.

-Auditor's report attached

Chairman **Financial Manager**

Note: The exchange rate use to convert EGP to ₹ 3.747 (Previous year EGP to ₹ 8.471)

INCOME STATEMENT

For the year ended December 31, 2016

Particulars	Note No	2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
		Year ended December 31,			
Sales (net)		-	-	-	-
Less					
Cost of sales		-	-	-	-
Gross profit		**-**	**-**	**-**	**-**
Less					
Selling and distribution expenses		-	(51,000.00)	-	(0.04)
General and administrative expenses		140,993.00	186,914.00	0.05	0.16
Depreciation of fixed assets	7	54,581.00	68,216.00	0.02	0.06
		195,574.00	**204,130.00**	**0.07**	**0.17**
Operating (loss)/ income		**(195,574.00)**	**(204,130.00)**	**(0.07)**	**(0.17)**
Add / (Less)					
Capital gains		184,783.00	2,039.00	0.07	0.00
(Losses) foreign exchange diffrences		1,852,621.00	(1,348,551.00)	0.69	(1.14)
Revenues from exports subsidies		-	-	-	-
Other Income		161,950.00	240,000.00	0.06	0.20
Refund of impairment of Fixed assets		1,036.00	-	0.00	-
Impairment of fixed assets		-	(1,290.00)	-	(0.00)
Provisions no longer required		(463.00)	(129,407.00)	(0.00)	(0.11)
		2,199,927.00	**(1,237,209.00)**	**0.82**	**(1.05)**
Net (losses) for the year before tax		**2,004,353.00**	**(1,441,339.00)**	**0.75**	**(1.22)**
Add/(Less)					
Deferred tax (assets)		12,181.00	409,908.00	0.00	0.35
Net (losses)/profits for the year		**2,016,534.00**	**(1,031,431.00)**	**0.76**	**(0.87)**
Earnings (losses)/Profit per share (EGP/Share)	6	29.26	(14.97)	0.00	(0.00)
Net (losses) profits for the year after taxes		2,016,534.00	(1,031,431.00)	0.76	(0.87)
Add					
Other comprehensive income		-	-	-	-
Total Comprehensive in come for the year		**2,016,534.00**	**(1,031,431.00)**	**0.76**	**(0.87)**

- The accompanying notes from (1) to (21) form an integral part of these financial statements and are to be read therewith.

Chairman **Financial Manager**

Note: The exchange rate use to convert EGP to ₹ 3.747 (Previous year EGP to ₹ 8.471)

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2016

Description	Issued & paid capital	Legal reserve	Other reserves	Accumulated (losses)	Total
	EGP	EGP	EGP	EGP	EGP
2015					
Balance as of Jan 1.2015	6,892,000	504,666	493	(18,060,085)	(10,662,926)
Net (losses) of the year	--	--	--	(1,031,431)	(1,031,431)
Balance as of December 31.2015	**6,892,000**	**504,666**	**493**	**(19,091,516)**	**(11,694,357)**
2016					
Balance as of January 1,2016	6,892,000	504,666	493	(19,091,516)	(11,694,357)
Net profit for the year	--	--	--	2,016,534	2,016,534
Balance as of December 31,2016	**6,892,000**	**504,666**	**493**	**(17,074,982)**	**(96,77,823)**

Description	Issued & paid capital	Legal reserve	Other reserves	Accumulated (losses)	Total
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
2015					
Balance as of Jan 1.2015	5.84	0.43	0.00	(15.30)	(9.03)
Net (losses) of the year	-	-	-	(0.87)	(0.87)
Balance as of December 31, 2015	**5.84**	**0.43**	**0.00**	**(16.17)**	**(9.91)**
2016					
Balance as of January 1,2016	2.58	0.19	0.00	(7.15)	(4.38)
Net profit for the year	-	-	-	0.76	0.76
Balance as of December 31,2016	**2.58**	**0.19**	**0.00**	**(6.40)**	**(3.63)**

– The accompanying notes from (1) to (21) form an integral part of these financial statements and are to be read therewith.

Chairman **Financial Manager**

Note: The exchange rate use to convert EGP to ₹ 3.747 (Previous year EGP to ₹ 8.471)

STATEMENT OF CASH FLOWS

For the year ended December 31, 2016

Particulars		Year ended December 31,			
	Note	2016	2015	2016	2015
	No.	EGP	EGP	₹ Crore	₹ Crore
Cash flows from operating activities					
Net (losses) profits for the year		**2,004,353**	**(1,441,339)**	**0.75**	**(1.22)**
Adjustments to reconcile net (losses) with Cash flows from operating activities					
Depreciation of fixed assets		54,581	68,216	0.02	0.06
Capital gain		(184,783)	(2,039)	(0.07)	(0.00)
Refund provisions formed during the year		(1,036)	--	(0.00)	--
Impairment of fixed assets		--	1,290	--	0.00
Formed from provisions		--	129,407	--	0.11
Used From provisions		(29,532)	--	(0.01)	--
Net (losses)/profits before changes in working capital		**1,843,583**	**(1,244,465)**	**0.69**	**(1.05)**
Change in inventory (net)		--	--		
Change in receivables		--	--		
Change in debtors and other debit balances		(10,232)	(31,862)	(0.00)	(0.03)
Change in due to related parties		(7,217,572)	6,508,155	(2.70)	5.51
Change in payables and notes payable		19,850	--	0.01	--
Change in creditors and other credit balances		19,494	(51,465)	0.01	(0.04)
Net cash flows (used in) provided from operating activities		**(5,344,877)**	**5,180,363**	**(2.00)**	**4.39**
Cash flows from investment activities					
Proceeds from sale of fixed assets		184,853	2,048	0.07	0.01
Net cash flows(used in) from provided investment activities		**184,853**	**2,048**	**0.07**	**0.01**
Net change in cash and cash equivalents during the year		**(5,160,024)**	**5,182,411**	**(1.93)**	**4.39**
Cash and cash equivalents at the beginning of the year		5,201,467	19,056	1.95	0.02
Cash and cash equivalents at the end of the year	**10**	**41,443**	**5,201,467**	**0.02**	**4.41**

-The accompanying notes from (1) to (21) form an integral part of these financial statements and are to be read therewith.

Note: The exchange rate use to convert EGP to ₹ 3.747 (Previous year EGP to ₹ 8.471)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

1. The company's background and its activities:

Egyptian American Company for Investment and Industrial Development" Redico-An Egyptian Joint Stock Company – was established under the provisions of law No. 159 of 1981 and its executive regulation. The company was registered in the commercial register under no.117830, dated 14/12/1997.

According to decision of the Extraordinary General Assembly Meeting held on 16/12/2006 and the resolution issued by Chairman of General Authority For Investments & Free Zone (GAFI) No.235/2 for the year 2007 concerning the division licensing of the Egyptian American Company for Investment and Industrial Development –Redico- in order to be divided into two companies (split company and split off company) and according to what will be mentioned below, the recent name of the company is, the Egyptian American Company for Investment and Industrial Development.

The aforementioned amendment concerning the name of the company was registered in the commercial register on 15/3/2007.

Company purpose:

1. Manufacturing cosmetics, perfumes and essential oils – Ready Rose – Five Flowers -Top Girl and the new lines of production that can develop in the field of manufacturing cosmetics.
2. Importing equipment, machines, tools and raw materials required in order to execute the objectives of the company.
3. Import, export and commercial agencies.
4. The company may have an interest to participate in any manner with the companies and others who proactive similar activities or may cooperate with the company to achieve its objectives in Egypt or abroad. The company may also merge into the previously mentioned entities, purchasing them or to make them affiliated there to according to the provision of law and its regulations.
5. According to General Authority For Investment & Free Zone (GAFI) chairman's decision No.235/2 for the year 2007 regarding the license to divide Egyptian American Company for Investment and Industrial Development (Redico), referred there to as the split company , into two joint stock companies according to the below – mentioned data, and based upon the decision of the Extraordinary General Assembly Meeting , held on 16/12/2006.It was approved to amend the objective of the company to be as follows :
6. Manufacturing cosmetics, perfumes and essential oils.
7. Importing equipment, machines, tools and raw materials required to execute the objectives of the company.
8. Import, export and commercial agencies.

2. Significant accounting policies

2.1. Accounting standards and legal principles

The accompanying financial statements have been prepared in accordance with the Egyptian accounting standards and the related Egyptian laws and regulations in case that subject weren't stated in Egyptian accounting standards its refer to the international financial reporting standards.

2.2 Basis preparation of the financial statements

-The financial statements have been prepared at Egyptian pound.

-The financial statements have been prepared according to historical cost and continuity presumption.

2.3 Change in accounting principles

The accounting principles comply with those adopted in the previous year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

2.4 Foreign currencies translation

The company maintains its books in Egyptian pound. All transactions denominated in foreign currencies were translated into Egyptian pound at the rate determined on the transaction date, on the financial position, the monetary current assets and liabilities are revaluated accordance the rates announced on that date and the differences are charged to income statement.

2.5 Fixed assets

Recognition and preliminary measurement

Buildings, constructions, infrastructures, machines and equipments are booked at historical cost less the accumulated depreciation and any impairment in value.

The cost includes all direct cost for acquisition the asset also cost of its disposal and re-arranging the site where assets were present.

Depreciation

Fixed assets are shown in the financial position at historical cost, are depreciated using straight line methods over to estimated useful life of each asset in accordance with the following rates:

	Estimated useful life / years
Buildings & constructions	20
Machinery & tools & equipment	4
Computers	2
Furniture & office equipment	4
Vehicles	4

2.6 Projects under construction

Projects under construction are stated at cost, and include all direct expenses required to prepare the asset to be in a state of operation and for the purpose for which it was acquired. Projects under construction are recorded as fixed assets once it is finished and it is available for the purpose it was acquired for. Projects under construction are valued at the date of the balance sheet according to its cost and deducting the impairment in its value if any.

2.7 Impairment in the value of non– financial assets

The book value of the Company’s non-financial assets, other than inventory and deferred tax assets is reviewed at the date of each financial position to ascertain the amount of impairment. The Company carries out a regular review to ascertain if there has been impairment in the value of an asset and in case that there is an indication of such impairment, the resale value is compared to the book value. If the book value is above the resale value, then there is impairment in the value of the asset and the resale value is reduced and the loss is charged in the income statement. The amount of impairment may be returned in case that there is a change in the resale value to the extent that the amount was reduced in the past.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

2.8 Impairment in the value of financial assets

On the anniversary of each financial position, an objective estimate is carried out to ascertain if there is true indication that any of the assets have been impaired. Once there is a impairment in the value of an asset the loss is recorded only if there are objective proofs that the impairment of the value was due to an incident or more after the initial realization of the asset and that such incident or incidents had an effect that can be evaluated in a reliable manner for the expected future cash flow from the asset. In the case of financial assets that are recorded according to their amortized cost, the impairment losses are represented in the difference between the book value of such asset and the present value of the future cash flow that has been discounted by the original actual interest rate relating to this asset.

The book value of the financial asset is reduced directly except in case of clients' accounts that is reduced using provisions. Any amount that is not to be collected is to be written-off from the provision and the amount of the realized loss will be reimbursed either directly or by settling the provisions account. It should be ensured that such reversal will not generate a book value for the asset which is higher than the amortized cost at the date of the writing-off of the amount of impairment if such impairment has not been recognized. The amount of write-off will be reflected in the income statement.

2.9 Inventory valuation

Inventory is stated at the lower of cost or net realizable value. Cost is determined using the weighted average method. The cost of finished goods and goods in progress comprises raw materials, direct labour and other direct costs. Net realizable value is the estimated selling price in the ordinary operating cases less all variable selling expenses. Provision is made up when cost is less than the realizable value.

2.10. Cash and cash equivalents

For the purpose of the cash flows statement, cash and cash equivalents are to be considered cash on hand and at banks, short term fixed deposits, cheques under collection and letters of guarantee cover, if any.

2.11. Legal reserve

According to law No. 159 year 1981, its executive directives and the constitution of the company , there should be legal reserve of no less than 5% of the profit of the company and such reserve should not be increased once this reserve amount reaches 50% of the company's issued capital.

2.12. Revenue Recognition

Revenue is recognized once the goods has been carried out and invoice has been issued according to the accrual basis.

Regarding the revenues from dividends due on financial notes and investment in subsidiary companies, this income is recognized once the general assembly has approved the distribution to its investors or cash received actually.

2.13 Expenses

All expense, including administrative and general expenses, are to be reflected in the income statement for the financial period that such expenses were incurred according to accrual basis.

2.14. Provisions

A provision is recognized once the company has a current legal or actual obligation due to a previous incident which is likely to require the use of economic sources to settle such obligation while preparing a valuation of the value of the obligation. The provisions are to be reviewed on the anniversary of the balance sheet and amended to reflect the most accurate present valuation and in case that the present value of cash is of essence, then the amount recognized as provision is the present value of the expected expenses to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

2.15 Employee's benefits

1– Social insurance & pension scheme :

The company contributes to the government social insurance system on behalf of the employees according to the social insurance law No. 79 year 1975 and its amendments. The employees and the company contribute according to this law with a fixed percentage of their salary and the company's obligation is limited to its contribution. The company's contribution is reflected in the income statement according to the accrual principle.

2– Employee profit share

According to its constitution, the company distributes part of the dividends to the employees as per according to the recommendations stipulated by the Board of Directors and approved by the General Assembly. The employee share of profit will be recognized as distribution of profit in shareholders' equity statement and as an obligation for the period that the company's shareholders approved such distribution.

2.16 Deferred income tax

Income tax is recognized by using liabilities method on the temporary difference between the recognized value for the asset or liability for tax purpose (tax base) and its value which shown in the balance sheet (accounting base) and that by using the applicable tax rate.

Deferred income tax is recognized as asset when there is a strong possibility of using this asset to reduce the future tax profits, and the asset is reduced by the part which will not achieve future benefit.

Deferred tax is included as revenue or expense to the income statement, except for the tax that result from transaction, event in the same or other period which is directly included to the equity .

2.17 Earnings Profits (losses) per share

Earnings profit (losses) per share is calculated by the weighted average method according to the number of common shares during the year after deducting the employees share and the board of directors' allowance from the profits.

2.18 Related parties transactions

All transactions with related parties are booked by the company in the same manner as any other normal transaction with other parties.

2.19 Cash flows statement

The cash flow statement will be prepared according to the indirect method.

2.20 Comparative Figures

Comparative figures are reclassified whenever it is necessary to amend the presentation used during the current period.

3. Financial risks management

3.1. Financial risks items

Financial risks are represented in market risks that include (changes in foreign exchange rate, price risk and interest rate risk on cash flows and fair value) also, credit and liquidity risk.

The company doesn't use any financial derivatives for hedging specific risks.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

a. **Market risk**

- **Foreign exchange rate risk**

  The Company is exposed to risk of changes in exchange rates as a result of various activities and mainly USD and Euro.

  Risk of changes in exchange rates is due to future commercial transactions, assets and liabilities in foreign currency on the date of the financial statement.

- **Price risk**

  The Company has no investments in equity instruments, listed and current debit instruments in the money market; so it is not exposed to the risk of change in the fair value of investments due to changes in prices.

- **Interest rate risk**

  Interest rate risk appears in the change in interest rate that may affect the business output.

  This risk as the Company does not depend on credit facilities from banks to finance working capital or long term assets.

b. **Credit risk**

Credit risk arises in customers' and individuals' accounts represented in receivables account.

For banks, the Company deals with banks according to high credit rating and banks with high credit worthiness in case of absence of the separate credit rate.

For customers, management evaluates their credit worthiness with their cash position and historical dealings and other effects. Required provisions are formed to face adequacy risk of customers individually.

c. **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through and adequate amounts of available credit finance. Due to dynamic nature of the underlying business, the company's management aims to maintain flexibility in funding through associate company.

3.2. Capital risk management

The Company's objective when managing capital is to safeguard its ability to continue in order to provide returns to its shareholders and benefits to other parties that use the financial statement. The Company aims to keep the best capital structure that would reduce the cost of capital.

The Company keeps the best capital structure by changing the value of paid dividends or decreasing capital or issuance of new shares or by reducing the Company's accrual debts.

The Company monitors capital on basis of gearing ratio.Net loans represent the total loans, borrowings, receivables and other credit accounts less cash and cash equivalent.

3.3. Fair value estimation

The fair value of financial assets and liabilities with maturities of less than one year is assumed to be approximated carrying value. The fair value of financial liabilities-for disclosure purpose-is estimated by discounting the future cash flow at the current market interest rate that is available to the Company for similar financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

4. Significant accounting estimates and personal judgements

4.1 Significant accounting estimates and judgements

Estimates and assumptions are evaluated on basis of historical experience and other factors including expectations about future events that are believed to be reasonable under certain circumstances.

The Company makes future estimates and assumptions, which may not be equal to the actual results. Estimates and assumptions that are used by the Company are shown as follows:

a. Impairment of trade receivables

The evaluation in the value of receivables is mage through debt ageing. The Company management is studying the credit position and the ability of payments of the customers who their numerous debts are due during the credit limit granted for them and the impairment is recorded with the value of the due amounts on the customers who the Company management sees that their credit position do not allow them to pay their liabilities.

b. Useful lives of fixed assets

The estimated useful life is depending on estimation and personal judgment based on the experience of the Company with similar fixed assets taking into consideration the estimated usage of the asset and number of working shifts and technical limitations. Residual values and useful lives of assets are reviewed on periodic basis.

c. Write down in value of inventory

The company provides for slow moving and obsolete inventory based on the reports which are related to its condition and future utility.

4.2. Significant personal judgements in applying the Company's accounting policies

In general the application of the Company's accounting policies do not require from management the use of personal judgment which may have a major impact on the value recognized in the financial statement.

5. Financial Instruments

Financial instruments are made up of any contractual agreement that gives the right to financial assets of the company and creates a financial or shareholding obligation to the other side of the contact.

5.1. Receivables and debtors

Receivables and debtors are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organization, and default or delinquency in payments (more than granted credit limits) are considered as indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate used to determine the amortized cost.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the income statement. When a receivable is uncollectible, it is written off against the allowance account for receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

5.2. Payables and notes payables

Payables and notes payables are recognized initially at the value of goods or services received from others, and subsequently measured at amortized cost using the effective interest rate.

6. Earnings (losses) profits for the year per share (EGP/share)

Particulars	Year ended December 31,			
	2016	2015	2016	2015
	EGP	EGP	₹ Crore	₹ Crore
Net profits (losses) of the year	**2,016,534**	(1,031,431)	**0.76**	(0.87)
Number of shares	**68,920**	68,920	**0.03**	0.06
Earning (losses) profit per share (EGP / share)	**29.26**	**(14.97)**	**29.26**	**(14.97)**

7. Fixed assets (net)

Description	Land	Building & constructions	Machines & tools & equipment	Computers	Furniture & office equipment	Vehicles	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost as at 1/1/2015	52,400	2,303,830	1,822,816	136,114	585,231	60,066	**4,960,457**
Additions during the year	–	–	–	–	–	–	**–**
Disposals during the year	–	–	–	(15,289)	–	–	**(15,289)**
Cost at 31/12/2015	**52,400**	**2,303,830**	**1,822,816**	**120,825**	**585,231**	**60,066**	**4,945,168**
Acc. Depreciation on 1/1/2015	–	1,388,900	1,818,528	136,055	574,603	60,061	**3,978,147**
Depreciation of the year	–	54,120	4,116	–	9,980	–	**68,216**
Acc. Depreciation of disposals	–	–	–	(15,281)	–	–	**(15,281)**
Acc. Depreciation as at 31/12/2015	**–**	**1,443,020**	**1,822,644**	**120,774**	**584,583**	**60,061**	**4,031,082**
Impairment in fixed assets as of 1/1/2015	–	463	172	2	648	5	**1,290**
Impairment in fixed assets as of 31/12/2015	**–**	**463**	**172**	**2**	**648**	**5**	**1,290**
Net cost of assets as at 31/12/2015	**52,400**	**860,347**	**–**	**49**	**–**	**–**	**912,796**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

Description	Land	Building	Machines & tools & equipment	Computers	Furniture & office equipment	Vehicles	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost as at 1/1/2016	**52,400**	**2,303,830**	**1,822,816**	**120,825**	**585,231**	**60,066**	**4,945,168**
Additions during the year	-	-	-	-	-	-	**-**
Disposals during the year	-	-	(131,668)	(32,389)	(4,840)	(60,066)	**(228,963)**
Cost at 31/12/2016	**52,400**	**2,303,830**	**1,691,148**	**88,436**	**580,391**	**-**	**4,716,205**
Acc. Depreciation on 1/1/2016	-	1,443,020	1,822,644	120,774	584,583	60,061	**4,031,082**
Depreciation of the year	-	54,118	--	--	463	--	**54,581**
Acc. Depreciation of disposals	-	-	(131,612)	(32,389)	(4,831)	(60,061)	**(228,893)**
Acc. Depreciation as at 31/12/2016	**-**	**1,497,138**	**1,691,032**	**88,385**	**580,215**	**-**	**3,856,770**
Impairment in fixed assets as of 31/12/2016	**-**	**-**	**115**	**1**	**138**	**-**	**254**
Net cost of assets as at 31/12/2016	**52,400**	**806,692**	**1**	**50**	**38**	**-**	**859,181**

Description	Land	Building	Machines	Computers	Furniture & office equipment	Vehicles	Total
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Cost as at 1/1/2015	0.04	1.95	1.54	0.12	0.50	0.05	**4.20**
Additions during the year	-	-	-	-	-	-	**-**
Disposals during the year	-	-	-	(0.01)	-	-	**(0.01)**
Cost at 31/12/2015	**0.04**	**1.95**	**1.54**	**0.10**	**0.50**	**0.05**	**4.19**
Acc. Depreciation on 1/1/2015	-	1.18	1.54	0.12	0.49	0.05	**3.37**
Depreciation of the year	-	0.05	0.00	-	0.01	-	**0.06**
Acc. Depreciation of disposals	-	-	-	(0.01)	-	-	**(0.01)**
Acc. Depreciation as at 31/12/2015	**-**	**1.22**	**1.54**	**0.10**	**0.50**	**0.05**	**3.41**
Impairment in fixed assets as of 31/12/2015	**-**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Net cost of assets as at 31/12/2015	**0.04**	**0.73**	**-**	**0.00**	**-**	**-**	**0.77**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

Description	Land	Building	Machines	Computers	Furniture & office equipment	Vehicles	Total
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Cost as at 1/1/2016	0.02	0.86	0.68	0.05	0.22	0.02	**1.85**
Additions during the year	-	-	-	-	-	-	**-**
Disposals during the year	-	-	(0.05)	(0.01)	(0.00)	(0.02)	**(0.09)**
Cost at 31/12/2016	**0.02**	**0.86**	**0.63**	**0.03**	**0.22**	**-**	**1.77**
Acc. Depreciation on 1/1/2016	-	0.54	0.68	0.05	0.22	0.02	**1.51**
Depreciation of the year	-	0.02	-	-	0.00	-	**0.02**
Acc. Depreciation of disposals	-	-	(0.05)	(0.01)	(0.00)	(0.02)	**(0.09)**
Acc. Depreciation as at 31/12/2016	**-**	**0.56**	**0.63**	**0.03**	**0.22**	**-**	**1.45**
Impairment in fixed assets as of 31/12/2016	**-**	**-**	**0.00**	**0.00**	**0.00**	**-**	**0.00**
Net cost of assets as at 31/12/2016	**0.02**	**0.30**	**0.00**	**0.00**	**0.00**	**-**	**0.32**

– There are no mortgages or restrictions on ownership of assets.

– There are no fixed assets unused or not working temporarily.

The depreciation charged as follows:–

Description	Depreciation of the year	Charged to cost of sales	Charged to income statement	Depreciation of the year	Charged to cost of sales	Charged to income statement
	EGP	EGP	EGP	₹ Crore	₹ Crore	₹ Crore
Building and constructions	54,120	-	54,120	0.02	-	0.02
Furniture & office equipment	9,980	-	9,980	0.00	-	0.00
Machinery, tools & equipment	4,116	-	4,116	0.00	-	0.00
Total	**68,216**	**-**	**68,216**	**0.02**	**-**	**0.02**

8. Debtors and other debit balances

Particulars	Year ended December 31,			
	2016	2015	2016	2015
	EGP	EGP	₹ Crore	₹ Crore
Withholding tax	**92,002**	92,002	**0.03**	0.08
Social insurance	**23,778**	12,046	**0.01**	0.01
Prepaid expenses	**16,000**	17,500	**0.01**	0.01
Other debit balances	**2,316**	2,316	**0.00**	0.00
	134,096	**123,864**	**0.05**	**0.10**

9. Bank Current Account

Particulars	Year ended December 31,			
	2016	2015	2016	2015
	EGP	EGP	₹ Crore	₹ Crore
Banks – local currency	**2,123**	48,979	**0.00**	0.04
Banks – foreign currency	**39,320**	5,152,488	**0.01**	4.36
	41,443	**5,201,467**	**0.02**	**4.41**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

10. Provision

Particulars	Year ended December 31,			
	2016	2015	2016	2015
	EGP	EGP	₹ Crore	₹ Crore
Beginning balance	**519,407**	390,000	**0.19**	0.33
Add				
Formed during the year	**-**	129,407	**-**	0.11
Less				
Used during the year	**29,532**	-	**0.01**	-
Ending balance	**489,875**	**519,407**	**0.18**	**0.44**

11. Due to related parties

Particulars		Year ended December 31,			
	Related Party	2016	2015	2016	2015
		EGP	EGP	₹ Crore	₹ Crore
MEL Consumer Care Company SAE	Related Party	**10,454,251**	17,146,699	**3.92**	14.52
Marico Middle East Company	Related Party	**-**	525,124	**-**	0.44
Marico limited Company - India	Related Party	**-**	-	**-**	-
		10,454,251	**17,671,823**	**3.92**	**14.97**

12. Suppliers and notes payable

Particulars	Year ended December 31,			
	2015	2014	2015	2014
	EGP	EGP	₹ Crore	₹ Crore
Suppliers	**64,850**	45,000	**0.02**	0.04
	64,850	**45,000**	**0.02**	**0.04**

13. Creditors and other credit balances

Particulars	Year ended December 31,			
	2016	2015	2016	2015
	EGP	EGP	₹ Crore	₹ Crore
Accrued expenses	**1,650**	-	**0.00**	-
Deposits to others	**28,000**	11,000	**0.01**	0.01
Advanced revenue	**-**	10,000	**-**	0.01
Sales tax	**10,904**	60	**0.00**	0.00
	40,554	**21,060**	**0.02**	**0.02**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

14. Capital

A. Authorized capital

The company's authorized capital amounted to EGP 25 million (twenty five million Egyptian pound) distributed over 250000 share, the par value of each share is EGP 100 (one hundred Egyptian pound).

B. Issued capital

The issued capital was determined by EGP 6,892,000 (six million and eight hundred ninety two thousand Egyptian pound) distributed over 68,920 share (sixty eight thousand and nine hundred twenty share) , the per value of each share is EGP 100 (one hundred Egyptian pound) and all of which are nominal cash shares which is fully paid, according to general authority for investment and free zones decision No. 235/2 for year 2007 the company issued capital is determined by EGP 6,892,000 after transfer an amount of EGP 493 other reserves.

- The Issued and paid capital is distributed as follows:

15. Deferred tax asset

Particulars	Year ended December 31,			
	2016	2015	2016	2015
	EGP	EGP	₹Crore	₹Crore
Fixed assets	**336,987**	324,806	**0.13**	0.28
	336,987	**324,806**	**0.13**	**0.28**

16. Related parties transactions

This item is made up as follows:

Name of company	Type of relationship	Nature of dealing	Transaction volume per year EGP	Size of transaction ₹ Crore
Marico Middle East Company	Related party	Expenses	(531,652)	(0.20)
Marico Middle East Company	Related party	Transfer	1,073,794	0.40
Marico Middle East Company	Related party	Foreign exchange currency	(17,018)	(0.01)
MEL Consumer Care Company	Related party	Finance	6,692,448	2.51

17. Tax status

A. Corporate tax

- The company has tax exemption according to article No. (16) of law No. (8) for year 1997 and up to December 31,2012.
- The company was not examined from the beginning of its activity till now.
- The company presents the tax return regularly and tax return for the year 2014 was presented.

B. Payroll tax

- The company was inspected from the tax authority from the inception till year December 31, 2011 and the differences have been settled.
- The company was inspected from the tax authority for the period from January 1, 2012 to December 31, 2012 and the company submitted an appeal for liability stated by the tax committee and the appeal is in process.
- Currently the company is being inspected from the tax authority for year 2013 / 2014.
- The company pays salary tax regularly.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

C. Stamp duty tax:

The company was inspected from the tax authority from the inception till December 31, 2014 and all differences have been settled.

D. Sales tax:

The company was inspected from the tax authority from the inception till December 31, 2014 and all the difference has been settled.

E. Withholding tax:

The company was inspected from the tax authority from the inception till December 31, 2010.

18. Going concern

The company's accumulated losses amounting EGP 17,074,982 at December 31, 2016 and that exceed its issued capital , Also the current liabilities exceeded the current assets of the company with an amount of EGP 12,931,959 these indicate substantial doubt about the company's ability to continue as a going concern.

According to the companies law No. 159 year 1981 , paragraph (69) , the board of directors require to invite for an Extraordinary General Assembly Meeting to decide on the company's continuity .

19. The new Egyptian Accounting Standards

On July 9, 2016, the Minister of Investment issued a decree no. (110) of 2016 regarding the new Egyptian Accounting Standards includes 39 standards and a frame that will be used in the preparation and presentation of financial statements replacing the former Egyptian Accounting Standards that has been issued by Ministerial Decree No. (243) of 2006 and is to be applied starting from the first of January 2016.

The new standards will be applied by entities that begin its fiscal year from this date or after it. The company is currently assessing whether these changes will affect the financial statements in the period of initial application.

Board of Directors (As on March 31, 2017)	Mr. Ashutosh Telang Mr. Padmanabh Maydeo Mr. Ashish Modak (w.e.f. June 30, 2016) Mr. Sridhar Balakrishnan (till June 30, 2016) Mr. Rohit Jaiswal (till March 8, 2017) Mr. Mohamed El Araby (Representative of MELCC)
Registered Office	Building 3,Section 1141, 34, IBAD Elrahman Street, Masaken Sheraton, Nozha District, Cairo, Egypt
Auditors	Moore Stephens
Bankers	HSBC QNB Al-Ahly Arab Bank Credit Agricole Egypt Arab African Bank SAIB Bank
Legal Advisors	Yasser Maharem Office for Accounting & Auditing Nassef Law Firm

INDEPENDENT AUDITOR'S REPORT

To: The shareholder's of Marico Egypt for industries SAE

Cairo – Egypt

Report on the financial statement

We have audited the accompanying financial statements of Marico Egypt for Industries Company SAE which comprise the balance sheet statement as of December 31, 2016 and the related income statements, changes in shareholders' equity and cash flows statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

These financial statements are the responsibility of the company's management. The management is responsible for the preparation and fair presentation of these financial statements in accordance with, the Egyptian Accounting Standards and in the light of the Egyptian laws .This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement , whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances .

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Egyptian Auditing Standards and the relevant laws and regulations. Those standards require planning and audit performance to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control . An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the financial statements present fairly in all material respects, the financial position of Marico Egypt for Industries Company SAE as of December 31, 2016 and of its financial performance and its cash flows for the financial year then ended, in accordance with the Egyptian Accounting Standards and the relevant laws and regulations.

Report on other legal and regulatory requirements

The company keeps proper accounting records, including all that is required by law to be recorded therein and the accompanying financial statements are in agreement therewith, the company applies a proper costing system. Inventory count and valuation was made by the company's management and in accordance with the proper practices.

The financial information included in the board of directors' report in compliance with companies law no. 159 year 1981 and its executive regulation and it's agreed with the accounting record of the company to the extent that such information is recorded therein.

Cairo Feb 21, 2017

Sherin Noureldin
R.A.A 6809
Moore Stephens Egypt

BALANCE SHEET

As at December 31, 2016

Particulars	Notes No.	As at December 31, 2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
Non current assets					
Fixed assets (net)	(7)	10,427,380	12,381,541	3.91	10.49
Intangible assets (net)	(8)	6	134,838	0.00	0.11
Total Non current assets		**10,427,386**	**12,516,379**	**3.91**	**10.60**
Current assets					
Inventory and letters of credit (net)	(9)	16,427,926	12,666,893	6.16	10.73
Receivables and notes receivables (net)	(10)	17,584,212	18,344,497	6.59	15.54
Suppliers advanced payments	(11)	2,400,191	230,119	0.90	0.19
Debtors and other debit balances	(12)	1,702,962	2,093,726	0.64	1.77
Due from related parties	(13)	95,800,096	78,622,069	35.90	66.60
Treasury bills	(14)	2,825,816	5,621,510	1.06	4.76
Cash and cash equivalent	(15)	8,955,818	32,271,392	3.36	27.34
Total current assets		**145,697,021**	**149,850,206**	**54.60**	**126.94**
Total Assets		**156,124,407**	**162,366,585**	**58.51**	**137.54**
Current liabilities					
Claims provisions	(16)	2,451,492	2,990,984	0.92	2.53
Banks overdraft		3,382,661	5,077,897	1.27	4.29
Due to related parties	(17)	1,927,584	703,190	0.74	0.60
Suppliers and notes payable	(18)	18,878,662	20,383,166	7.07	17.27
Creditors and other credit balances	(19)	8,291,843	8,389,596	3.11	7.11
Total current liabilities		**34,932,242**	**37,544,833**	**13.11**	**31.80**
Shareholders' Equity					
Issued capital	(20)	12,287,690	12,287,690	4.60	10.41
Legal reserve		4,941,647	4,941,647	1.85	4.19
Retained earnings		103,603,692	106,602,720	38.82	90.30
Total shareholders' Equity		**120,833,029**	**123,832,057**	**45.27**	**104.90**
Non current liabilities					
Defered tax liabilites		359,136	989,695	0.13	0.84
Total Non current liabilities		**359,136**	**989,695**	**0.13**	**0.84**
Total liabilities		**156,124,407**	**162,366,585**	**58.51**	**137.54**

– The accompanying notes from (1) to (23) form an integral part of these financial statements.
– Auditor's report attached

Chairman **Financial Manager**

Note: The exchange rate use to convert EGP to ₹ 3.747 (Previous year EGP to ₹ 8.471)

INCOME STATEMENT

For the year ended December 31, 2016

Particulars	Notes No.	2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
		For the year ended December 31,			
Sales (net)		112,414,303	107,482,160	42.12	91.05
Less					
Cost of sales		61,044,582	57,176,241	22.87	48.43
Gross profit from activity		**51,369,721**	**50,305,919**	**19.25**	**42.62**
Less					
Selling & distribution expenses		24,520,901	22,838,300	9.19	19.35
General & administrative expenses		27,649,114	18,992,301	10.37	16.09
Depreciation and amortization	7	703,319	1,078,838	0.26	0.91
Royalty		557,543	538,171	0.21	0.46
Donations		41,705	-	0.02	-
Debit interest		415,088	356,675	0.16	0.30
		53,887,670	**43,804,285**	**20.20**	**37.11**
Operating (loss) Profit		**(2,517,949)**	**6,501,634**	**(0.94)**	**5.51**
Add / (less)					
Credit interest		1,095,728	2,911,390	0.41	2.47
Return on investment treasury bills		480,292	437,610	0.18	0.37
Foreign exchange differences		(2,696,319)	(1,270,976)	(1.01)	(1.08)
Revenue from exports subsidy		–	–	–	–
Revenues from sale of scrap		158,811	104,617	0.06	0.09
(Losses) of inventory write off		-	(478,799)	-	(0.41)
Claims Provision		-	(1,257,473)	-	(1.07)
Impairment of fixed assets		14,514	44,745	0.01	0.04
Capital gains		274,548	4,393	0.10	-
Net (Losses) Profit of the year		**(3,190,375)**	**6,997,141**	**(1.20)**	**5.92**
Defered income tax (liability)		630,559	(989,695)	0.24	(0.84)
Tax on treasury bills return		(354,604)	(98,462)	(0.13)	(0.08)
Net (Losses) Profits of the year		**(2,914,420)**	**5,908,984**	**(1.09)**	**5.00**
Earning per share for the year (EGP/Share)	6	**(2.37)**	**4.81**	**(8.88)**	**40.75**

– The accompanying notes from (1) to (23) form an integral part of these financial statements. and are to be read therewith.

Note: The exchange rate use to convert EGP to ₹ 3.747 (Previous year EGP to ₹ 8.471)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2016

Particulars	Note No.	2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
Net (losses) Profit of the year		**(2,914,420)**	5,908,984	**(1.09)**	5.00
Add:					
Other comprehensive income		**-**	-	**-**	-
Total Comprehensive (loss) income for the year		**(2,914,420)**	**5,908,984**	**(1.09)**	**5.00**

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the year ended December 31, 2016

Description	Issued & paid-in-capital EGP	Legal reserve EGP	Retained earnings EGP	Total EGP
2015				
Balance as of January 1, 2015	12,287,690	4,646,198	100,989,185	**117,923,073**
Transferred to legal reserve	–	295,449	(295,449)	**–**
Net profit for the year	–	–	5,908,984	**5,908,984**
Balance as of December 31, 2015	**12,287,690**	**4,941,647**	**106,602,720**	**123,832,057**
2016				
Balance as of January 1, 2016	12,287,690	4,941,647	106,602,720	**123,832,057**
Transferred to legal reserve	–	–	(84,608)	**(84,608)**
Net (loss) profit for the year	–	–	(2,914,420)	**(2,914,420)**
Balance as of December 31, 2016	**12,287,690**	**4,941,647**	**103,603,692**	**120,833,029**

Description	Issued & paid–in– capital	Legal reserve	Retained earnings	Total
2015	**₹ Crore**	**₹ Crore**	**₹ Crore**	**₹ Crore**
Balance as of January 1, 2015	10.41	3.94	85.55	**99.90**
Transferred to legal reserve	–	0.25	(0.25)	**–**
Net profit for the year	–	–	5.01	**5.01**
Balance as of December 31, 2015	**10.41**	**4.19**	**90.31**	**104.91**
2016				
Balance as of January 1, 2016	4.60	1.85	39.94	**46.40**
Transferred to legal reserve	-	-	(0.03)	**(0.03)**
Net profit for the year	-	-	(1.09)	**(1.09)**
Balance as of December 31, 2016	**4.60**	**1.85**	**38.82**	**45.28**

–The accompanying notes from (1) to (23) form an integral part of these financial statements.

Note: The exchange rate use to convert EGP to ₹ 3.747 (Previous year EGP to ₹ 8.471)

CASH FLOW STATEMENT

For the year ended December 31, 2016

Particulars	Notes No	2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
Cash flows from operating activities					
Net (loss) profits of the year before tax		(3,190,375)	6,997,141	(1.20)	5.92
Adjustments to reconcile net (loss) profit with non monetary items in income statement					
Depreciation and amortization		3,177,296	3,515,299	1.19	2.98
Adjustment on projects under construction		–	–	–	–
Impairment of fixed assets		(14,514)	(44,745)	(0.01)	(0.04)
Used from impairment in current assets provision		876,040	(156,742)	0.33	(0.13)
Additions to claims provision		(539,492)	1,257,472	(0.20)	1.07
Used from claims provision		–	(836,422)	–	(0.71)
Capital gains		(274,548)	(4,393)	(0.10)	–
Return on Investment Treasury Bills		(480,292)	–	(0.18)	–
Net profit before change in working capital		**(445,885)**	**10,727,610**	**(0.17)**	**9.09**
Change in inventory and letters of credit (Net)		(4,637,073)	(364,749)	(1.74)	(0.31)
Change in receivables and notes receivables (Net)		760,285	3,136,517	0.28	2.66
Change in suppliers advanced payments		(2,170,072)	28,961	(0.81)	0.02
Change in debtors and other debit balances		390,764	554,382	0.15	0.47
Change in due from related parties		(17,178,027)	(15,814,423)	(6.44)	(13.40)
Change in due to related parties		1,224,394	(948,414)	0.46	(0.80)
Change in suppliers & notes payable		(1,504,504)	6,154,722	(0.56)	5.21
Change in creditors and other credit balances		(452,357)	(186,270)	(0.17)	(0.16)
Net cash flows (used in) provided from operating activities		**(24,012,475)**	**3,288,336**	**(9.00)**	**2.79**
Cash flows from investment activities					
(Payments) for purchase fixed assets		(1,111,793)	(1,628,630)	(0.42)	(1.38)
Proceeds from sale of fixed assets		–	5,956	–	0.01
(Payment) for purchase of treasury bills		312,552	(5,621,510)	0.12	(4.76)
Proceeds from sale of treasury Bills		3,275,986	–	1.23	–
Net cash flows provided from (used in) investment activities		**2,476,745**	**(7,244,184)**	**0.93**	**(6.13)**
Cash flows from financing activities					
Adjustment of retained earnings		(84,608)	–	(0.03)	–
(Payments) Proceeds from bank overdrafts		(1,695,236)	(1,483,467)	(0.64)	(1.26)
Net cash flows (used in) financing activities		**(1,779,844)**	**(1,483,467)**	**(0.67)**	**(1.26)**
Net change in cash and cash equivalent during the year		(23,315,574)	(5,439,315)	(8.73)	(4.60)
Cash and cash equivalent at the beginning of the year		32,271,392	37,710,707	12.09	31.94
Cash and cash equivalent at the end of the year	15	**8,955,818**	**32,271,392**	**3.36**	**27.34**

- The accompanying notes from (1) to (23) form an integral part of these financial statements.

Note: The exchange rate use to convert EGP to ₹ 3.747 (Previous year EGP to ₹ 8.471)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

1. The Company

The Company was established according to the law No 8 year 1997 of investment guarantees and its executive regulations and was registered in the commercial register under No 79585 dated 26/2/1998 and issued tax card No 253/54/5 in tax investment office under the name " Pyramids for modern Industries Company" .

The company was amended according to the decree of chairman of the general authority for investment and free zones No 161/P year 2006 which approved to amend of the article No (5) from the company contact according to the decision of the partners meeting which was held on 13/12/2006 and the approving of the amendment project dated 28/12/2006 which was ratified in public notary office on 9/1/2007 under ratification No 15 A for year 2007 to change the name of the company to Mel Co. for Consumer Care products & its partners "Pyramids modern Industries " (PMI) "General Partnership Co."

According to the decision of chairman of general authority for investment and free zones No2/532 year 2011 and the contract to change the legal entity of the company from general partnership Co to joint stock company according to the law No 8 year 1997 and change the name of the company to Marico Egypt for Industries Company SAE.

Purpose of the company

Manufacturing of all cosmetics and hair and skin care products also soap , toothpaste, hair shampoo and oil processed and hair dyes and the production of various cleaning materials, pesticides, disinfectants and varnish, all sorts of adhesives and packing the products mentioned .

2. Significant Accounting Policies

2.1 Accounting standards and legal principles

The accompanying financial statements have been prepared in accordance with the Egyptian accounting standards and the related Egyptian laws and regulations in case that subject weren't stated in Egyptian accounting standers its refer to the international financial reporting standers.

2.2 Basis of preparation of the financial statements

- The financial statements have been prepared in Egyptian pounds.
- The financial statements have been prepared according to historical cost and continuity presumption.

2.3 Change in accounting principles

The accounting principles comply with those adopted in the previous year.

2.4 Foreign currency translation

The company maintains its books in Egyptian pounds. All transactions denominated in foreign currencies were translated into Egyptian pounds at the rate determined on the transaction date, and on the balance sheet. The monetary current assets and liabilities are revaluated according to the rates announced on that date and the differences are charged to income statement.

2.5 Fixed assets

Recognition and preliminary measurement

Buildings, constructions, infrastructures, machines and equipment are booked at historical cost less the accumulated depreciation and any impairment.

The cost includes all direct cost for acquisition the assets also cost of its disposal and rearranging the site where assets were present.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

2. Significant Accounting Policies (continued)

2.5 Fixed assets deprecation its (continued)

The Deprecation

Fixed assets are presented in the balance sheet at historical cost, are deprecated using straight line method and according to estimated useful life of each asset in accordance with the following.

– Building	5%
– Machinery	12.50%
– Equipment & Lab (S.O.E)	25%
– Computers	50%
– Furniture and offices Equipment	25%
– Vehicles	25%

2.6 Intangible assets

Recognition

Assets that have non-monetary nature which can be identified and have no physical presence and acquired for the activity that expected future benefits as tangible assets. Intangible assets represent in the use of computer programs.

Preliminary measurement

Intangible assets are measured at the cost which is represented in monetary price at the date of acquisition, and it is included net after deduction of accumulated amortization and impairment losses in the value of assets.

Amortization

The value of Amortization charged to income statement in accordance with the straight line method over the estimated useful lives of intangible assets, if its useful lives are not definite. The impairment in the value of intangible assets is calculated at the date of balance sheet and amortized from the date it becomes available for use according to the following rates:

Description	**Estimated life Year**
Computer software (SAP)	(2)

2.7 Projects under construction

Projects under construction are stated at cost and include all direct expenses required to prepare the asset to be in a state of operation and for the purpose for which it was acquired. Projects under construction are recorded as fixed assets once it is finished and it is available for the purpose it was acquired for. Projects under construction are valued at the date of the financial position by to its cost after deducting the impairment in its value if any.

2.8 Inventory valuation

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor and other direct costs. Net realizable value is the estimated selling price in the ordinary operating case, less all variable selling expenses. Provision is made up in case of impairment in value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

2.9 Impairment in the Value of non–Financial Assets

The book value of the Company's non-financial assets, other than inventory and deferred tax assets, is reviewed at the date of each financial position to ascertain the amount of impairment. The Company carries out a regular review to ascertain if there has been impairment in the value of an asset and in case that there is an indication of such impairment; the resale value of the asset is compared with the book value. If the book value is above the resale value, then there is impairment in the value of the asset and is reduced to its resale value and the loss is charged in the income statement. The impairment loss which is previously recognized may be returned in case that there is a change in the resale value to the extent that the amount was reduced in the past.

2.10 Impairment in the value of financial assets

Annually on each financial position date, an objective estimate is carried out to ascertain if there is true indication that any of the assets have been impaired. Once there is a impairment in the value of an asset the loss is recorded only if there are objective proofs that the impairment of the value was due to an incident or more after the initial realization of the asset and that such incident or incidents had an affect that can be evaluated in a reliable manner for the expected future cash flow from the asset. In the case of financial assets that are recorded according to their amortized cost , the losses due to impairment are represented in the difference between the book value of such asset and the present value of the future cash flow that has been discounted by the original actual interest rate relating to this asset.

The book value of the financial asset is reduced directly except in case of clients' accounts that is reduced using provisions. Any amount that is not to be collected is to be written off from the provision and the amount of the realized loss will be reimbursed either directly or by settling the provisions account. It should be ensured that such reversal will not generate a book value for the asset which is higher than the amortized cost at the date of the writing off of the amount of impairment if such impairment has not been recognized. The amount of write off will be reflected in the income statement.

2.11 Revenue recognition

- Revenue is recognized once the goods have been carried out, risks and rewards are transferred and invoice has been issued according to the accrual basis.
- Regarding the revenues from investments are recorded when cash received according to general assembly has approved the distribution to its investors.

2.12 Provisions

A provision is recognized once the Company has a current legal or actual obligation due to a previous incident which is likely to require the use of economic sources to settle such obligation while preparing a valuation of the value of the obligation. The provisions are to be reviewed on the anniversary of the financial position and amended to reflect the most accurate present valuation and in case that the present value of cash is of essence, then the amount which is recognized as provision is the present value of the expected expenses to settle the obligation.

2.13 Employees Benefits

- **Social insurance & pension scheme**

  The Company contributes to the government social insurance system on behalf of the employees according to the social insurance law No. 79 year 1975 and its amendments. The employees and the Company contribute according to this law with a fixed percentage of their salary and the Company's obligation is limited to its contribution. The Company's contribution is reflected in the income statement according to the accrual principle.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

- **Employee profit share**

  According to its constitution, the Company distributes part of the dividends to the employees as per according to the recommendations stipulated by the Board of Directors and approved by the General Assembly. The employee share of profit will be recognized as distribution of profit in shareholder's equity statement and as an obligation for the period that the Company's shareholders approved such distribution.

2.14 Related parties' transactions

All transactions with related parties are booked by the Company in arm length manner as any other normal transaction with other parties.

2.15 Expenses

All expense, including administrative and general expenses, are to be reflected in the income statement for the financial period that such expenses were incurred according to accrual bases.

2.16 Legal reserve

According to Law No. 159 year 1981, its executive directives and the constitution of the Company, there should be a legal reserve of no less than 5% of the profit of the Company and such reserve may not be increased once this reserve amount reaches 50% of the Company's issued share capital.

2.17 Cash flows statement

The cash flow statement will be prepared according to the indirect method.

2.18 Cash and cash equivalent

For the purpose of the cash flows statement, cash and cash equivalents are to be considered cash on hand and at banks, short term fixed deposits, cheques under collection and letters of guarantee cover, if any.

2.19 Earning per share

Earning per share is calculated by the weighted average method according to the number of common shares during the year after deducting the employees share and the board of director's allowance from the profits.

2.20 Income tax

Income tax is calculated by using financial position liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial (accounting basis) by using the tax rate. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax are charged as revenue or expenses to income statement with the exception of tax that results from the transaction in the same period or other period directly charged to equity.

2.21 Comparative figures

Comparative figures are reclassified whenever it is necessary to amend the presentation used during the current period.

3. Financial risks management

3.1 Financial risks items

Financial risks are represented in market risks that include (changes in foreign exchange rate, price risk and interest rate risk on cash flows and fair value) also, credit and liquidity risk. The company doesn't use any financial derivatives for hedging specific risks.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

a. Market risk

1. Foreign exchange rate risk

The Company is exposed to risk of changes in exchange rates as a result of various activities and mainly USD and Euro.

Risk of changes in exchange rates is due to future commercial transactions, assets and liabilities in foreign currency on the date of the financial statements.

2. Price risk

The Company has no investments in equity instruments, listed and current debit instruments in the money market; so it is not exposed to the risk of change in the fair value of investments due to changes in prices.

3. Interest rate risk

Interest rate risk appears in the change in interest rate that may affect the business output.

This risk is not applicable as the Company does not depend on credit facilities from banks to finance working capital or long term assets.

b. Credit risk

Credit risk arises in customers' and individual's accounts represented in receivables account.

For banks, the Company deals with banks according to high credit rating and banks with high credit worthiness in case of absence of the separate credit rate.

For customers, management evaluates their credit worthiness with their cash position and historical dealings and other effects. Required provisions are formed to face adequacy risk of customers individually.

c. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through and adequate amounts of available credit finance. Due to dynamic nature of the underlying business, the company's management aims to maintain flexibility in funding through associate company.

3.2. Capital risk management

The Company's objective when managing capital is to safeguard its ability to continue in order to provide returns to its shareholders and benefits to other parties that use the financial statement. The Company aims to keep the best capital structure that would reduce the cost of capital.

The Company keeps the best capital structure by changing the value of paid dividends or decreasing capital or issuance of new shares or by reducing the Company's accrual debts.

The Company monitors capital on basis of gearing ratio. Net loans represent the total loans, borrowings, receivables and other credit accounts less cash and cash equivalent.

3.3. Fair value estimation

The fair value of financial assets and liabilities with maturities of less than one year is assumed to be approximated carrying value. The fair value of financial liabilities-for disclosure purpose-is estimated by discounting the future cash flow at the current market interest rate that is available to the Company for similar financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

4. Significant accounting estimates and personal judgements

4.1 Significant accounting estimates and judgements

Estimates and assumptions are evaluated on basis of historical experience and other factors including expectations about future events that are believed to be reasonable under certain circumstances.

The Company makes future estimates and assumptions, which may not be equal to the actual results. Estimates and assumptions that are used by the Company are shown as follows:

a. Impairment of trade receivables

The evaluation in the value of receivables is mage through debt aging. The Company management is studying the credit position and the ability of payments of the customers who their numerous debts are due during the credit limit grated for them and the impairment is recorded with the value of the due amounts on the customers who the Company management sees that their credit position do not allow them to pay their liabilities.

b. Useful lives of fixed assets

The estimated useful life is depending on estimation and personal judgement based on the experience of the Company with similar fixed assets taking into consideration the estimated usage of the asset and number of working shifts and technical limitations. Residual values and useful lives of assets are reviewed on periodic basis.

c. Write down in value of inventory

The company provides for slow moving and obsolete inventory based on the reports which are related to its condition and future utility.

4.2 Significant personal judgements in applying the Company's accounting policies

In general the application of the Company's accounting policies do not require from management the use of personal judgement which may have a major impact on the value recognized in the financial statement.

5. Financial instruments

Financial instruments are made up of any contractual agreement that gives the right to financial assets of the company and creates a financial or shareholding obligation to the other side of the contact.

5.1. Receivables and debtors

Receivables and debtors are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organization, and default or delinquency in payments (more than granted credit limits) are considered as indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate used to determine the amortized cost.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the income statement. When a receivable is uncollectible, it is written off against the allowance account for receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

5.2 Payables and notes payables

Payables and notes payables are recognized initially at the value of goods or services received from others, and subsequently measured at amortized cost using the effective interest rate.

6. Earnings per share from net profits of the year (EGP/Share)

Particulars	2016 EPG	2015 EPG	2016 ₹Crore	2015 ₹Crore
Net Profit of the year	**(2,914,420)**	5,908,984	**(1.09)**	5.00
No. of shares	**1,228,769**	1,228,769	**0.46**	1.04
Earning per share from NET (loss) Profit for the year (EGP/Share)	**(2.37)**	**4.81**	**(8.88)**	**40.75**

7. Fixed Assets (Net)

Description	Land	Building	Machines	Equipment & lab tools	Computers	Furinture and offices Equipment	Vehicles	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
2015								
Cost as of 1/1/2015	199,530	3,329,678	19,567,020	805,665	448,976	1,516,910	989,500	**26,857,279**
Additions during the year	-	-	8,800	128,785	130,533	477,312	892,000	**1,637,430**
Disposals during the year	-	-	-	-	(41,375)	-	-	**(41,375)**
Adjustment during the year	-	-	-	105,036	-	(105,036)	-	**-**
Cost as of 31/12/2015	**199,530**	**3,329,678**	**19,575,820**	**1,039,486**	**538,134**	**1,889,186**	**1,881,500**	**28,453,334**
Acc . Deperciation as of 1/1/2015	-	942,587	9,134,336	531,910	310,940	1,403,512	704,835	**13,028,120**
Depreciation of the year	-	160,443	2,070,459	154,965	130,230	291,370	223,138	**3,030,605**
Acc. Depreciation of disposals	-	-	-	-	(39,812)	-	-	**(39,812)**
Adjustment during the year	-	-	-	74,681	-	(74,681)	-	**-**
Acc . Deperciation as of 31/12/2015	**-**	**1,103,030**	**11,204,795**	**761,556**	**401,358**	**1,620,201**	**927,973**	**16,018,913**
Impairment in fixed assets as of 1/1/2015	-	-	97,625	-	-	-	-	**97,625**
Used during the year	-	-	(44,745)	-	-	-	-	**(44,745)**
Impairment in fixed assets as of 31/12/2015	-	-	52,880	-	-	-	-	**52,880**
Fixed assets (Net) as of 31/12/2015	**199,530**	**2,226,648**	**8,318,145**	**277,930**	**136,776**	**268,985**	**953,527**	**12,381,541**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

Description	Land	Building	Machines	Equipment & lab	Computers	Furinture and offices Equipment	Vehicles	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
2016								
Cost as of 1/1/2016	199,530	3,329,678	19,575,820	1,039,486	538,134	1,889,186	1,881,500	**28,453,334**
Additions during the year	–	–	46,080	184,620	67,458	249,635	564,000	**1,111,793**
Disposals during the year	–	–	(30,895)	(9,231)	(3,800)	(511,800)	(334,500)	**(890,226)**
Adjustments during the year	–	–	–	–	–	–	–	–
Cost as of 31/12/2016	**199,530**	**3,329,678**	**19,591,005**	**1,214,875**	**601,792**	**1,627,021**	**2,111,000**	**28,674,901**
Acc . Deperciation as of 1/1/2016	–	1,103,030	11,204,795	761,556	401,358	1,620,201	927,973	**16,018,913**
Depreciation of the year	–	166,484	2,033,557	223,750	124,721	148,307	345,645	**3,042,464**
Acc. Depreciation of disposals	–	–	(28,922)	(9,229)	(3,799)	(510,566)	(299,706)	**(852,222)**
Acc . Deperciation as of 31/12/2016	**–**	**1,269,514**	**13,209,430**	**976,077**	**522,280**	**1,257,942**	**973,912**	**18,209,155**
Impairment in fixed assets as of 1/1/2016	–	–	52,880	–	–	–	–	52,880
Used during the year	–	–	(14,514)	–	–	–	–	(14,514)
Impairment in fixed assets as of 31/12/2016	**–**	**–**	**38,366**	**–**	**–**	**–**	**–**	**38,366**
Fixed assets (Net) as of 31/12/2016	**199,530**	**2,060,164**	**6,343,209**	**238,798**	**79,512**	**369,079**	**1,137,088**	**10,427,380**

Description	Land	Building	Machines	Equipment & lab	Computers	Furinture and offices Equipment	Vehicles	Total
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
2015								
Cost as at 1/1/2015	0.17	2.82	16.58	0.68	0.38	1.28	0.84	**22.75**
Additions during the year	–	–	0.01	0.11	0.11	0.40	0.76	**1.39**
Disposals during the year	–	–	–	–	(0.04)	–	–	**(0.04)**
Adjustments during the year	–	–	–	0.09	–	(0.09)	–	**–**
Cost at 31/12/2015	**0.17**	**2.82**	**16.58**	**0.88**	**0.46**	**1.60**	**1.59**	**24.10**
Acc. Depreciation on 1/1/2015	–	0.80	7.74	0.45	0.26	1.19	0.60	**11.04**
Depreciation of the year	–	0.14	1.75	0.13	0.11	0.25	0.19	**2.57**
Acc. Depreciation of disposals	–	–	–	–	(0.03)	–	–	**(0.03)**
Adjustments on Acc. Depreciation	–	–	–	0.06	–	(0.06)	–	**–**
Acc. Depreciation as at 31/12/2015	**–**	**0.93**	**9.49**	**0.65**	**0.34**	**1.37**	**0.79**	**13.57**
Impairment in fixed assets as of 1/1/2015	–	–	0.08	–	–	–	–	**0.08**
Formed during the year	–	–	–	–	–	–	–	**–**
Used during the year	–	–	(0.04)	–	–	–	–	**(0.04)**
Impairment in fixed assets as of 31/12/2015	**–**	**–**	**0.04**	**–**	**–**	**–**	**–**	**0.04**
Net cost of assets as at 31/12/2015	**0.17**	**1.89**	**7.05**	**0.24**	**0.12**	**0.23**	**0.81**	**10.49**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

Description	Land	Building	Machines	Equipment & lab tools	Computers	Furinture and offices Equipment	Vehicles	Total
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
2016								
Cost as of 1/1/2016	0.07	1.25	7.34	0.39	0.20	0.71	0.70	**10.66**
Additions during the year	–	–	0.02	0.07	0.03	0.09	0.21	**0.42**
Disposals during the year	–	–	(0.01)	(0.00)	(0.00)	(0.19)	(0.13)	**(0.33)**
Cost as of 31/12/2016	**0.07**	**1.25**	**7.34**	**0.46**	**0.23**	**0.61**	**0.79**	**10.74**
Acc . Deperciation as of 1/1/2016	–	0.41	4.20	0.29	0.15	0.61	0.35	**6.00**
Depreciation of the year	–	0.06	0.76	0.08	0.05	0.06	0.13	**1.14**
Acc. Depreciation of disposals	–	–	(0.01)	(0.00)	(0.00)	(0.19)	(0.11)	**(0.32)**
Acc . Deperciation as of 31/12/2016	**–**	**0.48**	**4.95**	**0.37**	**0.20**	**0.47**	**0.36**	**6.82**
Impairment in fixed assets as of 1/1/2016	–	–	0.02	–	–	–	–	**0.02**
Formed during the year	–	–	–	–	–	–	–	**–**
Used during the year	–	–	(0.01)	–	–	–	–	**(0.01)**
Impairment in fixed assets as of 31/12/2016	**–**	**–**	**0.01**	**–**	**–**	**–**	**–**	**0.01**
Fixed assets (Net) as of 31/12/2016	**0.07**	**0.77**	**2.38**	**0.09**	**0.03**	**0.14**	**0.43**	**3.91**

The depreciation is charged as follows:–

Description	2016	2015	2016	2015
	EGP	EGP	₹ Crore	₹ Crore
Industial Depreciation	2,339,145	2,436,461	0.88	2.06
Adminstrative Depreciation	703,319	1,078,838	0.26	0.91
Total	**3,042,464.00**	**3,515,299.00**	**1.14**	**2.98**

8. Intangible assets (net)

Intangible assets are represented in accounting programmes (SAP, Navision and other programs)

Particulars	2016	2015	2016	2015
	EGP	EGP	₹ Crore	₹ Crore
Cost at beginning of the year	**1,048,433**	1,048,433	**0.39**	0.89
Additions during the year	**-**	-	**-**	-
Cost at the end of the year	**1,048,433**	**1,048,433**	**0.39**	**0.89**
ACC. Amortization at beginning of the year	**913,595**	428,901	**0.34**	0.36
Amortization of the year	**134,832**	484,694	**0.05**	0.41
ACC. Amortization at the end of the year	**1,048,427**	**913,595**	**0.39**	**0.77**
(Net) Intangible assets as of 31/12/2016	**6**	**134,838**	**-**	**0.11**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

9. Inventory and letters of credits (net)

Particulars	2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
Raw materials	**6,343,186**	2,873,724	**2.38**	2.43
Packing & wreping material	**4,178,513**	4,740,078	**1.57**	4.02
Finished goods	**7,817,121**	6,050,498	**2.93**	5.13
Work in process goods	**49,462**	86,909	**0.02**	0.07
Total inventory	**18,388,282**	13,751,209	**6.90**	11.65
Impairment in inventory balances	**(1,960,356)**	(1,084,316)	**(0.72)**	(0.93)
Total	**16,427,926**	**12,666,893**	**6.16**	**10.73**

10. Receivables and Notes receivable (net)

Particulars	2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
Local Receivables	**17,810,212**	18,570,497	**6.67**	15.73
Less:				
Impairment in local recivables balances	**(226,000)**	(226,000)	**(0.08)**	(0.19)
	17,584,212	**18,344,497**	**6.59**	**15.54**

11. Suppliers advanced payments

Particulars	2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
Advanced payments to suppliers	**2,400,191**	230,119	**0.90**	0.19
Less				
Impairment in suppliers advanced payments balances	**–**	–	**–**	–
Total	**2,400,191**	**230,119**	**0.90**	**0.19**

12. Debtors and other debit balances

Particulars	2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
Imprests	**158,719**	98,061	**0.06**	0.08
Prepaid expenses	**530,606**	354,097	**0.20**	0.30
Deposits due to others	**384,157**	412,099	**0.14**	0.35
Accrued interest	**345,565**	1,095,317	**0.13**	0.93
Withholding tax	**136,403**	52,370	**0.05**	0.04
Employees' loans	**146,578**	80,853	**0.04**	0.07
Other debit balances	**934**	929	**0.00**	0.00
Total	**1,702,962**	**2,093,726**	**0.64**	**1.77**

13. Due from related parties

Particulars	2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
Marico India comany - India	**95,800,096**	78,619,250	**35.90**	66.60
Marico Middle East Company (Dubai) - United Arab Emirates	**-**	2,819	**-**	0.00
Total	**95,800,096**	**78,622,069**	**35.90**	**66.60**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

14. Treasury bills

Particulars	2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
Treasury bills	**3,000,000**	5,825,000	**1.12**	4.93
Less:				
Unearned discount	**(174,184)**	(203,490)	**(0.07)**	(0.17)
	2,825,816	**5,621,510**	**1.06**	**4.76**

15. Cash and cash equivalent

Particulars	2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
Banks time deposits	**4,423,500**	26,579,239	**1.66**	22.52
Banks current accounts - local currency	**332,643**	238,341	**0.12**	0.20
Banks current accounts - foreign currency	**4,199,675**	5,453,812	**1.57**	4.62
Total	**8,955,818**	**32,271,392**	**3.36**	**27.34**

16. Claims provisions

Particulars	Beg. Balance at January 1, 2016 EGP	Formed during the year EGP	Used during the year EGP	End Balance at December 31, 2016 EGP
Retirement provision	826,335	–	139,724	686,611
Leave encashment provision	1,347,734	–	–	1,347,734
Other provisions	816,915	354,604	754,372	417,147
	2,990,984	**354,604**	**894,096**	**2,451,492**

Particulars	Beg. Balance at January 1, 2016 ₹ Crore	Formed during the year ₹ Crore	Used during the year ₹ Crore	End Balance at December 31, 2016 ₹ Crore
Retirement provision	0.70	–	0.12	0.26
Leave encashment provision	1.14	–	-	0.50
Other provisions	0.69	0.30	0.64	0.16
	2.53	**0.30**	**0.76**	**0.92**

17. Due to related parties

Particulars	2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
Marico India company – India	**1,081,493**	703,190	**0.43**	0.60
Marico Middle East Company (Dubai) - United Arab Emirates	**846,091**	00	**0.32**	–
Total	**1,927,584**	**703,190**	**0.74**	**0.60**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

18. Payables and notes payable

Particulars	2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
Suppliers	**5,963,908**	8,118,701	**2.23**	6.88
Suppliers under settelment	**12,914,754**	12,207,546	**4.84**	10.34
Notes payable	**–**	56,919	**–**	0.05
Total	**18,878,662**	**20,383,166**	**7.07**	**17.27**

19. Creditors and other credit balances

Particulars	2016 EGP	2015 EGP	2016 ₹ Crore	2015 ₹ Crore
Accrued expenses	**919,800**	81,193	**0.34**	0.07
Sales tax authority	**1,399,782**	4,981,466	**0.52**	4.22
Salaries & bonuses of foreigners	**3,872,712**	2,150,549	**1.45**	1.82
Withholding tax	**75,529**	110,468	**0.03**	0.09
Withholding tax - royalty	**114,051**	575,172	**0.04**	0.49
Clients - advance payments	**–**	5,671	**–**	0.00
pyroll tax	**199,722**	312,532	**0.07**	0.26
Social insurance authority	**83,529**	74,083	**0.03**	0.06
Value added tax	**1,576,718**	–	**0.59**	–
Accured income tax	**50,000.00**	–	**0.02**	–
Tax on Treasury bills return	–	98,462	–	0.08
Total	**8,291,843**	**8,389,596**	**3.11**	**7.11**

20. Capital

– The company's authorized capital is EGP 20,000,000 (Twenty million Egyptian pounds) and the issued capital is EGP 12,287,690(Twelve million two hundred eighty seven thousand and six hundred ninety Egyptian pounds) distributed over 1,228,769 shares, the par value of each share is EGP 10 and they are fully paid.

21. Transaction with related parties

Country	Types of Relationship	Nature of Transaction	Transaction Volume during the year EGP	Size of Transaction ₹ Crore
Egypt	Related Party	Financing	17,180,846	6.44
India	Related Party	Royalities	(9,887)	(0.00)
India	Related Party	Expenses	(3,288,988)	(1.23)
India	Related Party	Payments	3,194,867	1.20
India	Related Party	Foreign exchange currency	(274,295)	(0.10)
United Arab Emirates	Related Party	Expenses	(1,681,041)	(0.63)
United Arab Emirates	Related Party	Payments	1,216,117	0.46
United Arab Emirates	Related Party	Foreign exchange currency	(383,987)	(0.14)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2016

22. Tax status

22.1 Income tax

- The company was exempted from income tax since 1/1/2007 till 31/12/2016 according to the company tax card.
- The company wasn't inspected from tax authority since the beginning of the activity till now.
- The company regularly submits its income tax returns.

22.2 Value Added Tax (Sales tax)

- The company's books were examined till December 31, 2013, and the tax differences were fully paid.
- The company regularly submits its sales tax returns.

22.3 Pyroll tax

- The company regularly submits and pays its salaries tax returns.
- The company's books were examined from the beginning of activity till 31 December 2011and all difference has been settled.
- The company was inspected from tax authority for the period from January 1.2012 till December 31, 2012 the company objected to claim the dispute was referred to internal committee and in process to obtaining the result .
- The company tax inspection for the year 2013

22.4 Stamp tax

- The company was inspected till December 31, 2013, and the tax differences were fully paid.

22.5 Withholding tax

- The company was inspected till the period ending December 31, 2013, and the tax differences were fully paid.

23. The new Egyptian Accounting Standards

On July 9, 2016, the Minister of Investment issued a decree no. (110) of 2016 regarding the new Egyptian Accounting Standards includes 39 standards and a frame that will be used in the preparation and presentation of financial statements replacing the former Egyptian Accounting Standards that has been issued by Ministerial Decree No. (243) of 2006 and is to be applied starting from the first of January 2016.

The new standards will be applied by entities that begin its fiscal year from this date or after it. The company is currently assessing whether these changes will affect the financial statements in the period of initial application.

Board of Directors (As on March 31, 2017)	Mr. Saugata Gupta Mr. Vivek Karve Mr. Jacques Nieuwenhuys Mr. John Richard Mason
Registered Office	Unit 1-5, Site 2 East, Riverside Business Park 74 Prince Umhlangane Road Avoca, Durban 4051
Postal Address	P.O.Box 401093, Redhill, 4071
Registration No	2007/025470/07
Auditors	M/s. Price Waterhouse Cooper Inc. Durban
Bankers	Standard Bank of South Africa Limited
Legal Advisors	Adams & Adams – Patent and Trademark Attorneys Norton Rose, Commercial Attorneys Shepstone & Wylie – Litigation Attorneys KPMG – Secretarial Services & Tax

STATEMENT OF DIRECTOR'S RESPONSIBILITY

FOR THE YEAR ENDED MARCH 31, 2017

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company and group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards.

The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the company's and group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the company and group. While operating risk cannot be fully eliminated, the company and group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's and group's cash flow forecast for the year to 31 March 2018 and, in the light of this review and the current financial position, they are satisfied that the company and group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's and group's financial statements. The financial statements have been examined by the group's external auditors and their report is presented on pages 5 to 6.

The financial statements set out on pages 7 to 36, which have been prepared on the going concern basis, were approved by the directors on 5 June 2017 and were signed on their behalf by:

J Mason
Director

J Nieuwenhuys
Director

DIRECTOR'S REPORT

For the year ended March 31, 2017

The directors present their annual report, which forms part of the financial statements of the company and of the group for the year ended 31 March 2017.

1 Nature of business

The company is an investment holding company with an interest in Marico South Africa Proprietary Limited which manufactures and distributes a wide range of personal care and affordable complementary health care products.

Marico South Africa Consumer Care Proprietary Limited and its subsidiary were incorporated on 6 September 2007 to act as an investment holding company in South Africa for its holding company, Marico Limited which is incorporated in India. The company subsequently purchased the entire share capital of Marico South Africa Proprietary Limited effective on the 31 October 2007.

As the company is the ultimate South African parent, consolidated financial statements have also been presented which include the financial results of Marico South Africa Proprietary Limited.

2 Financial results and dividends

The financial results of the company and group for the year under review are reflected in the attached financial statements and do not in our opinion require any further comments.

No dividends have been declared during the year and none are recommended (2016: R Nil).

3 Share capital

The authorised and issued share capital has not changed.

4 Directors and secretary

The directors of the company are:

JR Mason

J Nieuwenhuys

S Gupta (Indian)

V Karve (Indian)

The company secretary is KPMG (Durban office).

5 Holding company

Marico Limited holds 100% of the company's issued share capital. Marico Limited is incorporated in Mumbai, India.

6 Subsidiary

The company holds 100% of the issued share capital of Marico South Africa Proprietary Limited.

7 Material events after year-end

No matter which is material to the financial affairs of the company and group has occurred between the statement of financial position date and the date of approval of the financial statements.

8 Auditors

PricewaterhouseCoopers Inc. will continue in office in accordance with the Companies Act, 71 of 2008.

INDEPENDENT AUDITOR'S REPORT

For the year ended March 31, 2017

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Marico South Africa Consumer Care Proprietary Limited (the Company) and its subsidiary (together the Group) as at 31 March 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Marico South Africa Consumer Care Proprietary Limited's consolidated and separate financial statements set out on pages 7 to 36 comprise:

- the consolidated and separate statements of financial position as at 31 March 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 consolidated and separate financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

Other information

The directors are responsible for the other information. The other information comprises the Report of the Directors, as required by the Companies Act of South Africa, the Company Information and the Statement of Directors' Responsibility. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group's and 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 consolidated and separate 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 Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

PricewaterhouseCoopers Inc.
Director: EAS Mulla
Registered Auditor
Durban
Date : 5 June 2017

BALANCE SHEET

As at March 31, 2017

Particulars	Notes	Group 2017 R	Group 2016 R	Company 2017 R	Company 2016 R	Group 2017 ₹ Crore	Group 2016 ₹ Crore	Company 2017 ₹ Crore	Company 2016 ₹ Crore
ASSETS									
Non-current assets									
Property, plant and equipment	6	2,301,254	598,926	–	–	1.11	0.27	–	–
Intangible assets	7	47,980,722	47,980,722	–	–	23.20	21.52	–	–
Investment in subsidiary	8	–	–	100,326,055	100,326,055	0.00	0.00	48.51	45.01
Deferred income tax assets	13	1,299,341	2,304,655	–	–	0.63	1.03	-	-
Goodwill	14	37,686,823	37,686,823	–	–	18.22	16.91	-	-
		89,268,140	**88,571,126**	**100,326,055**	**100,326,055**	**43.16**	**39.73**	**48.51**	**45.01**
Current assets									
Trade and other receivables	10	24,781,978	25,255,573	–	–	11.98	11.33	–	–
Inventories	9	28,819,242	21,739,719	–	–	13.93	9.75	–	–
Cash and cash equivalents	11	7,190,550	7,918,715	27,928	424,440	3.48	3.55	0.01	0.19
Amounts due from related party	18	–	–	–	2,371,845	–	–	–	1.06
Crrent Income tax asset		468,048	–	–	–	0.23	–	–	–
		61,259,818	**54,914,007**	**27,928**	**2,796,285**	**29.62**	**24.63**	**0.01**	**1.25**
Total assets		**150,527,958**	**143,485,133**	**100,353,983**	**103,122,340**	**72.78**	**64.37**	**48.52**	**46.26**
EQUITY									
Capital and reserves attributable to equity holders of the company									
Share capital	12	60,060,309	60,060,309	60,060,309	60,060,309	29.04	26.94	29.04	26.94
Share premium	12	43,799,900	43,799,900	43,799,900	43,799,900	21.18	19.65	21.18	19.65
Retain earninig/ (acumulated loss)		13,788,072	9,021,489	(3,532,026)	(3,837,002)	6.67	4.05	(1.71)	(1.72)
Total equity		**117,648,281**	**112,881,698**	**100,328,183**	**100,023,207**	**56.88**	**50.64**	**48.51**	**44.88**
LIABILITIES									
Non-current liabilities									
Share-based payment liability	17	368,268	83,560	–	–	0.18	0.04	–	–
		368,268	**83,560**	–	–	**0.18**	**0.04**	–	–
Current liabilities									
Trade and other payables	15	32,087,229	25,927,981	–	–	15.51	11.64	-	-
Borrowings	16	–	3,098,745	–	3,098,745	-	1.38	-	1.38
Share-based payment liability	17	398,380	1,410,568	–	–	0.19	0.63	-	-
Current Income tax liability		25,800	82,581	25,800	388	0.01	0.04	0.01	0.00
		32,511,409	**30,519,875**	**25,800**	**3,099,133**	**15.72**	**13.69**	**0.01**	**1.38**
Total liabilities		**32,879,677**	**30,603,435**	**25,800**	**3,099,133**	**15.90**	**13.73**	**0.01**	**1.38**
Total equity and liabilities		**150,527,958**	**143,485,133**	**100,353,983**	**103,122,340**	**72.78**	**64.37**	**48.52**	**46.26**

Note: The exchange rate use to convert ZAR to ₹ 4.835 (Previous year ZAR to ₹ 4.486)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended March 31, 2017

Particulars		Year ended March 31,							
		Group		Company		Group		Company	
	Notes	2017	2016	2017	2016	2017	2016	2017	2016
		R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Revenue		**210,951,899**	**199,965,966**	**-**	**-**	**102.00**	**89.70**	**–**	**–**
Cost of sales		(129,610,805)	(118,274,264)	-	-	(62.67)	(53.06)	–	–
Gross profit		**81,341,094**	**81,691,702**	**-**	**-**	**39.33**	**36.65**	**–**	**–**
Operating expenses		(75,586,510)	(73,361,230)	(7,416)	(14,433)	(36.55)	(32.91)	(0.00)	**(0.01)**
Other expense		(350,664)	(5,525)	435,422	-	(0.17)	(0.00)	0.21	–
Other Income		435,422	-	-	-	0.21	-	–	–
Other Income/(losses)- net		509,761	(1,151,156)	-	-	0.25	(0.52)	–	–
Operating profit / (loss)		**6,349,103**	**7,173,791**	**428,006**	**(14,433)**	**3.07**	**3.22**	**0.21**	**(0.01)**
Finance income	4.1	487,481	406,032	65,444	669,978	0.24	0.18	0.03	0.30
Finance costs	4.2	(96,014)	(646,429)	(69,871)	(646,429)	(0.05)	(0.29)	(0.03)	(0.29)
(Loss)/profit before income tax		**6,740,570**	**6,933,394**	**423,579**	**9,116**	**3.26**	**3.11**	**0.20**	**–**
Income tax expense	5	(1,973,987)	(1,998,512)	(118,602)	(2,552)	(0.95)	(0.90)	(0.06)	–
Other comprehensive Income		-	-	-	-	-	-	-	-
Total comprehensive Income for the year		**4,766,583**	**4,934,882**	**304,977**	**6,564**	**2.30**	**2.21**	**0.15**	**0.01**

Note: The exchange rate use to convert ZAR to ₹ 4.835 (Previous year ZAR to ₹ 4.486)

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2017

Particulars	Share capital 2017 R	Share premium 2017 R	Retained earning 2017 R	Total 2017 R	Share capital 2017 ₹ Crore	Share premium 2017 ₹ Crore	Retained earning 2017 ₹ Crore	Total 2017 ₹ Crore
Group								
Year ended 31 March, 2016								
Balance at 1 April, 2015	60,060,309	43,799,900	4,086,607	**107,946,816**	26.94	19.65	1.83	**48.42**
Total comprehensive income for the year	–	–	4,934,882	**4,934,882**	–	–	2.21	**2.21**
Balance at 31 March, 2016	**60,060,309**	**43,799,900**	**9,021,489**	**112,881,698**	**26.94**	**19.65**	**4.05**	**50.64**
Year ended 31 March, 2017								
Balance at 1 April, 2016	**60,060,309**	**43,799,900**	**9,021,489**	**112,881,698**	29.04	21.18	4.36	**54.58**
Total comprehensive income for the year	–	–	**4,766,583**	**4,766,583**	–	–	2.30	**2.30**
Balance at 31 March, 2017	**60,060,309**	**43,799,900**	**13,783,072**	**117,648,281**	**29.04**	**21.18**	**6.67**	**56.88**
Company								
Year ended 31 March, 2016								
Balance at 1 April, 2015	60,060,309	43,799,900	(3,843,566)	**100,016,643**	26.94	19.65	(1.72)	**44.87**
Total comprehensive income for the year	–	–	6,564	**6,564**	–	–	0.00	0.00
Balance at 31 March, 2016	**60,060,309**	**43,799,900**	**(3,837,002)**	**100,023,207**	**26.94**	**19.65**	**(1.72)**	**44.88**
Year ended 31 March, 2017								
Balance at 1 April, 2016	60,060,309	43,799,900	(3,837,002)	**100,023,207**	29.05	21.18	(1.86)	**48.37**
Total comprehensive income for the year	–	–	304,977	**304,977**	–	–	0.15	**0.15**
Balance at 31 March, 2017	**60,060,309**	**43,799,900**	**(3,532,025)**	**100,328,184**	**29.05**	**21.18**	**(1.71)**	**48.52**

Note: The exchange rate use to convert ZAR to ₹ 4.835 (Previous year ZAR to ₹ 4.486)

STATEMENT OF CASH FLOWS

For the year ended March 31, 2017

Particulars	Notes	Year ended March 31,							
		Group		Company		Group		Company	
		2017	2016	2017	2016	2017	2016	2017	2016
		R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Cash flow from operating activities									
Cash flow generated from/ (used in) operattion	20	6,141,000	4,383,305	428,006	(14,433)	2.97	1.97	0.21	(0.01)
Finance income	4.1	487,481	406,032	65,444	669,978	0.24	0.18	0.03	0.30
Finance costs	4.2	(96,014)	(646,429)	(69,871)	(646,429)	(0.05)	(0.29)	(0.03)	(0.29)
Tax Paid		(1,493,501)	(2,271,376)	(93,191)	(2,165)	(0.72)	(1.02)	(0.05)	–
Net cash (used) generated from operating activities		**5,038,966**	**1,871,532**	**330,388**	**6,951**	**2.44**	**0.84**	**0.16**	–
Cash flow from investing activities									
Additions to property, plant and equipment		(2,679,909)	(183,842)	–	–	(1.30)	(0.08)	–	–
Proceeds on disposal of property, plant and equipment		11,524	4,560	–	–	0.01	–	–	–
Net cash from/(used in) investing activities		**(2,668,385)**	**(179,282)**	–	–	**(1.29)**	**(0.08)**	–	–
Cash flow from financing activities									
Repayment of borrowings		(3,098,746)	(7,724,588)	(726,900)	–	(1.50)	(3.47)	(0.35)	–
Net cash used in financing activities		(3,098,746)	(7,724,588)	(726,900)	–	(1.50)	(3.47)	(0.35)	–
Net increase/(decrease) in cash and cash equivalents		**(728,165)**	**(6,032,338)**	**(396,512)**	**6,951**	**(0.35)**	**(2.71)**	**(0.19)**	–
Cash and cash equivalents at beginning of year	11	7,918,715	13,951,053	424,440	417,489	3.83	6.26	0.21	0.19
Cash and cash equivalents at end of year	**11**	**7,190,550**	**7,918,715**	**27,928**	**424,440**	**3.48**	**3.55**	**0.01**	**0.19**

Note: The exchange rate use to convert ZAR to ₹ 4.835 (Previous year ZAR to ₹ 4.486)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1. Summary of significant accounting policies

The principle accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). The financial statements have been prepared on the historical cost basis as modified by the revaluation of financial liabilities at fair value through profit and loss.

The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period based on management's best knowledge of current events and actions. Actual results may ultimately differ from these estimates. During the current period, areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, have been disclosed in note 1.23.

1.2 Investment in subsidiaries and consolidation

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries are consistent with the policies adopted by the group.

Investments in subsidiaries are accounted for at cost less accumulated impairment losses in the stand-alone financial statements of the company.

1.3 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Depreciation is calculated using the straight-line basis so as to write off the cost of the assets to their residual values over their expected useful lives. The expected useful lives are as follows:

Leasehold improvements	5 years
Plant and machinery	5 – 15 years
Motor vehicles	3,33 years
Office equipment	5 years
Furniture and fittings	6 years
Computer equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1.5).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

1.4 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Separately recognised goodwill is assessed annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(b) Brands

The useful lives of all intangible assets acquired by the company are assessed to determine if the useful life is finite or indefinite. Useful lives of intangible assets are reviewed at the end of each financial period and altered if estimates have changed significantly. Any change is accounted for by changing the amortisation charge for the current and future periods.

Intangibles assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Intangibles assets with indefinite useful lives are measured at cost and are not amortised, but are tested for impairment annually or whenever an indication of impairment exists.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

The following intangible assets are currently classified as having indefinite useful lives:

- **brands**

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

1.5 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

1.6 Leased assets

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

1.7 Inventory

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

1.8 Financial assets

1.8.1 Classification

The company classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current..

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (notes 1.9 and 1.10).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1.8.2 Recognition and measurement

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'operating expenses - net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the company's right to receive payments is established.

1.9 Trade receivables

Trade receivables are measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within 'operating expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

1.10 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1.11 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.12 Trade payables

Trade payables are carried initially at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier, and subsequently measured at amortised cost using the effective interest rate method.

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

1.13 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.14 Share-based payment

The company operates share-based compensation plans under which the company receives services from directors as consideration for equity based instruments (options and rights) of Marico Limited (ultimate holding company). The fair value of the employees' services received in exchange for the grant of the options or rights is recognised as an expense.

The fair value is determined at each statement of financial position date and is expensed on a straight-line basis over the vesting period with a corresponding increase in the liability and is based on the company's estimate of options that will eventually vest. Non-market vesting conditions are included in assumptions about the number of options and rights that are expected to vest.

At each statement of financial position date, the company assesses its estimates of the number of options or rights that are expected to vest. The company recognises the impact on the original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to the share option liability as appropriate.

The cash settled share-based payment, on maturity, will be computed in Indian Rupee (INR) and will be converted at the prevalent exchange rate and paid to senior management in the currency of the location of senior management in currency of the location of senior management.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1.15 Financial risk management

(1) Financial risk factors

The group's activities expose it to a variety of financial risks, including the effects of changes in interest rates and foreign currency exchange rates. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group does not use derivative financial instruments, such as interest rate swaps and forward exchange contracts, to hedge certain exposures.

(a) Foreign exchange risk

The group is occasionally exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US Dollar. The company and group does not use forward contracts to hedge their exposure to foreign currency risk in connection with the measurement currency.

Uncovered future foreign exchange exposures at year end, reflected in the statement of financial position, can be analysed as follows.

Particulars	2017 Foreign amount	2017 Rand	2016 Foreign amount	2016 Rand
	000's	000's	000's	000's
US Dollar Payable	241	1746	91	1338

At 31 March 2017,if the Rand had weakened/strengthened by 10% against the US Dollar,with all other variables held constant,post tax profit for the year would have been R 50,976 (2016:R115 116) lower/higher, mainly as a result of foreign exchange losses/gains on translating foreign denomininated trade payables.

(b) Interest Rate Risk

The group's fixed-rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The group's investments in variable-rate debt securities and its variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not exposed to interest rate risk.

The group adopts a policy of regularly reviewing interest rate exposure, and maintains floating rate borrowings.

At year end, the group did not have any borrowings.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates at the statement of financial position date and the stipulated change taking place at the beginning of the financial year and held constant in the case of variable rate borrowings. A 50 basis point increase or decrease has been used, as this represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables held constant, the group's/company's profit after tax would decrease by:

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Effect on profit after tax	19,573	6,860	221	930	0.01	0.00	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

(c) Credit risk

Management has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Trade receivables comprise a wide customer base.

At period end there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position, grossed up for any allowances for losses.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash resources and ensuring the availability of funding through an adequate amount of credit facilities. The group aims to maintain flexibility by monitoring its cash flow forecast, good working capital management and ensuring adequate borrowing facilities are maintained.

The following table details the group and company's remaining contractual maturity of its non-derivative financial liabilities.

Particulars	Average interest rate	Within 1 year	Greater than 1 year	Total	Within 1 year	Greater than 1 years	Total
		R	R	R	₹ Crore	₹ Crore	₹ Crore
Group 2017							
Trade and other payables	-	27,187,844	-	27,187,844	13.15	-	13.15
Group 2016							
Trade and other payables		21,979,303	-	21,979,303	9.86	-	9.86

Particulars	Average interest rate	Within 1 year	Greater than 1 year	Total	Within 1 year	Greater than 1 year	Total
		R	R	R	₹ Crore	₹ Crore	₹ Crore
Company 2017							
Interest bearing shareholders loan from Marico Limited							
- Current potion	10.50%	-	-	-	-	–	-
	10.50%	-	-	-	-	–	-
Company 2016							
Interest bearing shareholders loan from Marico Limited							
- Current potion	10.50%	3,098,745	-	3,098,745	1.39	-	1.39
	10.50%	3,098,745	-	3,098,745	1.39	-	1.39

Capital risk management

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

1.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The difference between the proceeds received and the par value of ordinary shares issued are shown within equity as share premium.

1.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of value-added tax, estimated returns, rebates and discounts. Revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognised when the company has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. It is the company's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns at the time of sale.

(b) Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

1.18 Research and development costs

Research and development costs are recognised as an expense to the extent that such expenditure are not expected to have future benefits.

1.19 Employee benefits

The group operates a retirement benefit scheme which is a defined contribution fund. A defined contribution fund is a retirement benefit plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The group pays contributions on a contractual basis and contributions are recognised as an expense when they are due.

1.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1.21 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders.

1.22 New Standards and Interpretations

a) **New standards, amendments and interpretations to existing standards mandatory for the first time for the financial year beginning 01 April 2016**

- Amendments to IAS 1,'Presentation of financial statements' disclosure initiative, (effective 1 January 2016).
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible assets', on depreciation and amortisation, (effective 1 January 2016).
- Amendment to IFRS 7, 'Financial Instruments: Disclosures', (effective 1 January 2016).
- Amendment to IAS 19, 'Employee Benefits', (effective 1 January 2016).

b) **Standards, amendments and interpretations issued but not yet effective for the year ended 31 March 2017**

- Amendment to IAS 12, 'Income taxes', (effective 1 January 2017).
- Amendment to IAS 7, 'Cash flow statements', (effective 1 January 2017).
- IFRS 15, 'Revenue from contracts with customers', (effective 1 January 2018).
- IFRS 9, 'Financial Instruments (2009 & 2010)', (effective 1 January 2018)
  - Financial liabilities
  - Derecognition of financial instruments
  - Financial assets
  - General hedge accounting
- IFRS 16, 'Leases', (effective 1 January 2019).
- Amendment to IFRS 7, 'Financial Instruments: Disclosures', (effective 1 January 2017).
- Amendment to IAS 19, 'Employee Benefits', (effective 1 January 2017).
- IFRIC 22, 'Foreign currency transactions and advance consideration (effective 1 January 2018).
- Amendment to IFRS 2, 'Share-based payments', (effective 1 January 2018).

c) **Standards, amendments and interpretations issued but not yet effective for the year ended 31 March 2017 and also not relevant to the company's operations**

- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28,'Investments in associates and joint ventures' on sale or contribution of assets, (postponed – initially 1 January 2016).
- Amendment to IFRS 9, 'Financial instruments', on general hedge accounting, (effective 1 January 2018).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1.23 Critical accounting estimates and judgements

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

1.23.1 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Estimated impairment of intangible assets

The company tests whether intangible assets have suffered any impairment annually or whenever an indication of impairment exists in accordance with the accounting policy stated in note 1.5. The recoverable amounts of cash-generating units has been determined based on value-in use calculations. These calculations require the use of estimates (refer note 7).

(b) Estimated impairment of goodwill

The Company tests whether intangible assets have suffered any imapirment annually or whenever an indication of impairment exits in accordance with the accounting policy stated in no 1.5. The recoverable amount of cash-generating units has been determined based on value -in use calculations .These calculations require the use of estimates (refer note 14).

2 Operating profit/(loss)

2.1 The following items have been charged in arriving at operating profit/(loss):

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Depreciation on property, plant and equipment (A detailed breakdown of the depreciation expense is presented in note 6)	**806,802**	576,087	**–**	–	**0.39**	0.26	**–**	–
Loss on disposal of property, plant and equipment	**159,255**	5,526	**–**	–	**0.08**	0.00	**–**	–
Lease rentals								
Buildings	**4,531,157**	3,010,920	**–**	–	**2.19**	1.35	**–**	–
Computers	**445,881**	395,602	**–**	–	**0.22**	0.18	**–**	–
	4,977,038	3,406,522	**–**	–	**2.41**	1.53	**–**	–
Directors' emoluments								
Salaries	**3,046,777**	3,163,006	**–**	–	**1.47**	1.42	**–**	–
Other	**2,764,430**	3,213,021	**–**	–	**1.34**	1.44	**–**	–
	5,811,207	6,376,027	**–**	–	**2.81**	2.86	**–**	–
Staff costs (see note 3)	**19,436,299**	**20,989,792**	**–**	**–**	**9.40**	**9.42**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

2.2 Expenses by nature

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹Crore	₹ Crore
Depreciation	**806,802**	576,087	**–**	–	**0.39**	0.26	**–**	–
Directors' emoluments	**5,811,207**	6,376,027	**–**	–	**2.81**	2.86	**–**	–
Operating lease rentals	**4,977,038**	3,406,522	**–**	–	**2.41**	1.53	**–**	–
Staff costs	**19,436,299**	20,989,792	**–**	–	**9.40**	9.42	**–**	–
Cost of sales	**129,610,805**	118,274,264	**–**	–	**62.67**	53.06	**–**	–
Commission	**6,844,455**	6,419,769	**–**	–	**3.31**	2.88	**–**	–
Advertising	**16,725,224**	17,169,964	**–**	–	**8.09**	7.70	**–**	–
Delivery expenses	**10,718,177**	9,617,266	**–**	–	**5.18**	4.31	**–**	–
Other	**10,617,972**	8,811,382	**7,416**	14,433	**4.97**	3.95	**0.01**	0.01
Total cost of sales and operating expenses	**205,547,979**	**191,641,019.00**	**7,416**	**14,433**	**99.22**	**85.97**	**0.01**	**0.02**

3 Staff costs

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Salaries and wages	**17,938,076**	18,270,384	**–**	–	**8.67**	8.20	**–**	–
Other	**1,498,223**	2,719,408	**–**	–	**0.72**	1.22	**–**	–
	19,436,299	**20,989,792**	**–**	**–**	**9.40**	**9.42**	**–**	**–**
Average number of persons employed:								
- Full time	76	75	–	–				

4 Finance (costs)/income

4.1 Finance income

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Bank	**487,481**	450,110	**11,389**	23,549	**0.24**	0.18	**0.01**	0.01
Related party (refer note 21)	**–**	–	**54,055**	646,429	**–**	–	**0.03**	0.29
	487,481	**450,110**	**65,444**	**669,978**	**0.24**	**0.18**	**0.03**	**0.30**

4.2 Finance cost

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Related party (refer note 21)	**(96,014)**	(1,286,924)	**(69,871)**	(646,429)	**(0.05)**	(0.29)	**(0.03)**	(0.29)
Net finance costs	**391,467**	**(195,319)**	**(4,427)**	**23,549**	**0.19**	**(0.11)**	**0.00**	**0.01**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

5 Income tax expense

Particulars	Group		Company		Group		Company	
	2017 R	2016 R	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore	2017 ₹ Crore	2016 ₹ Crore
Current tax								
- current year	**931,046**	2,164,461	**118,602**	2,552	**0.45**	0.97	**0.06**	–
- prior year underprovision	**37,627**	59,257	**–**	–	**0.02**	0.03	**–**	-
	968,673	2,223,718	**118,602**	2,552	**0.47**	1.00	**0.06**	–
Deferred tax								
- current year	**1,005,405**	(207,660)	**–**	–	**0.49**	(0.09)	**–**	–
- prior year underprovision/ (overprovision)	**(91)**	(17,546)	**–**	–	**–**	(0.01)	**–**	–
	1,973,987	**1,998,512**	**118,602**	**2,552**	**0.95**	**0.90**	**0.06**	**–**

The tax on the company (loss)/profit before tax differs from the theoretical amount that would arise using basic rates as follows:

Particulars	Group		Company		Group		Company	
	2017 R	2016 R	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore	2017 ₹ Crore	2016 ₹ Crore
Profit before tax	**6,740,570**	6,933,394	**423,579**	9,116	**3.26**	3.11	**0.20**	–
Tax calculated at a rate of 28%	**1,887,360**	1,941,350	**118,602**	2,552	**0.91**	0.87	**0.06**	–
Deferred tax – prior year underprovision/ (overprovision)	**(91)**	(17,546)	**–**	–	**(0.00)**	(0.01)	**–**	–
Current tax – prior year underprovision	**37,627**	59,257	**–**	–	**0.02**	0.03	**–**	–
Permanent differences	**49,091**	15,451	**–**	–	**0.02**	0.01	**–**	–
Tax charge	**1,973,987**	**1,998,512**	**118,602**	**2,552**	**0.95**	**0.90**	**0.06**	**–**

6 Property, plant and equipment

Particulars	Leasehold improvements R	Plant and machinery R	Motor vehicles R	Office furniture and computer equipment R	Total R
Year ended 31 March, 2017					
Opening net carrying amount	285,191	72,794	59,267	181,674	**598,926**
Additions	1,100,976	714,274	-	864,659	**2,679,909**
Depreciation	(218,466)	(114,520)	(51,553)	(422,263)	**(806,802)**
Disposals	(154,570)	(1,090)	878	(15,119)	**(170,779)**
Closing net carrying amount	**1,013,131**	**671,458**	**7,714**	**608,951**	**2,301,254**
Cost	1,285,461	1,108,625	434,324	2,329,091	**5,156,623**
Accumulated depreciation and impairment	(272,330)	(437,167)	(426,610)	(1,720,140)	**(2,855,389)**
Closing net carrying amount	**1,013,131**	**671,458**	**7,714**	**608,951**	**2,301,254**

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Depreciation charge of R 806 802 (2016: R 576 087) has been charged to operating expenses.

Group	Leasehold improvements R	Plant and machinery R	Motor vehicles R	Office furniture and computer equipment R	Total R
Year ended 31 March, 2016					
Opening net carrying amount	521,225	110,523	110,820	258,688	**1,001,256**
Additions	42,494	27,055	-	114,293	**183,842**
Depreciation	(278,528)	(54,699)	(51,553)	(191,307)	**(576,087)**
Disposals	–	(10,085)	–	–	**(10,085)**
Closing net carrying amount	**285,191**	**72,794**	**59,267**	**181,674**	**598,926**
Cost	2,794,517	619,253	434,324	2,421,491	**6,269,585**
Accumulated depreciation and impairment	(2,509,326)	(546,459)	(375,057)	(2,239,817)	**(5,670,659)**
Closing net carrying amount	**285,191**	**72,794**	**59,267**	**181,674**	**598,926**

Company: No item of property, plant and equipment are held at company level.

Particulars	Leasehold improvements ₹ Crore	Plant and machinery ₹ Crore	Motor vehicles ₹ Crore	Office furniture and computer equipment ₹ Crore	Total ₹ Crore
Year ended 31 March, 2017					
Opening net carrying amount	0.14	0.04	0.03	0.09	**0.29**
Additions	0.53	0.35	0.00	0.42	**1.30**
Depreciation	(0.11)	(0.06)	(0.02)	(0.20)	**(0.39)**
Disposals	(0.07)	–	–	(0.01)	**(0.08)**
Closing net carrying amount	**0.49**	**0.32**	**0.00**	**0.29**	**1.11**
Cost	0.62	0.54	0.21	1.13	**2.49**
Accumulated depreciation and impairment	(0.13)	(0.21)	(0.21)	(0.83)	**(1.38)**
Closing net carrying amount	**0.49**	**0.32**	**0.00**	**0.29**	**1.11**

Group	Leasehold improvements ₹ Crore	Plant and machinery ₹ Crore	Motor vehicles ₹ Crore	Office furniture and computer equipment ₹ Crore	Total ₹ Crore
Year ended 31 March, 2016					
Opening net carrying amount	0.23	0.05	0.05	0.12	0.45
Additions	0.02	0.01	–	0.05	**0.08**
Depreciation	(0.12)	(0.02)	(0.02)	(0.09)	**(0.26)**
Disposals	–	–	–	–	**–**
Closing net carrying amount	**0.13**	**0.03**	**0.03**	**0.08**	**0.27**
Cost	1.25	0.28	0.19	1.09	**2.81**
Accumulated depreciation and impairment	**(1.13)**	**(0.25)**	**(0.17)**	**(1.00)**	**(2.54**
Closing net carrying amount	**0.13**	**0.03**	**0.03**	**0.08**	**0.27**

Company: No items of property, plant and equipment are held at company level.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

7 Intangible assets

Particulars	Brands R	Total R	Brands ₹ Crore	Total ₹ Crore
Group				
Year ended 31 March, 2017				
Opening carrying amount	**47,980,722**	**47,980,722**	23.20	**23.20**
Impairment	–	**–**	–	**–**
Closing carrying amount	**47,980,722**	**47,980,722**	**23.20**	**23.20**
Cost	50,062,924	**50,062,924**	24.21	**24.21**
Accumulated impairment	(2,082,202)	**(2,082,202)**	(1.01)	**(1.01)**
Closing carrying amount	**47,980,722**	**47,980,722**	**23.20**	**23.20**
Year ended 31 March, 2016				
Opening carrying amount	47,980,722	**47,980,722**	21.52	**21.52**
Impairment	–	**–**	–	**–**
Closing carrying amount	**47,980,722**	**47,980,722**	**21.52**	**21.52**
Cost	50,062,924	**50,062,924**	22.46	**22.46**
Accumulated impairment	(2,082,202)	**(2,082,202)**	(0.93)	**(0.93)**
Closing carrying amount	**47,980,722**	**47,980,722**	**21.52**	**21.52**

The group has classified its intangible assets as having indefinite useful lives. This conclusion is supported by the fact that the group is expected to be able to use the brands for the foreseeable future and that the typical product life cycles for the brands, acquired from public information on estimates of useful lives, indicate that the intangible asset has an indefinite period of foreseeable usage. This is further supported by the stability and the strong demand in markets within which these products are marketed and sold.

Detailed impairment testing is performed for the indefinite-life intangible assets annually or whenever an indicator of impairment exists. The impairment review process is as follows:

Each period and whenever impairment indicators are present, management calculate the fair value of the asset and record an impairment loss for the excess of the carrying value over the fair value, if any.The fair value is generally measured as the net present value of projected cash flows. In addition, a re-evaluation of the remaining useful life of the asset is performed to determine whether continuing to characterise the asset as having an indefinite life is appropriate.

The recoverable amounts have been determined based on a value-in-use calculation. The calculation uses a free cash flow model that discounts the free cash flow available from profit after tax generated by the intangible asset. If the resulting net present value exceeds the carrying value of the intangible asset, the intangible asset is not impaired. However, if the resulting net present value is less than the carrying value, an impairment charge is raised.The key assumptions used for the value-in-use calculations are as follows:

	2017	2016
Growth rate *1	**5.5%**	5%
Discount rate *2	**15.15%**	15.85%

*1 Weighted average growth rate used to extrapolate cash flows beyond the budget period.

*2 Pre-tax discount rate applied to the cash flow projections.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

A sensitivity analysis was performed with regards to the key assumptions above and projected cash flows as follows:

	Impact on Impairment
Discount rate plus 1% and projected cash flow and growth rate constant	None
Discount rate constant ,projected cash flow less 5% and growth rate constant	None
Discount rate constant ,projected cash flow constant and growth rate less 1 %	None

8 Investment in Subsidiary

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Marico South Africa Proprietary Limited								
Investment in shares at cost	–	–	100,326,055	100,326,055	–	–	48.51	45.01

The group's share of the results of its subsidiary, which is unlisted, are as follows:

Name	Country of incorporation	Profit/(Loss) after tax R	Profit/(Loss) after tax ₹ Crore
2017			
-Marico South Africa Proprietary Limited	South Africa	4,461,606	2.16
2016			
Marico South Africa Proprietary Limited	South Africa	4,928,318	2.21

The following information relate to the company financial interest in subsidiary.

Name	Number of shares held	Proportionheld	Nature of business ₹
Subsidiary			
Marico South Africa Proprietary Limited	5,000	100%	Manufacturing and distributing of wide range of personal care and affordable complementary health care products

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

9 Inventories

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Raw materials	**16,224,550**	10,889,800	**–**	–	**7.84**	4.89	**–**	–
Work in progress	**88,441**	144,340	**–**	–	**0.04**	0.06	**–**	–
Finished goods	**12,506,250**	10,705,579	**–**	–	**6.05**	4.80	**–**	–
	28,819,241	**21,739,719**	**–**	**–**	**13.93**	**9.75**	**–**	**–**
The above balances have been derived after deducting a write down to net realisable value of:	**(869,271)**	**(1,636,885)**	**–**	**–**	**(0.42)**	**(0.76)**	**–**	**–**

The cost of inventories recognised as an expense and included in cost of sales amounted to R129,610,805 (Rs. 55.43 Crore) (2016: R 118,927,620 (Rs. 53.35 Crore)).

10 Trade and other receivables

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Trade receivables	**22,715,230**	24,254,959	**–**	–	**10.98**	10.88	**–**	–
Provision for doubtful debts	**(42,686)**	(557,857)	**–**	–	**(0.02)**	(0.25)	**–**	–
Net trade receivables	**22,672,544**	23,697,102	**–**	–	**10.96**	10.63	**–**	–
Other receivables	**2,109,434**	1,558,471	**–**	–	**1.02**	0.70	**–**	–
	24,781,978	**25,255,573**	**–**	**–**	**11.98**	**11.33**	**–**	**–**

The group grants credit of 30 days to its customers. The analysis of trade receivables which are past due and not impaired at year end is as follows:

Past due by 30 days	**9,945,785**	9,693,171	**–**	–	**4.81**	4.35	**–**	–
Past due by 60 days	**–**	1,869,323	**–**	–	**0.00**	0.84	**–**	–
Past due by 90 days	**31,756**	351,131	**–**	–	**0.02**	0.16	**–**	–
	9,977,541	**11,913,625**	**–**	**–**	**4.82**	**5.34**	**–**	**–**
Movement in provision for doubtful debts								
Opening Balance	**557,857**	38,055	**–**	–	**0.27**	0.02	**–**	–
Provision for the year	**42,686**	519,802	**–**	–	**0.02**	0.23	**–**	–
Write off	**(557,857)**	–	**–**	–	**(0.27)**	-	**–**	–
Closing Balance	**42,686**	557,857	**–**	–	**0.02**	0.25	**–**	–

The carrying value of the trade and other receivables approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

11 Cash and cash equivalents

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the following:

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Bank balances	**7,190,550**	7,918,715	**27,928**	424,440	**3.48**	3.55	**0.01**	0.19

Credit quality of cash at bank: BAA2

12 Share capital and share premium

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Authorised								
1,247 Ordinary shares	**1,247**	1,247	**1,000**	1,000	**0.01**	0.01	**0.01**	–
Issued								
800 Ordinary shares of R1 each	**800**	800	**800**	800	**0.01**	0.01	**0.01**	–
447 Ordinary shares of R134361.22 each	**60,059,509**	60,059,509	**60,059,509**	60,059,509	**29.04**	26.94	**29.05**	26.94
Share premium	**43,799,900**	**43,799,900**	**43,799,900**	**43,799,900**	**21.18**	**19.65**	**21.18**	**19.65**

13 Deferred income tax assets

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 28% (2016: 28%).

The movement on the deferred income tax asset account is as follows:

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
At beginning of year	**2,304,655**	2,079,449	**–**	–	**1.11**	0.93	**–**	2,304,655
Current year	**(1,005,405)**	207,660	**–**	–	**(0.49)**	0.09	**–**	–
Prior year overprovision/ (underprovision)	**91**	17,546	**–**	–	**–**	–	**–**	–
At end of year	**1,299,341**	2,304,655	–	–	**0.63**	1.03	**–**	–

Deferred tax assets may be analysed as follows:

Property, plant and equipment	**32,177**	190,823	–	–	**0.02**	0.08	**–**	–
Other provisions	**1,267,164**	2,113,832	–	–	**0.61**	0.96	**–**	–
	1,299,341	**2,304,655**	**–**	**–**	**0.63**	**1.03**	**–**	**–**

The group recognises deferred tax assets to the extent that future taxable profits will be available against which the unused tax losses and deductible temporary differences can be utilised .

NOTES TO THE FINANCIAL STATEMENTS

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14 Goodwill

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Carrying value at the end of the year	**37,686,823**	37,686,823	**–**	–	**18.22**	16.91	**–**	–

Goodwill relates to the acquisition of Marico South Africa Proprietary Limited in 2007.

Goodwill has been assessed for impairment in terms of IAS 36. Based on future expected cash flows from the subsidiary, Marico South Africa Proprietary Limited, no impairment is considered necessary.
The recoverable amounts have been determined based on a value in use calculation. The calculation uses a free cash flow model that discounts the free cash flow available from earnings before interest, tax and depreciation.

The key assumptions used for the value-in-use calculations are as follows:

Particulars	2017	2016
Growth rate *1	**5.5%**	5%
Discount rate *2	**15.1%**	15.8%

*1 Weighted average growth rate used to extrapolate cash flows beyond the budget period.

*2 Pre-tax discount rate applied to the cash flow projections.

A sensitivity analysis was performed with regards to the key assumptions above and projected cash flows as follows:

	Impact on Impairment
Discount rate plus 1%, projected cash flow and growth rate constant	None
Discount rate constant, projected cash flow less 5% and growth rate constant	None
Discount rate constant, projected cash flow constant and growth rate less 1%	None

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15 Trade and other payables

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Trade payables	**21,569,673**	18,514,765	**–**	–	**10.43**	8.31	**–**	–
Amount due to related party	**2,200,924**	873,236	**–**	–	**1.06**	0.39	**–**	–
Accruals	**2,746,007**	2,022,363	**–**	–	**1.33**	0.91	**–**	–
Audit fee	**671,240**	568,939	**–**	–	**0.32**	0.26	**–**	–
Bonus provision	**3,146,241**	2,434,711	**–**	–	**1.52**	1.09	**–**	–
Leave pay	**1,182,216**	1,035,042	**–**	–	**0.57**	0.46	**–**	–
Other payables	**570,928**	478,925	**–**	–	**0.28**	0.21	**–**	–
Trade payables	**32,087,229**	**25,927,981**	**–**	**–**	**15.51**	**11.64**	**–**	**–**

The carrying value of the trade and other payables approximates their fair value.

Movement in bonus provision:								
Opening balance	**2,434,711**	2,153,820	**–**	–	**1.18**	0.97	**–**	–
Additional provision for the year	**3,169,625**	3,656,846	**–**	–	**1.53**	1.64	**–**	–
Amounts used during the year	**(2,458,095)**	(3,375,955)	**–**	–	**(1.19)**	(1.51)	**–**	–
Closing balance	**3,146,241**	2,434,711	**–**	–	**1.52**	1.09	**–**	–

16 Borrowings

Related party (refer note 22)

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Current portion	**–**	3,098,745	**–**	3,098,745	**0.00**	1.38	**0.00**	1.38

The loan was unsecured.It bears interest at a rate of 10.5% (2016: 10.5%).

Maturity of borrowings								
Due within 1 year	**–**	3,098,745	**–**	3,098,745	**–**	1.38	**–**	1.38
Due within 2 – 5 years	**–**	–	**–**	–	**–**	–	**–**	–
	–	3,098,745	**–**	3,098,745	**–**	1.38	**–**	1.38

NOTES TO THE FINANCIAL STATEMENTS

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17 Share-based payments

Marico Limited granted senior management of Marico South Africa Proprietary Limited a STAR grant bonus in respect of the share appreciation rights scheme.

The liability in respect of the share appreciation rights scheme is to be settled by Marico South Africa (Proprietary Limited). The value is determined by the market price of equity shares and no minimum guarantee amount is provided.
The STAR grant value on maturity will be computed in INR and will be converted at the prevalent exchange rate as decided by Marico Group Corporate Finance Function, and paid to senior management in the currency of location of senior management.

Award price Indian Rupee (INR)	Date Rights Awarded	Rights Awarded	Vesting Date	Rights Exercisable as 31 March,2017
256.78	1-12-2016	31,620	30/11/2019	–
203.63	1-12-2015	30,600	30/11/2018	–
214.46	5-8-2015	31,800	30/11/2017	–

The share price as at 31 March 2016 used to compute the share option liability was INR 243. During the current year, there was a bonus share issue, where for every one share held, the holder of that share would receive another share.

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	Rs. Crore	₹ Crore	₹ Crore	₹ Crore
Current portion	**398,380**	1,410,568	**–**	–	**0.19**	0.63	**–**	–
Non-current portion	**368,267**	83,560	**–**	–	**0.18**	0.04	**–**	–
	766,647	**1,494,128**	**–**	**–**	**0.37**	**0.67**	**–**	**–**

18 Amount due from related party

Related party (refer note 21)

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
- Non-current portion	**–**	–	**–**	–	**–**	–	**–**	–
- Current portion	**–**	–	**–**	2,371,845	**–**	–	**–**	1.06
	–	–	**–**	2,371,845	**–**	–	**–**	1.06

The loan was unsecured and bears interest at a rate of 0% (2016: 10.5%).

Maturity of borrowings

Due within 1 year	**–**	–	**–**	2,371,845	**–**	**–**	**–**	1.06
Due within 2 – 5 years	**–**	–	**–**	–	**–**	**–**	**–**	–
	–	–	**–**	**2,371,845**	**–**	**–**	**–**	**1.06**

NOTES TO THE FINANCIAL STATEMENTS

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19 Financial risk management

The group's financial instruments consist primarily of deposits with banks, short term investments, trade accounts receivable and payable and loans to and from the holding company and its subsidiary.

Financial assets

Loans and receivables:

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Assets as per the statement of financial position								
Trade and other receivables	**24,781,978**	25,255,573	**–**	–	**11.98**	11.33	**–**	–
Cash and cash equivalents	**7,190,550**	7,918,715	**27,928**	424,440	**3.48**	3.55	**0.01**	0.19
Amount due from related party	**–**	–	**–**	2,371,845	**–**	–	**–**	1.06
	31,972,528	**33,174,288**	**27,928**	**2,796,285**	**15.46**	**14.88**	**0.01**	**1.25**
Financial liabilities								
Financial liabilities at amortised cost:								
Liabilities as per the statement of financial position								
Interest bearing liabilities	**–**	3,098,745	**–**	3,098,745	**–**	1.39	**–**	1.39
Trade and other payables	**32,879,675**	21,979,303	**–**	–	**15.90**	9.86	**–**	–
	32,879,675	**25,078,048**	**–**	**3,098,745**	**15.90**	**11.25**	**0.00**	**1.39**

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20 Cash flow from operating activities

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Operating profit/(loss)	**6,349,103**	7,173,791	**428,006**	(14,433)	**3.07**	3.22	**0.21**	(0.01)
Adjusted for:								
Non-cash items								
Depreciation	**806,802**	576,087	**–**	–	**0.39**	0.26	**–**	–
Loss on sale of assets	**159,255**	5,526	**–**	–	**0.08**	0.00	**–**	–
movement in Share-based payment liabilities	**(727,480)**	54,303	**–**	–	**(0.35)**	0.02	**–**	–
Operating profit before working capital changes:								
Increase in trade and other receivables	**473,595**	(3,035,608)	**–**	–	**0.23**	(1.36)	**–**	–
Increase in inventories	**(7,079,523)**	(4,568,433)	**–**	–	**(3.42)**	(2.05)	**–**	–
Increase in trade and other payables	**6,159,248**	4,177,639	**–**	–	**2.98**	1.87	**0.00**	–
	6,141,000	**4,383,305**	**428,006**	**(14,433)**	**2.97**	**1.97**	**0.21**	**(0.01)**

21 Related party transactions

At 31 March 2017, the holding company of Marico South Africa Consumer Care Proprietary Limited and its subsidiary is a listed company incorporated in India, which holds 100% of the company's issued share capital. Marico South Africa Consumer Care Proprietary Limited and its subsidiary holds 100% of the issued share capital of Marico South Africa Proprietary Limited. The directors are listed in the director's report.

The group has a related party relationship with its holding company, subsidiary and with its directors and key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

The following transactions were carried out by the company with related parties:

Interest income earned (refer note 4.1)

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Marico South Africa Proprietary Limited	**–**	–	**54,055**	646,429	**–**	–	**0.03**	0.29
Technical Support								
- Marico Limited	**2,357,682**	1,057,608	**–**	–	**1.14**	0.47	**–**	–
Interest expense incurred (refer note 4.2)								
Marico Limited	**69,871**	646,429	**69,871**	646,429	**0.03**	0.29	**0.03**	0.29
Directors emoluments (refer note no. 2)								
J Nieuwenhuys								
- Salary	**1,154,397**	1,144,595	**–**	–	**0.56**	0.51	**–**	–
- Bonuses and performance related payments	**790,700**	983,374	**–**	–	**0.38**	0.44	**–**	–
- Allowances	**72,000**		**–**	–	**0.03**	0.00	**–**	–
	2,017,097	2,127,969	–	–	**0.98**	0.95	**-**	–
J Mason								
- Salary	**1,892,381**	2,018,411	–	–	**0.91**	0.91	**–**	–
- Bonuses and performance related payments	**1,697,729**	2,229,647	–	–	**0.82**	1.00	**–**	–
- Allowances	**204,000**	–	–	–	**0.10**	–	**–**	–
	3,794,110	4,248,058	**–**	–	**1.83**	1.91	**–**	–
Investment in subsidiary (refer note 8):								
Marico South Africa Proprietary Limited	**–**	–	**100,326,054**	100,326,054	**–**	–	**48.51**	45.01
Amounts due from related parties								
Amounts due from subsidiary (refer note 18):								
Marico South Africa Proprietary Limited	**–**	–	**–**	2,371,845	**–**	–	**–**	1.06
Amounts due to related parties								
Amounts due to holding company (refer note 16):								
Marico Limited	**–**	**3,098,745**	**–**	**3,098,745**	**–**	**1.39**	**0.00**	**1.39**
Included in trade and other payables (refer note 15):								
Marico Limited	**2,200,924**	**873,236**	**–**	**–**	**1.06**	**0.39**	**–**	**–**

22 Commitments

Operating lease commitments

The future minimum lease payments payable under non-cancellable operating leases are as follows:

Particulars	Group		Company		Group		Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Within 1 year	**4,229,269**	482,003	**–**	–	**2.04**	0.22	**–**	–
Between 2 and 5 years	**11,417,995**	–	**–**	–	**5.52**	–	**–**	–
Over 5 years	**–**	–	**–**	–	**0.00**	–	**–**	–
	15,647,264	**482,003**	**–**	**–**	**7.57**	**0.22**	**–**	**–**

The leases run for a period of up to 5 years, with an option to renew the lease after that date.

Board of Directors (As on March 31, 2017)	Mr. Jacques Nieuwenhuys Mr. John Richard Mason Mr. Sridhar Balakrishnan (till June 10, 2016) Mr. Rohit Saraogi (till July 25, 2016) Mr. Vivek Karve (w.e.f. July 29, 2016) Mr. Ashutosh Telang (w.e.f. July 29, 2016)
Registered Office	Unit 1-5, Site 2 East, Riverside Business Park 74 Prince Umhlangane Road Avoca, Durban 4051
Postal Address	P.O.Box 401093, Redhill, 4071
Registration Number	1977/001752/07
Auditors	M/s Price Waterhouse Cooper Inc. Durban
Bankers	Standard Bank of South Africa Limited
Legal Advisors	Adams & Adams – Patent and Trademark Attorneys Norton Rose, Commercial Attorneys Shepstone & Wylie – Litigation Attorneys KPMG – Secretarial Services & Tax

STATEMENT OF DIRECTOR'S RESPONSIBILITY

For the year ended March 31, 2017

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards.

The external auditors are engaged to express an independent opinion on the financial statements. The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control

established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2018 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 5.

The financial statements set out on pages 6 to 30, which have been prepared on the going concern basis, were approved by the directors on 5 June 2017 and were signed on their behalf by:

J Mason
Director

J Nieuwenhuys

The directors present their annual report, which forms part of the audited financial statements of the company for the year ended 31 March 2017.

1 Nature of business

The company manufactures and distributes a wide range of personal care and affordable complementary health care products.

2 Financial results and dividends

The financial results of the company for the year under review are reflected in the attached financial statements and do not in our opinion require any further comments.

No dividends have been declared during the year and none are recommended (2016: R Nil).

3 Share capital

The authorised and issued share capital has not changed.

4 Directors and secretary

The directors of the company are:

JR Mason

J Nieuwenhuys

VA Karve(Indian) – (Appointed – 29/07/2016)

AJ Telang(Indian) – (Appointed – 29/07/2016)

S Balakrishnan(Indian) – (Resigned – 10/06/2016)

R Saraogi(Indian) – (Resigned - 25/07/2016)

The company secretary is KPMG (Durban office).

5 Holding company

Marico South Africa Consumer Care Proprietary Limited holds 100% of the company's issued share capital. The ultimate holding company is Marico Limited, a listed company incorporated in Mumbai, India.

6 Material events after year-end

No matter which is material to the financial affairs of the company has occurred between the statement of financial position date and the date of approval of the financial statements.

7 Auditors

PricewaterhouseCoopers Inc. will continue in office in accordance with Section 90(2) of the Companies Act 71 of 2008.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER'S OF MARICO SOUTH AFRICA PROPRIETARY LIMITED

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Marico South Africa Proprietary Limited (the Company) as at 31 March 2017, and its financial performance for the year then ended in accordance with the International Financial Reporting Standard and the requirements of the Companies Act of South Africa.

What we have audited

Marico South Africa Proprietary Limited's financial statements set out on pages 6 to 30 comprise:

- the statement of financial position as at 31 March 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa, the Company Information and the Statement of Directors' Responsibility. 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 and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 judgement and maintain professional scepticism 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;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' 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; and,
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

PricewaterhouseCoopers Inc.

Director: EAS Mulla

Registered Auditor

Durban

Date : 5 June 2017

STATEMENT OF FINANCIAL POSITION

As at March 31, 2017

Particulars	Notes	As at March 31, 2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
ASSETS					
Non-current assets					
Property, plant and equipment	6	2,301,254	598,926	1.11	0.27
Intangible assets	7	47,980,722	47,980,722	23.20	21.52
Deferred income tax asset	12	1,299,341	2,304,655	0.64	1.03
		51,581,317	**50,884,303**	**24.95**	**22.82**
Current assets					
Trade and other receivables	9	24,781,978	25,255,573	11.98	11.34
Inventories	8	28,819,242	21,739,719	13.93	9.75
Cash and cash equivalents	10	7,162,622	7,494,275	3.46	3.36
Current income tax asset		468,048	-	0.23	-
		61,231,890	**54,489,567**	**29.61**	**24.45**
Total assets		**112,813,207**	**105,373,870**	**54.56**	**47.27**
EQUITY					
Capital and reserves attributable to equity holders of the company					
Share capital	11	54,845,500	54,845,500	26.52	24.60
Share premium	11	22,863,735	22,863,735	11.05	10.26
Retained earning/(accumulated loss)		2,250,095	(2,211,511)	1.09	(0.99)
Total equity		**79,959,330**	**75,497,724**	**38.66**	**33.91**
LIABILITIES					
Non-current liabilities					
Share-based payment liability	15	368,268	83,560	0.19	0.04
		368,268	**83,560**	**0.19**	**0.04**
Current liabilities					
Trade and other payables	13	32,087,229	25,927,981	15.52	11.64
Borrowings	14	-	2,371,845	-	1.06
Share-based payment liability	15	398,380	1,410,568	0.19	0.63
Current income tax liability		-	82,192	-	0.04
		32,485,609	**29,792,586**	**15.71**	**13.34**
Total liabilities		**32,853,877**	**29,876,146**	**15.89**	**13.37**
Total equity and liabilities		**112,813,207**	**105,373,870**	**54.56**	**47.27**

Note: The exchange rate use to convert ZAR to ₹ 4.835 (Previous year ZAR to ₹ 4.486)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended March 31, 2017

Particulars		For the year ended March 31,			
	Note	2017	2016	2017	2016
		R	R	₹ Crore	₹ Crore
Revenue		210,951,899	199,965,966	102.00	89.70
Cost of sales		(129,610,805)	(118,274,264)	(62.67)	(53.06)
Gross profit		**81,341,094**	**81,691,702**	**39.33**	**36.65**
Operating expenses		(75,579,094)	(73,346,797)	(36.54)	(32.90)
Other expenses		(350,664)	(5,526)	(0.17)	(0.00)
Other gain/(losses)-net		509,761	(1,156,681)	0.25	(0.52)
Operating profit	2	**5,921,097**	**7,188,224**	**2.86**	**3.22**
Finance income	4.1	476,092	382,483	0.23	0.17
Finance costs	4.2	(80,198)	(646,429)	(0.04)	(0.29)
Profit before income tax		**6,316,991**	**6,924,278**	**3.05**	**3.10**
Income tax expense	5	(1,855,385)	(1,995,960)	(0.90)	(0.90)
Profit after income tax		**4,461,606**	**4,928,318**	**2.16**	**2.21**
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**4,461,606**	**4,928,318**	**2.16**	**2.21**

Note: The exchange rate use to convert ZAR to ₹ 4.835 (Previous year ZAR to ₹ 4.486)

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2017

Particulars	Share capital	Share premium	Retained earnings Accumu lated loss	Total	Share capital	Share premium	Accumu lated loss	Total
	R	R	R	R	₹Crore	₹ Crore	₹ Crore	₹Crore
Year ended 31 March, 2017								
Balance at 1 April 2016	54,845,500	22,863,735	(2,211,511)	**75,497,724**	26.53	11.05	(1.07)	**36.50**
Total comprehensive income for the year	-	-	4,461,606	**4,461,606**	-	-	2.16	**2.16**
Balance at 31 March 2017	**54,845,500**	**22,863,735**	**2,250,095**	**79,959,330**	**26.53**	**11.05**	**1.09**	**38.66**

Particulars	Share capital	Share premium	Accumu lated loss	Total	Share capital	Share premium	Accumu lated loss	Total
	R	R	R	R	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Year ended 31 March, 2016								
Balance at 1 April 2015	54,845,500	22,863,735	(7,139,829)	**70,569,406**	24.62	10.28	(3.15)	**31.71**
Total comprehensive loss for the year	-	-	4,928,318	**4,928,318**	-	-	2.18	**2.18**
Balance at 31 March 2016	**54,845,500**	**22,863,735**	**(2,211,511)**	**75,497,724**	**24.62**	**10.28**	**(0.97)**	**33.89**

Note: The exchange rate use to convert ZAR to ₹ 4.835 (Previous year ZAR to ₹ 4.486)

STATEMENT OF CASH FLOWS

For the year ended March 31, 2017

Particulars		For the year ended March 31,			
		2017	2016	2017	2016
	Notes	R	R	₹ Crore	₹ Crore
Cash flow from operating activities					
Cash flow from operations	16	5,712,994	4,397,738	2.76	1.97
Finance income	4.1	476,092	382,483	0.23	0.17
Finance costs	4.2	(80,198)	(646,429)	(0.04)	(0.29)
Income tax paid		(1,400,311)	(2,269,211)	(0.68)	(1.02)
Net cash generated from operating activities		**4,708,577**	**1,864,581**	**2.28**	**0.84**
Cash flow from investing activities					
Additions to property, plant and equipment		(2,679,909)	(183,842)	(1.30)	(0.08)
Proceeds on disposal of property, plant and equipment		11,524	4,560	0.01	0.00
Net cash used in investing activities		**(2,668,385)**	**(179,282)**	**(1.29)**	**(0.08)**
Cash flow from financing activities					
Repayment of borrowings		(2,371,845)	(7,724,588)	(1.15)	(3.47)
Net cash used in financing activities		**(2,371,845)**	**(7,724,588)**	**(1.15)**	**(3.47)**
Net decrease in cash and cash equivalents		**(331,653)**	**(6,039,289)**	**(0.16)**	**(2.71)**
Cash and cash equivalents at beginning of year		7,494,275	13,533,564	3.62	6.07
Cash and cash equivalents at end of year	10	**7,162,622**	**7,494,275**	**3.46**	**3.36**

Note: The exchange rate use to convert ZAR to ₹ 4.835 (Previous year ZAR to ₹ 4.486)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1 Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). The financial statements have been prepared on the historical cost basis as modified by the revaluation of financial liabilities at fair value through profit and loss.

The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period based on management's best knowledge of current events and actions. Actual results may ultimately differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.22.

1.2 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line basis so as to write off the cost of the assets to their residual values over their expected useful lives. The expected useful lives are as follows:

Leasehold improvements	5 years
Plant and machinery	5 – 15 years
Motor vehicles	3,33 years
Office equipment	5 years
Furniture and fittings	6 years
Computer equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1.4).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1.3 Intangible assets

Brands

The useful lives of all intangible assets acquired by the company are assessed to determine if the useful life is finite or indefinite. Useful lives of intangible assets are reviewed at the end of each financial period and altered if estimates have changed significantly. Any change is accounted for by changing the amortisation charge for the current and future periods.

Intangibles assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Intangibles assets with indefinite useful lives are measured at cost and are not amortised, but are tested for impairment annually or whenever an indication of impairment exists.

The following intangible assets are currently classified as having indefinite useful lives:

- brands

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

1.4 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

1.5 Leased assets

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as an expense in the period in which termination takes place.

1.6 Inventory

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1.7 Financial assets

1.7.1 Classification

The company classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (notes 1.9 and 1.10).

1.7.2 Recognition and measurement

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within operating expenses in the period in which they arise.

1.8 Impairment of financial assets

Loan and receivables

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or company of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

1.9 Trade receivables

Trade receivables are measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within 'operating expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

1.10 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1.11 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.12 Trade payables

Trade payables are carried initially at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier, and subsequently measured at amortised cost using the effective interest rate method.

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

1.13 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.14 Share-based payment

The company operates share-based compensation under which the company receives services from directors as consideration for equity based instruments (options and rights) of Marico Limited (ultimate holding company). The fair value of the employees' services received in exchange for the grant of the options or rights is recognised as an expense.

The fair value is determined at each statement of financial position date and is expensed on a straight-line basis over the vesting period with a corresponding increase in the liability and is based on the company's estimate of options that will eventually vest. Non-market vesting conditions are included in assumptions about the number of options and rights that are expected to vest.

At each statement of financial position date, the company assesses its estimates of the number of options or rights that are expected to vest. The company recognises the impact on the original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to the share option liability as appropriate.

The cash settled share-based payment, on maturity, will be computed in Indian Rupee (INR) and will be converted at the prevalent exchange rate and paid to senior management in the currency of the location of senior management.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1.15 Financial risk management

(1) Financial risk factors

The company's activities expose it to a variety of financial risks, including the effects of changes in interest rates and foreign currency exchange rates. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The company does not use derivative financial instruments, such as interest rate swaps and forward exchange contracts, to hedge certain exposures.

(a) Foreign exchange risk

The company is occasionally exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US Dollar. The company does not use forward contracts to hedge their exposure to foreign currency risk in connection with the measurement currency.

Uncovered future foreign exchange exposures at year end, reflected in the statement of financial position, can be analysed as follow:

Particulars	2017 Foreign amount 000's	2017 Rand 000's	2016 Foreign amount 000's	2016 Rand 000's
US Dollar payable	241	1746	91	1338

At 31 March 2017, if the Rand had weakened/strengthened by 10% against the US Dollar, with all other variables held constant, post-tax profit for the year would have been R50 976 (2016: R115 116) lower/higher, mainly as a result of foreign exchange losses/gains on translating foreign denominated trade payables.

(b) Interest rate risk

The company's investments in fixed-rate debt securities and its fixed-rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The company's investments in variable-rate debt securities and its variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not exposed to interest rate risk.

The company adopts a policy of regularly reviewing interest rate exposure, and maintains floating rate borrowings.

At year-end the company did not have any borrowings.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates at the statement of financial position date and the stipulated change taking place at the beginning of the financial period and held constant in the case of variable rate borrowings. A 50 basis point increase or decrease has been used, as this represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables held constant, the company's profit after tax would decrease by:

Particulars	2017	2016
	R	R
Effect on profit after tax	**19,795**	13,197

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

(c) **Credit Risk**

Management has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Trade receivables comprise a wide customer base.

At year end there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position, grossed up for any allowances for losses.

(d) **Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash resources and ensuring the availability of funding through an adequate amount of credit facilities.

The aims to maintain flexibility by monitoring its cash flow forecast, good working capital management and ensuring adequate borrowing facilities are maintained.

The following table details the company's remaining contractual maturity of its non-derivative financial liabilities

Particulars	Average interest rate	Within 1 year	Greater than 1 year	Total	Within 1 year	Greater than 1 year	Total
		R	R	R	₹ Crore	₹ Crore	₹ Crore
2017							
Trade and other payables		27,187,844	-	**27,187,844**	13.15	-	**12.2**
2016							
Trade and other payables		21,979,303	-	**21,979,303**	10.63	-	**9.86**
Interest bearing shareholder loan	10.50%	2,371,845	-	**2,371,845**	1.147	-	**1.064**
		24,351,148		**24,351,148**	**11.77**	**-**	**10.92**

Capital risk management

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

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

1.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The difference between the proceeds received and the par value of ordinary shares issued are shown within equity as share premium.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of value-added tax, estimated returns, rebates and discounts. Revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognised when the company has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. It is the company's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns at the time of sale.

(b) Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

1.18 Research and development costs

Research and development costs are recognised as an expense to the extent that such expenditure are not expected to have future benefits.

1.19 Employee benefits

The company operates retirement benefit schemes which are defined contribution funds. A defined contribution fund is a retirement benefit plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The company pays contributions on a contractual basis and contributions are recognised as an expense when they are due.

1.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

1.21 New Standards and Interpretations

a) New standards, amendments and interpretations to existing standards mandatory for the first time for the financial year beginning 01 April 2016

- Amendment to IAS 1," Presentation of financial statement" disclosure initiative, (effective 1st January, 2016).
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible assets', on depreciation and amortisation, (effective 1 January 2016).

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- Amendment to IFRS 7, 'Financial Instruments: Disclosures', (effective 1 January 2016).
- Amendment to IAS 19, 'Employee Benefits', (effective 1 January 2016).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

b) **Standards, amendments and interpretations issued but not yet effective for the year ended 31 March 2017**

- Amendment to IAS 12, 'Income taxes', (effective 1 January 2017).
- Amendment to IAS 7, 'Cash flow statements', (effective 1 January 2017).
- IFRS 15, 'Revenue from contracts with customers', (effective 1 January 2018).
- IFRS 9, 'Financial Instruments (2009 & 2010)', (effective 1 January 2018)
- Financial liabilities
- Derecognition of financial instruments
- Financial assets
- General hedge accounting
- IFRS 16, 'Leases', (effective 1 January 2019).
- Amendment to IFRS 7, 'Financial Instruments: Disclosures', (effective 1 January 2017).
- Amendment to IAS 19, 'Employee Benefits', (effective 1 January 2017).
- IFRIC 22, 'Foreign currency transactions and advance consideration (effective 1 January 2018).
- Amendment to IFRS 2, 'Share-based payments', (effective 1 January 2018).

c) **Standards, amendments and Interpretations Issued but not yet effective for the year ended 31 March 2017 and also not relevant to the group's operations**

- Amendments to I FRS 10, 'Consolidated financial statements' and IAS 28,'1nvestments in associates and joint ventures' on sale or contribution of assets, (postponed-initially 1 January 2016}.
- Amendment to I FRS 9, 'Financial instruments', on general hedge accounting, (effective 1 January 2018).

1.22 Critical accounting estimates and judgements

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

1.22.1 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Estimated impairment of intangible assets

The company tests whether intangible assets have suffered any impairment annually or whenever an indication of impairment exists, in accordance with the accounting policy stated in note 1.4. The recoverable amounts of cash-generating units has been determined based on value-in use calculations.

These calculations require the use of estimates (refer note 7).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

2 Operating profit

2.1 The following items have been charged in arriving at operating profit:

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Depreciation on property, plant and equipment	**806,802**	576,087	**0.39**	0.26
(A detailed breakdown of the depreciation expense is presented in note 6)				
Loss on disposal of property, plant and equipment	**159,255**	5,525	**0.08**	0.00
Lease rentals				
- Buildings	**4,531,157**	3,010,920	**2.19**	1.35
- Computers	**445,881**	395,602	**0.22**	0.18
	4,977,038	3,406,522	**2.41**	1.53
Directors' emoluments (refer note 17)				
Salaries	**3,046,777**	3,163,006	**1.47**	1.42
Other	**2,764,430**	3,213,021	**1.34**	1.44
	5,811,207	**6,376,027**	**2.81**	**2.86**
Staff costs (refer note 3)	**19,436,299**	20,989,792	**9.40**	9.42

2.2 Expenses by nature

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Depreciation	**806,802**	576,087	**0.39**	0.26
Directors' emoluments	**5,811,207**	6,376,027	**2.81**	2.86
Operating lease rentals	**4,977,038**	3,406,522	**2.41**	1.53
Staff costs	**19,436,299**	20,989,792	**9.40**	9.42
Cost of sales	**129,610,805**	118,274,264	**62.67**	53.06
Commission	**6,844,455**	6,419,769	**3.31**	2.88
Advertising	**16,725,224**	17,169,964	**8.09**	7.70
Delivery Expenses	**10,718,177**	9,617,266	**5.18**	4.31
Other	**10,259,892**	8,791,370	**4.96**	3.94
Total cost of sales and operating expenses	**205,189,899**	**191,621,061**	**99.21**	**85.96**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

3 Staff costs

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Salaries and wages	**17,938,076**	18,270,384	**8.67**	8.20
Other	**1,498,223**	2,719,408	**0.72**	1.22
	19,436,299	**20,989,792**	**9.40**	**9.42**
Average number of persons employed:				
- Full time	**76**	**75**		

4 Finance (costs)/income

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
4.1 Finance income				
Bank	476,092	382,483	0.23	0.17
4.2 Finance costs				
Related party (refer note 17)	**(54,055)**	(646,429)	**(0.03)**	(0.29)
Other	**(26,143)**	-	**(0.01)**	-
	(80,198)	**(646,429)**	**(0.04)**	**(0.29)**

5 Income tax expense

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Current Tax				
- current year	**812,444**	2,161,909	**0.39**	0.97
- prior year underprovision	**37,627**	59,257	**0.02**	0.03
	850,071	2,221,166	**0.41**	1.00
Deferred tax				
- current year	**1,005,405**	(207,660)	**0.49**	(0.09)
- prior year overprovision	**(91)**	(17,546)	**(0.00)**	(0.01)
	1,005,314	**(225,206)**	**0.49**	0.10
Total tax charge	**1,855,385**	**1,995,960**	**0.49**	**(0.10)**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

The tax on the company profit before tax differs from the theoretical amount that would arise using basic rates as follows:

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Profit before tax	**6,316,991**	6,924,278	**3.05**	3.11
Tax calculated at a rate of 28%	**1,768,757**	1,938,798	**0.86**	0.87
Deferred tax – prior year overprovision	**(91)**	(17,546)	**(0.00)**	(0.01)
Current tax – prior year underprovision	**37,627**	59,257	**0.02**	0.03
Permanent differences	**49,092**	15,451	**0.02**	0.00
Tax charge	**1,855,385**	**1,995,960**	**0.90**	**0.90**

The company recognises deferred tax assets to the extent that future taxable profits will be available against which the unused tax losses and deductible temporary differences can be utilised.

6 Property, plant and equipment

Particulars	Leasehold improvements R	Plant and machinery R	Motor vehicles R	Office furniture and computer equipment R	Total R
Year ended 31 March, 2017					
Opening net carrying amount	285,191	72,794	59,267	181,674	**598,926**
Additions	1,100,976	714,274	-	864,659	**2,679,909**
Depreciation	(218,466)	(114,520)	(51,553)	(422,263)	**(806,802)**
Disposals	(154,570)	(1,090)	-	(15,119)	**(170,779)**
Closing net carrying amount	**1,013,131**	**671,458**	**7,714**	**608,951**	**2,301,254**
Cost	1,285,461	1,108,625	434,324	2,329,091	5,156,623
Accumulated depreciation and impairment	(272,330)	(437,167)	(426,610)	(1,720,140)	(2,855,369)
Closing net carrying amount	**1,013,131**	**671,458**	**7,714**	**608,951**	**2,301,254**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Particulars	Leasehold improvements	Plant and machinery	Motor vehicles	Office furniture and computer equipment	Total
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Year ended March 31, 2017					
Opening net carrying amount	0.14	0.04	0.03	0.09	**0.29**
Additions	0.53	0.35	-	0.42	**1.30**
Depreciation	(0.11)	(0.06)	(0.02)	(0.20)	**(0.39)**
Disposals	(0.07)	0.00	-	(0.01)	**(0.08)**
Closing net carrying amount	**0.49**	**0.32**	**0.00**	**0.29**	**1.11**
Cost	0.62	0.54	0.21	1.13	**2.49**
Accumulated depreciation and impairment	(0.13)	(0.21)	(0.21)	(0.83)	**(1.38)**
Closing net carrying amount	**0.49**	**0.32**	**0.00**	**0.29**	**1.11**

Depreciation charge of ₹ 806,802 (₹ 0.276 Crore) (2016: R 576,087) (₹ 0.413 Crore) has been charged to perating expenses.

Particulars	Leasehold improvements	Plant and machinery	Motor vehicles	Office furniture and computer equipment	Total
	R	R	R	R	R
Year ended 31 March, 2016					
Opening net carrying amount	521,225	110,523	110,820	258,688	**1,001,256**
Additions	42,494	27,055	-	114,293	**183,842**
Depreciation	(278,528)	(54,699)	(51,553)	(191,307)	**(576,087)**
Disposals	-	(10,085)	-	-	**(10,085)**
Closing net carrying amount	**285,191**	**72,794**	**59,267**	**181,674**	**598,926**
Cost	2,794,517	619,253	434,324	2,421,491	**6,269,585**
Accumulated depreciation and impairment	(2,509,326)	(546,459)	(375,057)	(2,239,817)	**(5,670,659)**
Closing net carrying amount	**285,191**	**72,794**	**59,267**	**181,674**	**598,926**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Particulars	Leasehold improvements	Plant and machinery	Motor vehicles	Office furniture and computer equipment	Total
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Opening net carrying amount	0.23	0.05	0.05	0.12	0.45
Additions	0.02	0.01	-	0.05	0.08
Depreciation	(0.12)	(0.02)	(0.02)	(0.09)	(0.26)
Disposals	-	-	-	-	(0.00)
Closing net carrying amount	**0.13**	**0.03**	**0.03**	**0.08**	**0.27**
Cost	1.25	0.28	0.19	1.09	2.81
Accumulated depreciation and impairment	(1.13)	(0.25)	(0.17)	(1.00)	(2.54)
Closing net carrying amount	**0.13**	**0.03**	**0.03**	**0.08**	**0.27**

7 Intangible assets

Particulars	Brands	Total	Brands	Total
	R	R	₹ Crore	₹ Crore
Year ended 31 March, 2017				
Opening carrying amount	47,980,722	**47,980,722**	23.20	**23.20**
Impairment	0	**0**	0.00	**0.00**
Closing carrying amount	**47,980,722**	**47,980,722**	**23.20**	**23.20**
Cost	50,062,924	**50,062,924**	24.21	**24.21**
Accumulated impairment	(2,082,202)	**(2,082,202)**	(1.01)	**(1.01)**
Closing carrying amount	**47,980,722**	**47,980,722**	**23.20**	**23.20**
Year ended 31 March, 2016				
Opening carrying amount	47,980,722	**47,980,722**	21.52	**21.52**
Ipmpairment	-	**-**	-	**-**
Closing carrying amount	**47,980,722**	**47,980,722**	**21.52**	**21.52**
Cost	50,062,924	**50,062,924**	22.46	**22.46**
Accumulated Impairment	(2,082,202)	**(2,082,202)**	(0.93)	**(0.93)**
Closing carrying amount	**47,980,722**	**47,980,722**	**21.52**	**21.52**

The company has classified its intangible assets as having indefinite useful lives. This conclusion is supported by the fact that the company is expected to be able to use the brands for the foreseeable future and that the typical product life cycles for the brands, acquired from public information on estimates of useful lives, indicate that the intangible asset has an indefinite period of foreseeable usage. This is further supported by the stability and the strong demand in markets within which these products are marketed and sold.

Detailed impairment testing is performed for the indefinite-life intangible assets annually or whenever an indicator of impairment exists. The impairment review process is as follows:

Each period and whenever impairment indicators are present, management calculate the fair value of the asset and record an impairment loss for the excess of the carrying value over the fair value, if any.The fair value is generally

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

measured as the net present value of projected cash flows. In addition, a re-evaluation of the remaining useful life of the asset is performed to determine whether continuing to characterise the asset as having an indefinite life is appropriate.

The recoverable amounts have been determined based on a value-in-use calculation. The calculation uses a free cash flow model that discounts the free cash flow available from profit after tax generated by the intangible asset. If the resulting net present value exceeds the carrying value of the intangible asset, the intangible asset is not impaired. However, if the resulting net present value is less than the carrying value, an impairment charge is raised.The key assumptions used for the value-in-use calculations are as follows:

Particulars	2017	2016
Growth rate *1	**5.50%**	5.00%
Discount rate *2	**15.15%**	15.85%

*1 Weighted average growth rate used to extrapolate cash flows beyond the budget period.

*2 Pre-tax discount rate applied to the cash flow projections.

A sensitivity analysis was performed with regards to the key assumptions above and projected cash flows as follows:

	Impact on Impairment
Discount rate plus 1% and projected cash flow and growth rate constant	None
Discount rate constant, projected cash flow less 5% and growth rate constant	None
Discount rate constant, projected cash flow constant and growth rate less 1 %	None

8 Inventories

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Raw materials	**16,224,550**	10,889,800	**7.84**	4.89
Work in progress	**88,441**	144,340	**0.04**	0.06
Finished goods	**12,506,250**	10,705,579	**6.05**	4.80
	28,819,241	**21,739,719**	**13.93**	**9.75**
The above balances have been derived after deducting write down to net realisable value of	**(869,271)**	**(1,636,885)**	**(0.42)**	**(0.73)**

The cost of inventories recognised as an expense and included in cost of sales amounted to R129,610,805 (₹ 55.43 Crore) (2016: R 118,274,264) (₹ 53.35 Crore).

9 Trade and other receivables

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Trade receivables	**22,715,230**	24,254,959	**10.98**	10.88
Provision for doubtful debts	**(42,686)**	(557,857)	**(0.01)**	(0.25)
Net trade receivables	**22,672,544**	23,697,102	**10.97**	10.63
Other receivables	**2,109,434**	1,558,471	**1.02**	0.70
	24,781,978	**25,255,573**	**11.98**	**11.34**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

The company grants credit of 30 days to its customers. The analysis of trade receivables which are past due and not impaired at year end is as follows:

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Past due by 30 days	**9,945,785**	9,693,171	**4.81**	4.35
Past due by 60 days	**-**	1,869,323	**-**	0.84
Past due by 90 days	**31,756**	351,131	**0.02**	0.16
	9,977,541	**11,913,625**	**4.82**	**5.34**

The carrying value of the trade and other receivables approximates their fair value.

Movement in provision for doubtful debts

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Opening Balance	**557,857**	38,055	**0.27**	0.02
Provision for the year	**42,686**	519,802	**0.02**	0.23
Write off	**(557,857)**	-	**(0.27)**	0.00
Closing Balance	**42,686**	**557,857**	**0.02**	**0.25**

10 Cash and cash equivalents

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the following:

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Bank balances	**7,162,622**	7,494,275	**3.46**	3.36

Credit quality of cash at bank: BAA2

11 Share capital and share premium

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Authorised				
754,958 no par value shares	**754,958**	754,958	**0.37**	0.35
Issued				
500,000 Ordinary shares of R 0.01	**5,000**	5,000	**0.01**	0.01
254,958 Ordinary shares of R 215.10	**54,845,500**	54,845,500	**26.52**	24.60
Share premium	**22,863,735**	**22,863,735**	**11.05**	**10.26**

12 Deferred income tax assets

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 28% (2016: 28%).

The movement on the deferred income tax asset account is as follows:

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
At beginning of year	**2,304,655**	2,079,449	**1.11**	0.93
Current year	**(1,005,405)**	207,660	**(0.49)**	0.09
Prior year overprovision	**91**	17,546	**0.01**	0.01
At end of year	**1,299,341**	**2,304,655**	**0.64**	**1.03**

Deferred tax assets may be analysed as follows:

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Property, plant and equipment	**32,177**	190,823	**0.02**	0.09
Other provisions	**1,267,164**	2,113,832	**0.61**	0.95
	1,299,341	**2,304,655**	**0.63**	**1.03**

13 Trade and other payables

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Trade payables	**21,569,673**	18,514,765	**10.43**	8.31
Amount due to related party (refer note 17)	**2,200,924**	873,236	**1.06**	0.39
Accruals	**2,746,007**	2,022,363	**1.33**	0.91
Audit fee	**671,240**	568,939	**0.32**	0.26
Bonus provision	**3,146,241**	2,434,711	**1.52**	1.09
Leave pay	**1,182,216**	1,035,042	**0.57**	0.46
Other payables	**570,928**	478,925	**0.28**	0.21
	32,087,229	**25,927,981**	**15.52**	**11.64**

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Movement in bonus provision:				
Opening balance	**2,434,711**	2,153,820	**1.18**	0.97
Additional provision for the year	**3,169,625**	3,656,846	**1.53**	1.64
Amounts used during the year	**(2,458,095)**	(3,375,955)	**(1.19)**	(1.51)
Closing balance	**3,146,241**	**2,434,711**	**1.52**	**1.09**

The carrying value of the trade and other payables approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

14 Borrowings

Related party (refer note 17)

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
- Non-current portion	-	-	-	0.00
- Current portion	-	2,371,845	-	1.06
	-	**2,371,845**	**-**	**1.06**

The loan is unsecured, bore interest at a rate of 10,5% and was fully repaid in the prior year

Maturity of borrowings

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Due within 1 year	-	2,371,845	-	1.06
Due within 2 – 5 years	-	-	-	-
	-	**2,371,845**	**-**	**1.06**

15 Share-based payments

Marico Limited granted senior management of Marico South Africa Proprietary Limited a STAR grant bonus in respect of the share appreciation rights scheme.

The liability in respect of the share appreciation rights scheme is to be settled by Marico South Africa Proprietary Limited. The value is determined by the market price of Marico Limited equity shares and no minimum guarantee amount is provided.

The STAR grant value on maturity will be computed in INR and will be converted at the prevalent exchange rate as decided by Marico Group Corporate Finance Function, and paid to senior management in the currency of location of senior management.

Award price Indian Rupee (INR)	Date Rights Awarded	Rights Awarded	Vesting Date
256.78	12-1-2016	31,620	30/11/2019
203.63	12-1-2015	30,600	30/11/2018
217.46	5-8-2015	31,800	30/11/2017

The share price at 31 March 2017 used to compute the share option liability in INR 294.85

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Current portion	**398,380**	1,410,568	**0.19**	0.63
Non-current portion	**368,268**	83,560	**0.19**	0.04
	766,648	**1,494,128**	**0.38**	**0.67**

16 Cash flow from operating activities

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Operating profit	**5,921,097**	7,188,224	**2.86**	3.22
Adjusted for:				
Non-cash items				
Depreciation	**806,802**	546,087	**0.39**	0.24
Movement share-based payment liability	**(727,480)**	54,303	**(0.35)**	0.02
Loss on disposal of property, plant and equipment	**159,255**	5,526	**0.08**	0.00
Operating profit before working capital changes:				
(increase) / Decrease in trade and other receivables	**473,595**	(3,035,608)	**0.23**	(1.36)
Increase in inventories	**(7,079,523)**	(4,568,433)	**(3.42)**	(2.05)
Increase in trade and other payables	**6,159,248**	4,177,639	**2.98**	1.87
	5,712,994	**4,367,738**	**2.76**	**1.97**

17 Related party transactions

Related party relationships:

Holding company: Marico South Africa Consumer Care Proprietary Limited

Ultimate holding company: Marico Limited (incorporated in India)

Executive directors:

JR Mason

J Nieuwenhuys

VA Karve

AJ Telang

Transactions with related parties:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

The following transactions were carried out by the company with related parties:

Finance costs (refer note 4.2):

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Marico South Africa Consumer Care Proprietary Limited	**54,055**	646,429	**0.03**	0.29
Director's emoluments				
J Nieuwenhuys				
- Salary	**1,154,397**	1,144,595	**0.56**	0.51
- Bonuses and performance related payments	**790,700**	983,374	**0.38**	0.44
- Allowances	**72,000**	-	**0.03**	-
	2,017,097	**2,127,969**	**0.98**	**0.95**
J Mason				
- Salary	**1,892,381**	2,018,411	**0.91**	0.91
- Bonuses and performance related payments	**1,697,729**	2,229,647	**0.82**	1.00
- Allowances	**204,000**	-	**0.10**	-
	3,794,110	**4,248,058**	**1.83**	**1.91**
Technical support-Marico Limited	**2,357,682**	**1,057,608**	**1.14**	**0.47**

Amounts due to related parties

Amounts due to holding company (refer note 14):

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Marico South Africa Consumer Care Proprietary Limited	**-**	2,371,845	**-**	1.06
Included in trade payables (refer note13):				
Marico Limited	**2,200,924**	**873,236**	**1.06**	**0.39**

18 Commitments

Operating lease commitments

The future minimum lease payments payable under non-cancellable operating leases are as follows:

Particulars	2016 R	2015 R	2016 ₹ Crore	2015 ₹ Crore
- Within 1 year	**4,229,269**	482,003	**2.04**	0.22
- Between 2 and 5 years	**11,417,995**	-	**5.52**	-
- Over 5 years	**-**	-	**-**	-
	15,647,264	**482,003**	**7.57**	**0.22**

19 Financial risk management

The company's financial instruments consist primarily of deposits with banks, trade accounts receivable and payable and loans to and from the holding company. Financial instruments are carried at fair value or amounts that approximate fair value.

Financial assets

Loans and receivables:

Assets as per the statement of financial position

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Trade and other receivables (refer note 9)	**24,781,978**	25,255,573	**11.98**	11.33
Cash and cash equivalents (refer note 10)	**7,162,622**	7,494,275	**3.46**	3.36
	31,944,600	**32,749,848**	**15.45**	**14.69**

Financial liabilities

Financial liabilities at amortised cost:

Liabilities as per the statement of financial position

Particulars	2017 R	2016 R	2017 ₹ Crore	2016 ₹ Crore
Borrowing (refer note 14)	-	2,371,845	**-**	1.06
Trade and other payables (refer note 13)	**27,187,844**	21,979,303	**13.15**	9.86
	27,187,844	**24,351,148**	**13.15**	**10.92**

Board of Directors (As on March 31, 2017)	Mr. Vivek Karve Mr. Datuk Chin Chee Kee Mr. Poh Shiow Mei Mr. Pawan Agrawal (till July 25, 2016) Mr. Rohit Saraogi (till July 25, 2016)
Registered Office	Ground Floor, Lot 7, Block F, Saguking Commercial Building, Jalan Patau 87000, Labuan F.T. Malaysia
Auditors	M/s. Sundar & Associates
Bankers	HSBC Bank Malaysia Berhad

DIRECTOR'S REPORT

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 March 2017.

Directors

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

DATUK CHIN CHEE KEE, JP	
ROHIT SARAOGI	(Resigned w.e.f 25/7/2016)
POH SHIOW MEI (F)	
PAWAN AGRAWAL	(Resigned w.e.f 25/7/2016)
VIVEK ANANT KARVE	

Principal activity

The principal activity of the Company is as distributor of perfumery, cosmetics, toiletries and related beauty products. The Company ceased business operation in the financial year 2015.

Financial results

	RM
Net loss for the financial year attributable to:	
Owners of the Company	8,109

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year.

Issue of shares and debentures

The Company did not issue any shares or debentures during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director has received or became entitled to receive a benefit by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its holding company or subsidiaries of the holding company during the financial year.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend any dividend payment in respect of the current financial year.

Directors' remuneration

The Company did not pay any remuneration or fee to Directors during the financial year.

Holding Companies

The Directors regard Marico Middle East FZE and Marico Limited, companies incorporated in United Arab Emirates and India, as the immediate holding company and ultimate holding company respectively.

Share option scheme

The Company did not have any share option scheme during the financial year.

Other statutory information

(a) Before the financial statement of the Company were prepared, the Directors took reasonable steps :-

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

  (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

  (ii) which would render the values attributed to current assets in the financial statements of the Company misleading, or

  (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

  (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person.

  (ii) any contingent liability of the Company which has arisen since the end of the financial year.

(d) No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

(f) In the opinion of the Directors:

  (i) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

  (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Auditors' remuneration

Details of auditors' remuneration are set out in Note 12 to the financial statements

Auditors

The auditor, Messrs. Sundar & Associates, have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on

Signed on behalf of the Board of Directors:

VIVEK ANANT KARVE	**DATUK CHIN CHEE KEE, JP**
Director	Director
Petaling Jaya	

Statement by Directors pursuant to
Section 251(2) of the Companies Act, 2016

We, VIVEK ANANT KARVE and DATUK CHIN CHEE KEE, JP, two of the Directors of MARICO MALAYSIA SDN. BHD., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 10 to 25 are drawn up so as to give a true and fair view of the financial position of the Company for the financial year ended 31 March 2017 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated

VIVEK ANANT KARVE	**DATUK CHIN CHEE KEE, JP**
Director	Director
Petaling Jaya	

Statutory Declaration pursuant to

Section 251(1) of the Companies Act, 2016

I, **VIVEK ANANT KARVE,** the director primarily responsible for the financial management of **MARICO MALAYSIA SDN. BHD.,** do solemnly and sincerely declare that, the financial statements set out on pages 10 to 25 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

VIVEK ANANT KARVE

Subscribed and solemnly declared by the abovenamed at on

Before me,

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MARICO MALAYSIA SDN. BHD.,** which comprise the statements of financial position as at 31 March 2017, and the statement of 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, as set out on pages 10 to 25.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' 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 of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

1. As stated in Note 2 to the financial statements, MARICO MALAYSIA SDN. BHD. adopted Malaysian Private Entities Reporting Standard on 1 April 2016 with a transition date of 1 April 2015. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statement of financial position of the Company as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year ended 31 March 2016 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 31 March 2017, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2016 do not contain misstatements that materially affect the financial position as at 31 March 2017 and the financial performance and cash flows for the year then ended.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SUNDAR & ASSOCIATES
AF No: 1127
Chartered Accountants (M)

SUNDARASAN A/L ARUMU
1876/02/18(J/PH)
Chartered Accountant (M)

Petaling Jaya
Date : July 1, 2017

BALANCE SHEET

As at March 31, 2017

Particulars	Notes	As at March 31, 2017 RM	2016 RM	2017 ₹ Crore	2016 ₹ Crore
Current assets					
Other receivables		–	175,000	–	0.30
Cash and bank balances	6	142,074	115,759	0.21	0.20
Total current assets		142,074	290,759	0.21	0.50
Total assets		**142,074**	**290,759**	**0.21**	**0.50**
Equity					
Share capital	7	17,660,240	17,660,240	25.88	30.00
Accumulated losses		(17,523,166)	(17,515,057)	(25.68)	(29.76)
Equity attributable to owners of the Company		137,074	145,183	0.20	0.25
Total equity		**137,074**	**145,183**	**0.20**	**0.25**
Current liabilities					
Trade payables		–	140,576	–	0.24
Accrued liabilities		5,000	5,000	0.01	0.01
Total current liabilities		5,000	145,576	0.01	0.25
Total liabilities		5,000	145,576	0.01	0.25
Total equity and liabilities		**142,074**	**290,759**	**0.21**	**0.50**

The annexed notes form an integral part of these financial statements

Note: The exchange rate use to convert MYR to ₹14.654 (Previous year MYR to ₹ 16.989)

INCOME STATEMENT

For the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017 RM	2016 RM	2017 ₹ Crore	2016 ₹ Crore
Continuing operations:					
Revenue	4.5	–	–	0.00	0.00
Other operating income		11,574	4,553	0.02	0.01
Other operating expenses		(19,683)	(38,966)	(0.03)	(0.07)
Loss from trading operations	8	(8,109)	(34,413)	(0.01)	(0.06)
Taxation expenses	9	–	–	0.00	0.00
Loss after tax representing total comprehensive loss		(8,109)	(34,413)	(0.01)	(0.06)
Loss after tax representing total comprehensive loss attributable to:					
Owners of the Company		(8,109)	(34,413)	(0.01)	(0.06)

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

Note: The exchange rate use to convert MYR to ₹14.654 (Previous year MYR to ₹ 16.989)

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2016

Particulars	Attributable to Owners of the Company			Attributable to Owners of the Company		
	Share capital	Accumulated loss	Total Equity	Share capital	Accumulated loss	Total Equity
	RM	RM	RM	₹ Crore	₹ Crore	₹ Crore
Balances at 1 April, 2016	17,660,240	(17,515,057)	145,183	25.88	(25.67)	0.21
Loss after tax representing total comprehensive loss	–	(8,109)	(8,109)	0.00	(0.01)	(0.01)
Balance at 31 March, 2017	17,660,240	(17,523,166)	137,074	25.88	(25.68)	0.20
Balances at 1 April, 2015	17,660,240	(17,480,644)	179,596	30.00	(29.70)	0.31
Loss after tax representing total comprehensive loss	–	(34,413)	(34,413)	0.00	(0.06)	(0.06)
Balance at 31 April, 2016	17,660,240	(17,515,057)	145,183	30.00	(29.76)	0.24

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

Note: The exchange rate use to convert MYR to ₹14.654 (Previous year MYR to ₹ 16.989)

CASH FLOW STATEMENT

For the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017 RM	2016 RM	2017 ₹ Crore	2016 ₹ Crore
Cash flows from operating activities					
Loss before tax		(8,109)	(34,413)	(0.01)	(0.06)
Changes in working capital :					
Other receivables		175,000	–	0.26	–
Trade payables		(140,576)	–	(0.21)	–
Accured liabilities		–	(5,000)	0.00	(0.01)
Net cash used in operating activities		26,315	(39,413)	0.04	(0.07)
Net increase/ (decrease) in cash and cash equivalents		26,315	(39,413)	0.04	(0.07)
Cash and cash equivalents brought forward		115,759	155,172	0.17	0.26
Cash and cash equivalents carried forward	6	142,074	115,759	0.21	0.20

The annexed notes form an integral part of these financial statements

Note: The exchange rate use to convert MYR to ₹14.654 (Previous year MYR to ₹ 16.989)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1. **Corporate information**

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The principal activity of the Company is as distributor of perfumery, cosmetics, toiletries and related beauty products. The Company ceased business operation in the financial year 2015.

The company's registered office is located at:
Registered office
Room A, Ground Floor, Lot 7, Block F
Saguking Commercial Building,
Jalan Patau-Patau,
87000 Labuan Ft

The immediate parent of the Company is Marico Middle East FZE, a private company registered and domiciled in United Arab Emirates. The ultimate parent of the Company is Marico Limited, a private company registered and domiciled in India.

The financial statements of the Company are presented in Ringgit Malaysia (RM).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on

2. **Compliance with Financial Reporting Standards and the Companies Act 2016**

The financial statements of the Company have been prepared in compliance with Malaysian Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Malaysian Companies Act, 2016. These are the Company's first financial statements prepared in accordance with MPERS.

2.1 Transition to the new MPERS Framework

For the current year ended 31 March 2017, the Company has adopted the new Malaysia Private Entities Reporting Standard (MPERS). The date of transition to the new MPERS Framework is 1 April 2015.

Adoption of the new MPERS Framework requires that all the Standards in MPERS be applied to the Company financial statements for the current year ended 31 March 2017, the comparative financial statements for the prior year ended 31 March 2016, and to the opening statement of financial position at the date of transition to MPERS. MPERS provides for some mandatory exceptions and non-mandatory exemptions to the retrospective application of some Standards. These are not applicable to the Company.

3. **Basis of preparation**

The financial statements of the Company have been prepared using historical cost bases.

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving estimation uncertainties are disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

4. Significant accounting policies

4.1 Share capital

Ordinary shares issued that carry no put option and no mandatory contractual obligation:

(i) to deliver cash or another financial asset; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company, are classified as equity instruments.

When ordinary shares are issued in a private placement or in a right issue to existing shareholders, they are recorded at the issue price. For ordinary shares issued in exchange for non-monetary assets, they are measured by reference to the fair values of the assets received.

When ordinary shares are issued as consideration transferred in a business combination or as settlement of an existing financial liability, they are measured at their fair value at the date of the exchange transaction.

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax effect.

4.2 Financial instruments

a) Initial recognition and measurement

The company recognises a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, and entity in the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expenses to profit or loss when incurred.

b) Derecognition of financial instruments

For derecognition purposes, the Company first determines whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more when compared with the carrying amount of the original liability.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

c) **Subsequent measurement of financial assets**

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely

(i) financial assets at fair value through profit or loss; and

(ii) financial assets at amortised cost.

After initial recognition, the Company measures investments in quoted ordinary shares and derivatives that are assets at their fair values by reference to the active market prices, if observable, or otherwise by a valuation technique, without any deduction for transaction costs it may incur on sale or other disposal.

Investments in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investments in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 4.2 (g).

d) **Subsequent measurement of financial liabilities**

After initial recognition, the Company measures all financial liabilities at amortised cost using the effective interest method, except for derivatives instruments that are liabilities, which are measured at fair value.

e) **Fair value measurement of financial instruments**

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique as described in note 4.6.

f) **Recognition of gains and losses**

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

g) **Impairment and uncollectibility of financial assets**

The Company applies the incurred loss model to recognise impairment losses of financial assets. At the end of each reporting period, the Company examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidences of trigger loss events include:

(i) significant difficulty of the issuer or obligor;

(ii) a breach of contract, such as a default or delinquency in interest or principal payment;

(iii) granting exceptional concession to a customer;

(iv) it is probable that a customer will enter bankruptcy or other financial reorganisation;

(v) the disappearance of an active market for that financial asset because of financial difficulties; or

(vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a Company of financial assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit and loss and a corresponding amount is recorded in a loss allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Company's experiences of loss ratio in each class, taking into consideration current market conditions.

For an unquoted equity investment measured at cost less impairment, the impairment is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company expects to receive for the asset if it were sold at the reporting date. The Company may estimate the recoverable amount using an adjusted net asset value approach.

4.3 Tax assets and tax liabilities

Taxes payable are determined by the Company. A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceed the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the entity expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for initial recognition differences include items of property, plant and equipment that do not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes. However, taxable temporary differences related to investments in subsidiaries and branches are not recognised if the parent or an entity in the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not revers in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor tax payable profit (or loss). The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying property, plant and equipment.

However, for deductible temporary differences related to investments in subsidiaries and branches, a deferred tax asset is recognised to the extent, and only to the extent that, it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Unused tax credits do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Company treats these as part of initial recognition differences.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which an entity in the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period, except to the extent that the tax arises from items recognised outside profit or loss. For an income or expense item recognised in other comprehensive income, the current or deferred tax expense or tax income is recognised in other comprehensive income. For items recognised directly in equity, the related tax effect is also recognised directly in equity. Deferred tax assets and liabilities arising from a business combination, including tax effects of any fair value adjustment, are recognised as part of the net assets acquired.

4.4 Provisions

The Company recognises a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.

A provision for warranty costs, restoration costs, restructuring costs, onerous contracts or lawsuit claim is recognised when the Company has a present legal or constructive obligation as a result of a past event, and of which the outflows of resources on settlement are probable and a reliable estimate of the amount can be made. No provision is recognised if these conditions are not met.

Any reimbursement attributable to a recognised provision from a counter-party (such as an insurer) is not off-set against the provision but recognised separately as an asset when, and only when, the reimbursement is virtually certain.

A provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. For a warranty provision, a probability-weighted expected outcome of the resources required to settle the obligation is applied, taking into account the Company experiences of similar transactions and supplemented with current facts and circumstances. For a restoration provision, where a single obligation is being measured, the Company uses the individual most likely outcome as the best estimate of the liability by reference to current prices that contractors would charge to undertake such obligations, and taking into account likely future events that may affect the amount required to settle an obligation. For an onerous contract, a provision is measured based on the amount by which costs to fulfil the contract exceed the benefits. For a lawsuit provision, a probability-weighted expected outcome is applied in the measurement, taking into account past court judgements made in similar cases and advice of legal experts.

A provision is measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. The unwinding of the discount is recognised as an interest expense.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

4.5 Revenue recognition and measurement

There is no revenue recognised as the Company has ceased its business operations.

4.6 Fair value measurement

For assets, liabilities and equity instruments (whether financial or non-financial items) that require fair value measurement or disclosure, the Company establishes a fair value measurement hierarchy that gives the highest priority to quoted prices (unadjusted) in active markets for identical assets, liabilities or equity instruments and the lowest priority to unobservable inputs.

A fair value measurement of an item is estimated using a quoted price in an active market if that price is observable. The active market is the principle market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and for which the Company can enter into a transaction for the asset or liability at the price in that market at the measurement date.

In the absence of an active market price, the fair value of an item is estimated by an established valuation technique using inputs from the marketplace that are observable for substantially the full term of the asset or liability.

In the absence of both market price and observable inputs, a fair value measurement of an item is estimated by an established valuation technique using unobservable inputs, including internally developed assumptions that are reasonable and supportable.

5. Estimation uncertainty

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Company are in measuring:

(a) Loss allowances of financial assets

(b) Measurement of a provision

(a) Loss allowances of financial assets

The Company recognises impairment losses for loans and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Company's past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Company's financial position and results.

(b) Measurement of a provision

The Company uses a "best estimate" as the basis for measuring a provision. Management evaluates the estimates based on the Company's historical experiences and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. In the case when a provision relates to large population of customers (such as a warranty provision), a probability-weighted estimate of the outflows required to settle the obligation is used. In the case of a single estimate (such as a provision for environmental restoration costs), a referenced contractor's price or market price is used as the best estimate. If an obligation is to be settled over time, the expected outflows are discounted at a rate that takes into account the time value of money and the risk that the actual outcome might differ from the estimates made.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

6. Cash and cash equivalents

The Company's cash management policy is to use cash and bank balances to manage cash flows to ensure sufficient liquidity to meet the Company's obligations. The components of cash and equivalents consist of:

Particulars	2017 RM	2016 RM	2017 ₹ Crores	2016 ₹ Crores
Cash and bank balances	142,074	115,579	0.21	0.20
Cash and cash equivalents as current assets	142,074	115,579	0.21	0.20

7. Share capital

Particulars	2017 Number of shares	2017 RM	2016 Number of shares	2016 RM	2017 Number of shares	2017 ₹ Crores	2016 Number of shares	2016 ₹ Crores
Authorised:								
Ordinary shares of RM1 par value each	**24,000,000**	24,000,000	**24,000,000**	24,000,000	**24,000,000**	35.17	24,000,000	40.77
Redeemable preference shares of RM1 par value each	**1,000,000**	1,000,000	**1,000,000**	1,000,000	**1,000,000**	1.47	1,000,000	1.70
	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	36.64	25,000,000	42.47
Issued and fully paid:								
Ordinary shares of RM1 par value each								
Balance at 31 March	17,660,240	17,660,240	17,660,240	17,660,240	17,660,240	25.88	17,660,240	30.00

8. Loss from trading operations

Loss from trading operations has been arrived at after charging/ (crediting):-

Particulars	2017 RM	2016 RM	2017 ₹ Crores	2016 ₹ Crores
Auditors' remuneration	**3,000**	3,000	0.00	0.01
and crediting:				
Gain on foreign exchange – unrealised	**11,574**	4,553	0.00	0.00

9. Taxation expenses

Particulars	2017 RM	2016 RM	2017 ₹ Crores	2016 ₹ Crores
Current income tax expense:				
Tax payable in Malaysia	**–**	–	–	–
Total tax expense for the year	**–**	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

The significant differences between the tax expense and accounting profit multiplied by the statutory tax rate are due to the tax effects arising from the following items:

Particulars	2017	2016	2017	2016
	RM	RM	₹ Crores	₹ Crores
Loss before taxation	**(8,109)**	(34,413)	(0.01)	(0.06)
Tax at Malaysian statutory tax rate	**(1,541)**	(6,538)	0.00	(0.01)
Tax effect of expenses disallowed from the income tax purposes	**3,740**	7,404	0.01	0.01
Non-taxable income	**(2,199)**	(866)	0.00	0.00
Tax expense for the year	**–**	–	–	–

10. Reserves

The Company's policy is to treat all gains and losses that pass through the statement of comprehensive income (i.e. non-owner transactions or events) as revenue reserves. Other than retained profits, all other revenue reserves are regarded as non-distributable in the form of cash dividends to shareholders.

11. Related Party Disclosures

11.1 Related Party Disclosures

As disclosed in Note 1, the Company's immediate parent is Marico Middle East FZE (incorporated and domiciled in United Arab Emirates), who owns 100% of Company's ordinary shares. The ultimate parent, as disclosed in Note 1, is Marico Limited (incorporated and domiciled in India)

12. Auditors' Remuneration

Particulars	2017	2016	2017	2016
	RM	RM	₹ Crores	₹ Crores
Statutory audit	**3,000**	3,000	0.00	0.01

13. Deferred taxation

No deferred tax assets are recognised for the following item:-

Particulars	2017	2016	2017	2016
	RM	RM	₹ Crores	₹ Crores
Unutilised tax losses	9,818,893	9,818,893	14.39	16.68
Unabsorbed tax capital allowances	7,294,877	7,294,877	10.69	12.39
	1 7,113,770	17,113,770	25.08	29.07

A tax benefit of RM17,113,770/- related to tax losses is not recognised because the company ceased its business operations in the financial year 2015.

Business Registration Certificate	No. 3700579324 dated 11 February 2011 was initially issued by the Department of Planning and Investment of Binh Duong Province and 7th amendment dated 1 December, 2016.	
Investment Certificate	Project Code 1013733152 dated 19 December, 2016.	
	The fifth amended Investment Certificate No. 462035000802 dated 19 December, 2016 was issued by the Board of Management of Industrial Park of Binh Duong Province for a period of 34 years from the date of initial Investment Certificate No. 462035000802 dated 11 February, 2011.	
	Project Code. 9816465766 dated 12 December, 2016.	
	The second amended Investment Certificate No. 41221000171 dated 12 December, 2016 was issued by the Board of Management of Industrial Park of Ho Chi Minh City for a period of 34 years from the date of initial Investment Certificate No. 41221000171 dated 31 December, 2008.	
Board of Management	Mr. Saugata Gupta	Chairman
(As on March 31, 2017)	Mr. Ashutosh Telang	Member
	Mr. Nikhil P. Narkhede	Member
	Mr. Ashish Joshi	Member
	Mr. Luong Huu Khanh	Member
	Mr. Vivek Karve	Member
	Mr. Nguyễn Ngọc Anh Tuấn	Member
Board of Directors	Mr. Luong Huu Khanh	General Director
	Mr. Ashish Joshi	Chief Operating Officer
	Mr. Nguyen Ngoc Anh Tuan	Deputy General Director
	Mr. Nikhil P. Narkhede	Deputy General Director
	Mr. Nguyen Bui Vinh Hy	Deputy General Director
	Mr. Dang Thu Ha	Deputy General Director (Until 14 December, 2016)
Legal representative	Mr. Luong Huu Khanh	General Director
Registered office	No. 3, 5th Street, Song Than 1 Industrial Zone, Di An Town, Binh Duong Province, Vietnam.	
Representative Office	28th Floor, Pearl Plaza, 561 Dien Bien Phu Bin Thanh District, HO Chi Minh City, Vietnam	
Auditor	Price Waterhouse Coopers (Vietnam) Limited	

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF DIRECTORS OF THE COMPANY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors of Marico South East Asia Corporation (formerly known as International Consumer Products Corporation) ("the Company") is responsible for preparing financial statements which give a true and fair view of the financial position of the Company as at 31 March 2017 and the results of its operations and cash flows for the year then ended. In preparing these financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Directors is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as set out on pages 5 to 35 which give a true and fair view of the financial position of the Company as at 31 March 2017 and of the results of its operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

On behalf of the Board of Directors

Luong Huu Khanh

Legal Representative

Binh Duong Province, SR Vietnam

Date:16 May 2017

INDEPENDENT AUDITOR'S REPORT TO SHAREHOLDERS OF MARICO SOUTH EAST ASIA CORPORATION (FORMERLY KNOWN AS INTERNATIONAL CONSUMER PRODUCTS CORPORATION)

We have audited the accompanying financial statements of Marico South East Asia Corporation (formerly known as International Consumer Products Corporation) ("the Company") which were prepared on 31 March 2017 and approved by the Board of Directors on 16 May 2017. The financial statements comprise the balance sheet as at 31 March 2017, the income statement, the cash flow statement for the year then ended and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 35.

The Board of Directors' Responsibility for the Financial Statements

The Board of Directors of the Company is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements and for such internal control which the Board of Directors determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2017, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

For and on behalf of PricewaterhouseCoopers (Vietnam) Limited

Richard Peters	**Tran Van Thang**
Audit Practising Licence No.	Audit Practising Licence No.
0561-2013-006-1	3586-2016-006-1
Authorised signatory	

Report reference number:HCM6243
Ho Chi Minh City, 16 May 2017

As indicated in Note 2.1 to the separate financial statements, the accompanying separate financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about Vietnam's accounting principles, procedures and practices.

BALANCE SHEET

As at March 31, 2017

Particulars		As at March 31,			
		2017	2016	2017	2016
	Note	VND	VND	₹ Crore	₹ Crore
ASSETS					
CURRENT ASSETS		**337,843,467,679**	**230,295,657,834**	**96.29**	**68.40**
Cash and cash equivalents	3	**30,300,821,006**	**3,471,853,846**	**8.64**	**1.03**
Cash		30,300,821,006	3,471,853,846	8.64	1.03
Short-term investments	4	**84,140,000,000**	**87,660,000,000**	**23.98**	**26.04**
Investments held-to-maturity		84,140,000,000	87,660,000,000	23.98	26.04
Short-term receivables		**109,633,510,982**	**60,816,170,343**	**31.25**	**18.06**
Short-term trade accounts receivable	5	92,706,231,088	49,432,626,360	26.42	14.68
Short-term prepayments to suppliers	6	15,083,045,093	9,177,433,561	4.30	2.73
Other short-term receivables		1,844,234,801	2,206,110,422	0.53	0.66
Inventories	7	**110,162,049,518**	**76,698,313,827**	**31.40**	**22.78**
Inventories		262,618,159,880	84,986,871,805	36.09	25.24
Provision for decline in value of inventories		(16,456,110,362)	(8,288,557,978)	(4.69)	(2.46)
Other current assets		**3,607,086,173**	**1,649,319,818**	**1.03**	**0.49**
Short-term prepaid expenses	8(a)	1,318,728,822	1,101,540,919	0.38	0.33
Other taxes receivable	9	2,288,357,351	547,778,899	0.65	0.16
LONG-TERM ASSETS		**108,697,369,942**	**160,044,273,312**	**30.98**	**47.53**
Long-term receivables		**1,517,216,136**	**1,415,216,136**	**0.43**	**0.42**
Other long-term receivables		1,517,216,136	1,415,216,136	0.43	0.42
Fixed assets		**60,287,233,652**	**25,918,946,569**	**17.18**	**7.70**
Tangible fixed assets	10(a)	38,852,325,243	21,630,277,995	11.07	6.42
Cost		89,398,124,421	53,817,625,572	25.48	15.98
Accumulated depreciation		(50,545,799,178)	(32,187,347,577)	(14.41)	(9.56)
Intangible fixed assets	10(b)	21,434,908,409	4,288,668,574	6.11	1.27
Cost		39,790,079,346	17,395,800,529	11.34	5.17
Accumulated depreciation		(18,355,170,937)	(13,107,131,955)	(5.23)	(3.89)
Investment properties	11	**22,058,852,272**	**22,058,852,272**	**6.29**	**6.55**
Cost		23,843,388,652	23,843,388,652	6.80	7.08
Accumulated depreciation		(1,784,536,380)	(1,784,536,380)	(0.51)	(0.53)
Long-term assets in progress		**7,956,552,445**	**458,332,247**	**2.27**	**0.14**
Construction in progress	12	7,956,552,445	458,332,247	2.27	0.14
Long-term investments		**-**	**96,630,297,308**	**-**	**28.70**
Investments in subsidiaries		-	96,630,297,308	-	28.70
Other long-term assets		**16,877,515,437**	**13,562,628,780**	**4.81**	**4.03**
Long-term prepaid expenses	8(b)	7,602,537,423	7,032,832,519	2.17	2.09
Deferred income tax assets	18	9,274,978,014	6,529,796,261	2.64	1.94
TOTAL ASSETS		**446,540,837,621**	**390,339,931,146**	**127.26**	**115.93**

BALANCE SHEET (CONTINUED)

As at March 31, 2017

Particulars	Note	As at March 31, 2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
LIABILITIES		**357,137,197,725**	**174,861,194,523**	**101.78**	**51.93**
Short-term liabilities		**347,203,400,771**	**170,483,211,156**	**98.95**	**50.63**
Short-term trade accounts payable	13	200,041,477,057	46,067,097,934	57.01	13.68
Short-term advances from customers		3,886,168,378	9,116,606,325	1.11	2.71
Taxes and other payables to the State Budget	14	3,468,251,412	8,717,470,254	0.99	2.59
Payables to employees		-	109,959,959	-	0.03
Short-term accrued expenses	15(a)	119,209,070,295	82,652,441,604	33.97	24.55
Other short-term payables		3,211,095,176	3,996,435,637	0.92	1.19
Short-term borrowings	16	17,387,338,453	19,823,199,443	4.96	5.89
Long-term liabilities		**9,933,796,954**	**4,377,983,367**	**2.83**	**1.30**
Long-term accrued expenses	15(b)	3,497,640,523	-	1.00	-
Provision for long-term liabilities	17	6,436,156,431	4,377,983,367	1.83	1.30
OWNERS' EQUITY		**89,403,639,896**	**215,478,736,623**	**25.48**	**64.00**
Capital and reserves		**89,403,639,896**	**215,478,736,623**	**25.48**	**64.00**
Owners' capital	19, 20	95,358,950,000	112,177,600,000	27.18	33.32
- Ordinary shares with voting rights		95,358,950,000	112,177,600,000	27.18	33.32
Share premium	20	(524,990,506,149)	112,213,880,000	(149.62)	33.33
Treasury shares	20	-	(654,025,036,149)	-	(194.25)
Undistributed earnings	20	519,035,196,045	645,112,292,772	147.93	191.60
- Undistributed post-tax profits of the previous years		475,108,636,146	506,222,459,077	135.41	150.35
- Post-tax profits of the current year		43,926,559,899	138,889,833,695	12.52	41.25
TOTAL RESOURCES		**446,540,837,621**	**390,339,931,146**	**127.26**	**115.93**

Trinh Thi Kim Thanh	**Phan Thi Cam Nguyen**	**Luong Huu Khanh**
Prepaper	Chief accountant	General Director
		16 May, 2017

The notes on pages 9 to 35 are an integral part of these separate financial statements.

Note: The exchange rate use to convert VND to ₹ 0.00285 (Previous year VND to ₹ 0.00297)

INCOME STATEMENT

For the year ended March 31, 2017

Particulars	Note	Year ended March 31, 2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Sales		**1,333,855,206,817**	**1,064,049,482,491**	**380.15**	**316.03**
Less deductions		(10,329,164,505)	(5,021,055,823)	(2.94)	(1.48)
Net sales	22	**1,323,526,042,312**	**1,059,028,426,668**	**377.20**	**314.53**
Cost of sales	23	**(535,594,335,090)**	**(431,561,430,827)**	**(152.64)**	**(128.17)**
Gross profit		**787,931,707,222**	**627,466,995,841**	**224.56**	**186.37**
Financial income	24	8,985,301,352	31,650,718,274	2.56	9.40
Financial expenses	25	(46,705,614,699)	(3,029,335,599)	(13.31)	(0.90)
- Including: Interest expenses		(874,635,009)	(2,084,487,512)	(0.25)	(0.62)
Selling expenses	26	(582,423,459,989)	(390,428,151,507)	(165.99)	(115.96)
General and administration expenses	27	(114,232,099,282)	(101,526,666,770)	(32.56)	(30.15)
Net operating profit		**53,555,834,604**	**164,133,560,239**	**15.26**	**48.75**
Other income		84,758,257	1,078,966,403	0.02	0.32
Other expenses		(365,066,587)	(398,731,432)	(0.10)	(0.12)
Net other (expenses)/income		**(280,308,330)**	**680,234,971**	**(0.08)**	**0.20**
Net accounting profit before tax		**53,275,526,274**	**164,813,795,210**	**15.18**	**48.95**
Business income tax - current	28	**(12,094,148,128)**	**(30,848,424,356)**	**(3.45)**	**(9.16)**
Business income tax - deferred	18, 28	**2,745,181,753**	**4,924,462,841**	**0.78**	**1.46**
Net profit after tax		**43,926,559,899**	**138,889,833,695**	**12.52**	**41.25**

Trinh Thi Kim Thanh
Prepaper

Phan Thi Cam Nguyen
Chief accountant

Luong Huu Khanh
General Director
16 May, 2017

The notes on pages 9 to 35 are an integral part of these separate financial statements.

Note: The exchange rate use to convert VND to ₹ 0.00285 (Previous year VND to ₹ 0.00297)

CASH FLOW STATEMENT (INDIRECT METHOD)

For the year ended March 31, 2017

Particulars		Year ended March 31,			
	Note	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit before tax		**53,275,526,274**	**164,813,795,210**	**15.18**	**48.95**
Adjustments for:					
Depreciation and amortisation	10	6,986,312,973	5,951,065,373	1.99	1.77
Provisions		7,775,654,806	5,473,588,838	2.22	1.63
Unrealised foreign exchange losses/(gains)		257,796,443	(354,720,252)	0.07	(0.11)
Losses/(profits) from investing activities		36,977,184,174	(30,828,634,601)	10.54	(9.16)
Interest expense		874,635,009	2,084,487,512	0.25	0.62
Operating profit before changes in working capital		**106,147,109,679**	**147,139,582,080**	**30.25**	**43.70**
Increase in receivables		(50,584,794,373)	(22,715,907,274)	(4.42)	(76.75)
(Increase)/decrease in inventories		(17,109,357,352)	15,727,728,843	(4.88)	4.67
Increase in payables		197,620,380,393	64,040,284,004	56.32	19.02
Decrease/(increase) in prepaid expenses		746,734,628	(6,501,545,979)	0.21	(1.93)
Interest paid		(874,635,009)	(2,084,487,512)	(0.25)	(0.62)
Business income tax paid	14	(34,840,471,835)	(29,460,445,872)	(9.93)	(8.75)
Net cash inflows from operating activities		**201,104,966,131**	**166,145,208,290**	**57.31**	**49.35**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of fixed assets		(12,740,030,210)	(6,436,381,323)	**(3.63)**	(1.91)
Investments in term deposit at banks		3,520,000,000	(87,660,000,000)	1.00	(26.04)
Proceeds from divestment in other entities		-	49,257,399,278	-	14.63
Interest received		7,011,117,661	16,613,029	2.00	-
Net cash (outflows) from investing activities		**(2,208,912,549)**	**(44,822,369,016)**	**(0.63)**	**(13.31)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares and capital contribution		(16,818,650,000)	-	(4.79)	-
Payments for share returns and repurchases		16,820,650,000	-	4.79	-
Proceeds from borrowings		1,211,690,512,506	-	345.33	-
Repayments of borrowings		(1,214,126,373,496)	(120,605,196,642)	-	(35.82)
Dividends paid		(170,003,656,626)	-	(48.45)	-
Net cash outflows from financing activities		(172,437,517,616)	(120,605,196,642)	(49.14)	(35.82)

CASH FLOW STATEMENT (INDIRECT METHOD)

For the year ended March 31, 2017

Particulars	Note	Year ended March 31, 2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Net increase in cash and cash equivalents		26,458,535,966	717,642,632	7.54	0.21
Cash and cash equivalents at beginning of year	3	3,471,853,846	2,746,828,903	0.99	0.82
Effect of foreign exchange differences		370,431,194	7,382,311	0.11	-
Cash and cash equivalents at end of year	3	30,300,821,006	3,471,853,846	8.64	1.03

Trinh Thi Kim Thanh	**Phan Thi Cam Nguyen**	**Luong Huu Khanh**
Prepaper	Chief accountant	General Director
		16 May, 2017

The notes on pages 9 to 35 are an integral part of these financial statements.

Note: The exchange rate use to convert VND to ₹ 0.00285 (Previous year VND to ₹ 0.00297)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1 GENERAL INFORMATION

"Marico South East Asia Corporation (formerly known as International Consumer Products Corporation ("the Company") was established in SR Vietnam pursuant to Business Registration Certificate No. 4603000346 which was issued by the Department of Planning and Investment of Binh Duong Province, date 9 May 2007and the following amended Business Registration Certificates and Investment Certificates:"

Business Registration **Certificate No.**	**Date**
4603000346 – initial registration	9-May-07
4603000346 – 1st amendment	22-Jun-07
4603000346 – 2nd amendment	5-Oct-07
4603000346 – 3rd amendment	13-Nov-07
4603000346 – 4th amendment	25-Mar-08
4603000346 – 5th amendment	4-Jul-08
3700579324 – 6th amendment	28-Dec-09
3700579324 – 7th amendment	7-Apr-10
3700579324 – 5th amendment	1-Sep-16
3700579324 – 6th amendment	17-Oct-16
3700579324 – 7th amendment	1-Dec-16

Investment Certificate No.	**Date**
462035000802 – initial registration	11-Feb-11
462035000802 – 1st amendment	29-Sep-11
462035000802 – 2nd amendment	7-Apr-14
462035000802 – 3rd amendment	15-May-15
1013733152 – 4th amendment	9-Nov-16
1013733152 – 5th amendment	19-Dec-16
9816465766 – 2nd amendment	12 - Dec 16

The principal activities of the Company are to produce cosmetics and perform the rights to import, export and distribute cosmetics, cosmetic materials and food products.

The normal business cycle of the company is 12 months

In accordance with amended Business registration certificate No.3700579324 dated 1 September 2016 and subsequent related letters, the Ministry of Planning and Development approved for the Company to change its name to Marico South East Corporation.

On 15 November 2016, the Board of Management passed a resolution to merge the Company with its related entity, Thuan Phat Foodstuff Joint Stock Company ("Thuan Phat"). On 15 November 2016, the Board of Directors of the Company and Thuan Phat approved the merger of Thuan Phat into the Company. On 1 December 2016, all assets, liabilities and owner's equity of Thuan Phat were transferred to the Company at their net book values as at 30 November 2016 as follow:

Assets	VND	Resources	VND
Cash	7,983,356	Short-term liabilities	8,272,626,194
Short-term receivables	492,238,452	Provision for long-term liabilities	1,893,144,750
Inventories	23,965,004,832	Owners' capital	31,400,000,000
Other current assets	139,554,040	Undistributed earnings	20,545,029,425
Fixed assets	36,111,946,294		
Other long-term assets	1,394,073,395		
Total Assets	**62,110,800,369**	**Total resources**	**62,110,800,369**

As at 31 March 2017, the Company had 517 employees (2016: 368 employees)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements. The financial statements have been prepared under the historical cost convention.

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

2.2 Significant changes in the Company's accounting policies applied

"Circular No. 53/2016/TT- BTC ("Circular 53") - Amended some articles of Circular No. 200/2014/TT-BTC ("Circular 200") - Providing guidance on Corporate Accounting System. Circular 53 is applicable to fiscal years beginning on or after 1 January 2016. However, enterprises can choose to apply those changes relating to foreign exchange rates for the fiscal year 2015."

According to Circular 200, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the bank where the Company regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the bank where the Company opens the foreign currency accounts.

According to Circular 53, the actual exchange rate can be the approximate exchange rate that is the rate approximating the average transfer exchange rate of the buying and selling rates of the commercial bank where the Company regularly trades. The approximate exchange rate disparity must not exceed +/- 1% compared with the average transfer exchange rate. The average transfer exchange rate is determined daily or weekly or monthly based on the average between the daily buying transfer rate and selling transfer rate of the commercial bank.

In addition, under Circular 53, if the Company uses the approximate exchange rate to account for transactions denominated in foreign currencies in the accounting period, the Company must use the transfer rate of the commercial bank where it regularly trades to revalue balances denominated in foreign currencies at end of the accounting period. The transfer rate can be the buying or selling rate or average transfer rate of the commercial bank.

2.3 Fiscal year

The Company's fiscal year is from 1 April to 31 March.

2.4 Currency

The financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the bank where the Company regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the bank where the Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank.

2.6 Trade receivables

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Board of Directors of all outstanding amounts at the year end. Bad debts are written off when identified.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses. Provision is made, where necessary, for obsolete, slow-moving and defective inventory items.

2.8 Investments held-to-maturity

Investments held-to-maturity are investments which the Company's Board of Directors has positive intention and ability to hold until maturity.

Investments held-to-maturity include term deposits and other held-to-maturity investments. Those investments are accounted for at cost less provision.

Provision for diminution in value of investments held-to-maturity is made when there is evidence that part or whole of investment is uncollectible.

2.9 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation/amortisation

Fixed assets are depreciated/amortised using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The principal annual rates used are :

Buildings	5 - 25 years
Machinery	5 - 10 years
Motor vehicles	3 - 6 years
Office equipment	3 - 8 years
Land use right	30 .75 years
Copyright	4 years
Computer Software	4 - 8 years
Other intangible fixed assets	3 - 6 years

Land use rights with indefinite useful life are recorded at historical cost and are not depreciation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Disposals

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the income statement.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.10 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

2.11 Investment properties

Cost of an investment property means the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction.

Amortisation

Investment properties are amortised on the straight-line method to write off the cost of the assets over their estimated useful lives. The amortisation year is as follows:

Land use rights 41 years

Investment properties held for price appreciation are not depreciated from 1 January 2015 according to Circular 200. Impairment of investment properties held for price appreciation is recognised when there are objective evidences of impairment in the value of investment properties compared to the market price and impairment allowance can be estimated reliably. Impairment allowance is recorded to cost of sales.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the net book value and are recognised as income or expense in the income statement.

2.12 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the balance sheet.

Prepaid expenses are recorded at historical cost and allocated using the straight line method over estimated useful lives

2.13 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services.
- Other payables are non-trade payables not relating to purchase of goods and services.

Payables are classified into long-term and short-term on the balance sheet based on remaining period from the balance sheet date to the maturity date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017

2.14 Borrowing costs

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the income statement when incurred.

2.15 Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid due to pending invoice or sufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

2.16 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expenses.

2.17 Provision for dismantling and restoration costs

According to Circular 200, since 1 April 2015, the Company is required to provide for dismantling and restoration costs of the Company's leased premises and land. This provision is measured at the present value of expenditures estimated to settle the dismantling and restoration obligation at the end of the lease term. The increase in the provision due to passage of time is recognised as an interest expense of the reporting period. As recognising the dismantling and restoration obligation gives access to future economic benefits, a dismantling and restoration asset is recognised in long-term prepaid expenses balance and is allocated to expenses using the straight line method over the period from 1 April 2015 to the time of returning the premises and land.

2.18 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the six-month period prior to the balance sheet date.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the six-month period prior to the balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

2.19 Share capital

Contributed capital of the shareholders is recorded according to actual amount contributed. Contributions from owners are recorded according to par value of the share.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Treasury shares are shares issued by the Company and bought-back by itself, but those are not cancelled and shall be re-issued in the period in accordance with the Law on securities.

Undistributed earnings record the Company's results (profit/loss) after business income tax at the reporting date.

2.20 Revenue recognition

(a) Sales of goods

Revenue from the sale of goods is recognised in the income statement when all five (5) following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised based on principle of "substance over form" and allocated to each sales obligation. In case that the Company gives promotional goods to customers associated with customers' purchase, the Company allocates total consideration received for goods sold and promotional goods. Cost of promotional goods is recognised as cost of sales in the income statement.

(b) Interest income

Interest income is recognised on an earned basis.

2.21 Sales deductions

Sales deductions include trade discounts and sales returns. Sales deductions incurred in the same period of sales of products, goods and services are recorded as deduction of revenue of the period

Sales deductions for products, goods or services which are sold in the period but are incurred after the balance sheet date but before the issuance of the financial statements are recorded as deduction of revenue of the period.

2.22 Cost of sales

Cost of goods sold are cost of finished goods, merchandises, materials sold during the period, and recorded on the basis of matching with revenue and on prudent concept.

2.23 Financial expense

Finance expenses are expenses incurred in the period for financial activities including losses relating to financial investment activity, expenses of lending and borrowing, losses from foreign exchange differences.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

2.24 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services, which mainly include salary expenses of sales staffs (salaries, wages, allowances,…); social insurance, medical insurance, labour union fees, unemployment insurance of sales staff; advertising expenses, marketing supporting fees, marketing and research costs; travelling expenses; expenses of office materials, tools and supplies; depreciation of fixed assets used for sales; rental fees; transportation and other cash expenses.

2.25 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances,...); social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff; expenses of office materials, tools and supplies; depreciation of fixed assets used for administration; rental fees; utilities (electricity, water, telephone, fax, assets warranty, fire and explosive accidents insurance,...) and other cash expenses.

2.26 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits and the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.27 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering of related party relationship, the Company considers the substance of the relationship but not merely the legal form.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

3 CASH AND CASH EQUIVALENTS

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Cash on hand	**129,751,872**	56,227,679	0.04	0.02
Cash at bank	**30,171,069,134**	3,415,626,167	8.60	1.01
	30,300,821,006	**3,471,853,846**	**8.64**	**1.03**

4 INVESTMENTS HELD TO MATURITY

Particulars	2017		2016	
	Cost	Book value	Cost	Book value
	VND	VND	VND	VND
Term deposits	84,140,000,000	84,140,000,000	87,660,000,000	87,660,000,000
	84,140,000,000	**84,140,000,000**	**87,660,000,000**	**87,660,000,000**

Particulars	2017		2016	
	Cost	Book value	Cost	Book value
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Term deposits	23.98	23.98	26.04	26.04
	23.98	**23.98**	**26.04**	**26.04**

Investments held-to-maturity are term deposits at bank with original maturity from 3 months to 6 months by Vietnamese Dong and earn the interest rate from 4.8% to 6.2% (2016: from 5.1% to 6.1%).

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Third parties(*)	**89,831,675,536**	37,474,615,855	**25.60**	11.13
Related parties (Note 31(b))	**2,874,555,552**	11,958,010,505	**0.82**	3.55
	92,706,231,088	**49,432,626,360**	**26.42**	**14.68**

(*)Details for customers accounting for 10% or more of the total short-term trade accounts receivable with third parties were as follows:

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Lwin & Myint Trading Company Limited	45,212,441,201	-	12.89	-
Saigon Coop	15,876,328,920	10,201,205,056	4.52	3.04
EBS Vietnam Company Limited.	**10,440,924,984**	**13,814,113,073**	**2.98**	**4.09**

As at 31 March 2017 and 31 March 2016, there were no short-term trade accounts receivable that were past due.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Third parties	**15,083,045,093**	5,645,899,008	**4.30**	1.68
Related parties (Note 31(b))	**-**	3,531,534,553	**-**	1.05
	15,083,045,093	**9,177,433,561**	**4.30**	**2.73**

NOTES TO THE FINANCIAL STATEMENTS
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(*) Details for customers accounting for 10% or more of the total short-term prepayment to suppliers with were as follows:

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Mega Lifesciences Public Company Limited	**6,416,937,612**	-	**1.83**	-
	6,416,937,612	-	**1.83**	-

As at 31 March 2017 and 31 March 2016, there were no short-term prepayments to suppliers that were past due.

7 INVENTORIES

Particulars	2017 Cost VND	2017 Provision VND	2016 Cost VND	2016 Provision VND	2017 Cost ₹ Crore	2017 Provision ₹ Crore	2016 Cost ₹ Crore	2016 Provision ₹ Crore
Finished goods	**35,945,664,535**	**(6,618,496,857)**	28,260,686,104	(4,088,357,372)	**10.24**	**(1.89)**	8.39	(1.21)
Raw materials	**41,241,788,073**	**(2,572,700,942)**	25,605,532,409	(541,847,357)	**11.75**	**-0.73**	7.60	(0.16)
Packaging	**23,127,927,914**	**(6,075,222,821)**	17,875,912,667	(1,913,866,374)	**6.59**	**-1.73**	5.31	(0.57)
Work in progress	**18,559,099,560**	**-**	163,992,493	-	**5.29**	**-**	0.05	-
Merchandies	**1,189,689,742**	**(1,189,689,742)**	11,467,871,875	(1,744,486,875)	**0.34**	**-0.34**	3.41	(0.52)
Goods in transit	**6,553,990,056**	**-**	1,612,876,257	-	**1.87**	**-**	0.48	-
	126,618,159,880	**(16,456,110,362)**	**84,986,871,805**	**(8,288,557,978)**	**36.09**	**(4.69)**	**25.24**	**(2.46)**

Movements in the provision for decline in value of inventories during the year were as follows:

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Opening balance	**8,288,557,978**	5,127,823,507	**2.36**	1.52
Increase (*)	**8,167,552,384**	3,160,734,471	**2.33**	0.94
Closing balance	**16,456,110,362**	**8,288,557,978**	**4.69**	**2.46**

(*) As at 31 March 2017 and 31 March 2016, the Company made the provision for slow moving, non-moving and expired inventories based on the guidance of Group accounting policies.

8 PREPAID EXPENSES

a) Short-term prepaid expenses

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Others	**1,318,728,822**	**1,101,540,919**	**0.38**	**0.33**

b) Long-term prepaid expenses

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Office renovation	2,309,700,395	3,934,562,211	0.66	1.17
Office equipment	2,649,703,043	1,620,373,018	0.76	0.48
Others	2,643,133,985	1,477,897,290	0.75	0.44
	7,602,537,423	**7,032,832,519**	**2.17**	**2.09**

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Movements in prepaid expenses during the year were as follows:

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Opening balance	**8,134,373,438**	1,632,827,458	**2.32**	0.48
Increase	**23,063,043,056**	21,429,226,467	**6.57**	6.36
Allocation	**(22,276,150,249)**	(14,927,680,487)	**(6.35)**	(4.43)
Closing balance	**8,921,266,245**	**8,134,373,438**	**2.54**	**2.41**

9 OTHER TAXES RECEIVABLE

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Business income tax refundable	**2,108,237,038**	-	**0.60**	-
VAT on importation	**180,120,313**	547,778,899	**0.05**	0.16
	2,288,357,351	**547,778,899**	**0.65**	**0.16**

10. FIXED ASSETS

a) Tangible fixed assets

Particulars	Buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
At 1 April 2016	5,906,492,234	39,228,085,993	2,376,775,613	6,306,271,732	**53,817,625,572**
New purchases	607,449,136	1,927,210,000	-	289,741,000	**2,824,400,136**
Transfers from construction in progress (Note 12)	559,354,686	1,948,482,111	-	-	**2,507,836,797**
Disposals	-	(427,044,000)	-	(35,974,400)	**(463,018,400)**
Transfers from merging Thuan Phat	11,785,796,737	17,246,760,706	1,210,454,546	468,268,327	**30,711,280,316**
At 31 March 2017	18,859,092,793	59,923,494,810	3,587,230,159	7,028,306,659	**89,398,124,421**
Accumulated depreciation					
At 1 April 2016	(2,136,468,405)	(25,497,021,097)	(2,376,090,104)	(2,177,767,971)	**(32,187,347,577)**
Charge for the year	(634,099,288)	(4,072,087,159)	(28,917,860)	(975,528,083)	**(5,711,476,140)**
Transfers from merging Thaun Phat	(4,016,502,330)	(8,423,058,221)	(365,328,225)	(305,948,835)	**(13,110,837,611)**
Disposals	-	427,044,000	-	35,974,400	**463,862,150**
At 31 March 2017	(6,787,070,023)	(37,565,122,477)	(2,770,336,189)	(3,423,270,489)	**(50,545,799,178)**
Net book value					
At 1 April 2016	3,770,023,829	13,731,064,896	685,509	4,128,503,761	**21,630,277,995**
At 31 March 2017	12,072,022,770	22,358,372,333	816,893,970	3,605,036,170	**38,852,325,243**

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For the year ended March 31, 2017

Particulars	Buildings ₹ Crore	Machinery ₹ Crore	Motor vehicles ₹ Crore	Office equipment ₹ Crore	Total ₹ Crore
Historical cost					
At 1 April, 2016	1.75	11.65	0.71	1.87	**15.98**
New purchases	0.17	0.55	-	0.08	**0.80**
Transferred from CIP (Note 12)	0.16	0.56	-	-	**0.71**
Transfers from merging Thaun Phat	3.36	4.92	0.34	0.13	**8.75**
Disposals	0.00	(0.12)	-	(0.01)	**(0.13)**
Transfers from merging Thaun Phat	(1.14)	(2.40)	(0.10)	(0.09)	**(3.74)**
At 31 March, 2017	5.44	17.56	1.05	2.07	**25.48**
Accumulated depreciation					
At 1 April, 2016	(0.63)	(7.57)	(0.71)	(0.65)	**(9.56)**
Charge for the year	(0.18)	(1.16)	(0.01)	(0.28)	**(1.63)**
Disposals	-	0.12	-	0.01	**0.13**
At 31 March, 2017	(1.95)	(11.01)	(0.82)	(1.01)	**(14.41)**
Net book value					
At 1 April, 2016	0.00	4.08	0.00	1.23	**6.42**
At 31 March, 2017	0.00	6.37	0.00	1.03	**11.07**

Historical cost of fully depreciated tangible fixed assets as at 31 March 2017 but still in use was VND25,854,820,614 (2016: VND25,745,670,414).

(b) Intangible fixed assets

Particulars	Land use right VND	Copyright VND	Computer Software VND	Others VND	Total VND
Historical cost					
At 1 April, 2016	2,011,801,815	144,971,440	8,126,713,919	7,112,313,355	**17,395,800,529**
Transfers from merging Thaun Phat	21,510,101,000	720,817,817	163,360,000	–	**22,394,278,817**
At 31 March 2017	23,521,902,815	865,789,257	8,290,073,919	7,112,313,355	**39,790,079,346**
Accumulated amortisation					
At 1 Apr 2016	(87,232,599)	(144,971,440)	(7,788,702,610)	(5,086,225,306)	**(13,107,131,955)**
Charge for the year	(241,160,387)	-	(96,645,315)	(937,031,131)	**(1,274,836,833)**
Transfers from merging Thaun Phat	(3,146,881,040)	(720,817,817)	(105,503,292)	-	**(3,973,202,149)**
At 31 March 2017	(3,475,274,026)	(865,789,257)	(7,990,851,217)	(6,023,256,437)	**(18,355,170,937)**
Net book value					
At 1 Apr 2016	1,924,569,216	-	338,011,309	2,026,088,049	**4,288,668,574**
At 31 March 2017	20,046,628,789	-	299,222,702	1,089,056,918	**21,434,908,409**

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Particulars	Land use right ₹ Crore	Copyright ₹ Crore	Computer software ₹ Crore	Others ₹ Crore	Total ₹ Crore
Historical cost					
At 1 April, 2016	0.57	0.04	2.32	2.03	**5.17**
Transfers from merging Thuan Phat	6.13	0.21	0.05	0.00	**6.38**
At 31 March 2017	6.70	0.25	2.36	2.03	**11.34**
Accumulated amortisation					
At 1 Apr 2016	(0.02)	(0.04)	(2.22)	0.00	**(3.89)**
Charge for the year	(0.07)	0.00	(0.03)	0.00	**(0.36)**
Transfers from merging Thaun Phat	(0.90)	(0.21)	(0.03)	(0.00)	**(1.13)**
At 31 March, 2017	(0.99)	(0.25)	(2.28)	0.00	**(5.23)**
Net book value					
At 1 Apr 2015	0.55	-	0.10	0.00	**1.27**
At 31 March, 2016	5.71	-	0.09	0.00	**6.11**

Historical cost of fully amortised intangible fixed assets as at 31 March, 2017 but still in use was VND12,789,571,156 (2016: VND12,638,825,673).

11 INVESTMENT PROPERTIES HELD-FOR-PRICE APPRECIATION

Investment property held for price appreciation represent the value of land use right and direct expenditures attributable to the acquisition of the land use right at Lot B2-29, 39 Tan Dong Hiep Industrial Zone, Di An District, Binh Duong Provionce in accordance with the land lease contract no. 317/07/ HDT, TDHB dated 31 August 2007.

Particulars	Land use right VND	Land use right ₹ Crore
Historical cost		
At 1 April 2016 and 31 March 2017	23,843,388,652	6.80
Accumulated amortisation		
At 1 April 2016 and 31 March 2017	(1,784,536,380)	(0.51)
Net book value		
At 1 April 2016 and 31 March 2017	**22,058,852,272**	**6.29**

As at 31 March 2017, the Company revalued the fair value of investment property that is higher than net book value. Therefore, the Board of Directors believes that the investment property was not impaired.

12 Construction in progress

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Binh Duong Factory	**6,212,713,034**	-	**1.77**	-
Others	**1,743,839,411**	458,332,247	**0.50**	0.14
	7,956,552,445	**458,332,247**	**2.27**	**0.14**

NOTES TO THE FINANCIAL STATEMENTS
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Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Beginning of year	**458,332,247**	3,162,939,979	**0.13**	0.94
Purchase	**9,915,630,074**	2,614,283,301	**2.83**	0.78
Transfers to fixed assets (Note 10(a))	**(2,507,836,797)**	(5,318,891,033)	**(0.71)**	(1.58)
Transfers from merging Thuan Phat	**90,426,921**	-	**0.03**	-
End of year	**7,956,552,445**	**458,332,247**	**2.27**	**0.14**

Construction in progress represents the cost related to purchase of machinery and equipment used at the Company's factory.

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

Particulars	2017 Value VND	2017 Able - to - pay amount VND	2016 Value VND	2016 Able-to-pay amount VND
Third parties (*)	**117,270,782,221**	117,270,782,221	**39,097,045,163**	39,097,045,163
Related parties (Note 31(b))	**82,770,694,836**	82,770,694,836	**6,970,052,771**	6,970,052,771
	200,041,477,057	**200,041,477,057**	**46,067,097,934**	**46,067,097,934**

Particulars	2017 Value ₹ Crore	2017 Able - to - pay amount ₹ Crore	2016 Value ₹ Crore	2016 Able-to-pay amount ₹ Crore
Third parties (*)	**33.42**	33.42	**11.61**	11.61
Related parties (Note 31(b))	**23.59**	23.59	**2.07**	2.07
	57.01	**57.01**	**13.68**	**13.68**

(*) Details of suppliers accounting for 10% or more of the total trade accounts payable with third parties were as follow :

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
TK-L Media Corporation	**15,703,201,248**	7,400,477,132	**4.48**	2.20

14 TAXES AND OTHER PAYABLES TO THE STATE BUDGET

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Corporate income tax	-	4,663,080,808	-	**1.38**
Value added tax	2,064,522,444	2,640,654,761	0.59	**0.78**
Personal income tax	1,362,332,546	1,380,183,106	0.39	**0.41**
Other taxes	41,396,422	33,551,579	0.01	**0.01**
	3,468,251,412	**8,717,470,254**	**0.99**	**2.59**

NOTES TO THE FINANCIAL STATEMENTS
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Movements in taxes and other payables to the State Budget during the year were as follows:

Particulars	As at 1.4.2016 VND	Payable during the year VND	Settled during the year VND	Reclassification (Note 9) VND	As at 31.3.2017 VND
VAT on domestic Sales	2,640,654,761	115,835,975,020	(116,412,107,337)	-	2,064,522,444
Business income tax – current	4,663,080,808	34,840,471,835	(41,611,789,681)	2,108,237,038	-
Personal income tax	1,380,183,106	23,027,742,994	(23,045,593,554)	-	1,362,332,546
Other taxes	33,551,579	1,152,631,213	(1,144,786,370)	-	41,396,422
	8,717,470,254	174,856,821,062	(182,214,276,942)	2,108,237,038	3,468,251,412

Particulars	As at 1.4.2016 ₹ Crore	Payable during the year ₹ Crore	Settled during the year ₹ Crore	Reclassification (Note 9) ₹ Crore	As at 31.3.2017 ₹ Crore
VAT on domestic Sales	0.78	33.01	(33.18)	-	0.59
Business income tax – current	1.38	9.93	(11.86)	0.60	-
Personal income tax	0.41	6.56	(6.57)	-	0.39
Other taxes	0.01	0.33	(0.33)	-	0.01
	2.59	49.83	-51.94	0.60	0.99

15 ACCRUED EXPENSES

a SHORT-TERM

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Promotion expenses	37,842,075,162	21,967,516,551	10.78	6.52
Advertising expenses	32,533,937,677	23,443,057,625	9.27	6.96
Salary and bonus expenses	24,942,916,181	22,145,206,021	7.11	6.58
Salary for salesmen outsourced	14,982,858,984	9,745,750,000	4.27	2.89
Transportation expenses	3,622,143,028	571,710,713	1.03	0.17
Others	5,285,139,263	4,779,200,694	1.51	1.42
	119,209,070,295	82,652,441,604	33.97	24.55

b LONG TERM

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Salary and bonus expenses	1,814,360,000	-	0.52	-
Dismantling costs	1,683,280,523	-	0.48	-
	3,497,640,523	-	1.00	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

16 SHORT-TERM BORROWINGS

Particulars	At as 1.4.2016	Increase	Decrease	At as 31.3.2017
	VND	VND	VND	VND
Bank overdraft (*)	19,823,199,443	1,211,690,512,506	(1,214,126,373,496)	17,387,338,453
	19,823,199,443	1,211,690,512,506	(1,214,126,373,496)	17,387,338,453

Particulars	At as 1.4.2016	Increase	Decrease	At as 31.3.2017
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Bank overdraft (*)	5.89	345.33	(346.03)	4.96
	5.89	345.33	(346.03)	4.96

(*) The bank overdraft represent short-term credit facilities whose credit limit is US$5,000,000 from BNP Paribas - Ho Chi Minh City Branch ("the Bank"). Bank overdraft bears interest rate from 5% to 6.5% per annum (2016: from 6% to 7%) and is due for repayment upon the Bank's demand.

17 PROVISION FOR LONG-TERM LIABILITIES

Particulars	2017	2016	2017	2016
	VND	VND	₹ Crore	₹ Crore
Provision for severance allowances (*)	6,436,156,431	4,377,983,367	1.83	1.30

(*) Movements of provision for severance allowances during the year were as follows:

Particulars	2017	2016	2017	2016
	VND	VND	₹ Crore	₹ Crore
Beginning of the year	4,377,983,367	2,065,129,000	1.25	0.61
Additional during the year	5,485,467,792	5,360,964,614	1.56	1.59
Utilisation during the year	(3,427,294,728)	(3,048,110,247)	(0.98)	(0.91)
End of the year	6,436,156,431	4,377,983,367	1.83	1.30

18 DEFERRED INCOME TAX

The details were as below:

Particulars	2017	2016	2017	2016
	VND	VND	₹ Crore	₹ Crore
Deferred income tax assets:				
Deferred income tax assets to be recovered after more than 12 months	2,057,483,649	2,819,012,130	0.59	0.84
Deferred income tax assets to be recovered within 12 months	7,217,494,365	3,710,784,131	2.06	1.10
	9,274,978,014	6,529,796,261	2.64	1.94

The movement in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Particulars	2017	2016	2017	2016
	VND	VND	₹ Crore	₹ Crore
Beginning of year	6,529,796,261	1,605,333,420	1.86	0.48
Credit to income statement (Note 28)	2,745,181,753	4,924,462,841	0.78	1.46
End of year	9,274,978,014	6,529,796,261	2.64	1.94

NOTES TO THE FINANCIAL STATEMENTS
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The Company uses tax rate of 20% in year 2017 (2016: 22%) for determining deferred income tax assets.

The deferred income tax assets were mainly arising from deductible temporary differences relating to provisions.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

19 OWNERS' CAPITAL

(a) Number of shares

Particulars	2017 Ordinary shares (share)	2016 Ordinary shares (share)
Number of shares registered	11,217,760	11,217,760
Number of shares issued	9,535,895	11,217,760
Number of shares repurchased	-	(1,682,065)
Number of existing shares in circulation	**9,535,695**	**9,535,695**

(b) Details of owners' shareholding

Particulars	2017 Ordinary shares (share)	%	2016 Ordinary shares (share)	%
Marico Limited	**9,535,495**	**99.996**	9,535,495	85.004
Mr. Phan Cong Thanh	**-**	**0.000**	100	0.001
Mr. Bui Nguyen Vinh Hy	**200**	**0.002**	100	0.001
Mr. Nguyen Ngoc Anh Tuan	**200**	**0.002**	0	0.000
Treasury shares	**-**	**0.000**	1,682,065	14.994
	9,535,895	**100.000**	**11,217,760**	**100.000**

(c) Movement of share capital

	Number of share capital (share)	Ordinary shares VND	Total ₹ Crore
At 1 April 2015 and 31 March 2016	9,535,495	95,354,950,000	27.18
New share issued	400	4,000,000	0.00
At 31 March 2017	**9,535,895**	**95,358,950,000**	**27.18**

Par value per share: VND 10,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

20 MOVEMENTS IN OWNERS' EQUITY

Particulars	Owners' capital	Share premium	Treasury shares	Undistributed earnings	Total
	VND	VND	VND	VND	VND
As At 1 Apr 2015	112,177,600,000	112,213,880,000	-654,025,036,149	506,222,459,077	**76,588,902,928**
Profit for the year	-	-	-	138,889,833,695	**138,889,833,695**
As at 31 March 2016	112,177,600,000	112,213,880,000	-654,025,036,149	645,112,292,772	**215,478,736,623**
Profit for the year	-	-	-	43,926,559,899	**43,926,559,899**
Cancel of treasury stock	(16,820,650,000)	(637,204,386,149)	654,025,036,149	-	**-**
Transfers from merging with Thuan Phat	2,000,000	-	-	-	**2,000,000**
Dividend paid	-	-	-	(170,003,656,626)	**(170,003,656,626)**
As at 31 March 2017	**95,358,950,000**	**(524,990,506,149)**	**-**	**519,035,196,045**	**89,403,639,896**

Particulars	Owners' capital	Share premium	Treasury shares	Undistributed earnings	Total
	₹ Crore	₹ Crore	₹ Crore	₹ Crore	₹ Crore
As At 1 Apr 2015	31.97	31.98	(186.40)	144.27	**21.83**
Profit for the year	-	-	-	39.58	**39.58**
As at 31 March 2016	33.32	33.33	(194.25)	191.60	**64.00**
Profit for the year				12.52	**12.52**
Cancel of treasury stock	(4.79)	(181.60)	186.40	-	**-**
Transfers from merging with Thuan Phat	0.00	-	-	-	**0.00**
Dividend paid	-	-	-	(48.45)	**(48.45)**
As at 31 March 2017	**27.18**	**(149.62)**	**0.00**	**147.93**	**25.48**

21 OFF BALANCE SHEET ITEMS

Foreign currencies

Included in cash and cash equivalents are balances held in foreign currencies as follows:

Particulars	2017	2016
United States Dollar - USD	**1,310,111**	150,032
Euro - EUR	**296**	253

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

22 REVENUE

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Sales				
Sales of goods	**1,333,855,206,817**	1,064,049,482,491	**380.15**	316.03
Sales deductions				
Trade discounts	**(8,905,402,133)**	(4,080,604,197)	**(2.54)**	(1.21)
Sales returns	**(1,423,762,372)**	(940,451,626)	**(0.41)**	(0.28)
	(10,329,164,505)	(5,021,055,823)	**(2.94)**	(1.48)
Net revenue from sales of goods	**1,323,526,042,312**	**1,059,028,426,668**	**377.20**	**314.53**

23 COST OF SALES

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Cost of finished goods sold	**358,702,482,812**	289,183,346,222	**102.23**	85.89
Cost of merchandises sold	**167,889,139,060**	138,055,605,429	**47.85**	41.00
Provision for decline in value of inventories	**8,167,552,384**	3,160,734,471	**2.33**	0.94
Inventory losses/ (gain)	**(660,087,787)**	392,516,737	**(0.19)**	0.12
Others expense	**1,495,248,621**	769,227,968	**0.43**	0.23
	535,594,335,090	**431,561,430,827**	**152.64**	**128.17**

24 FINANCIAL INCOME

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Interest income from deposits	**7,707,142,289**	1,371,235,323	**2.20**	0.41
Income from divestment in Beauté Cosmétique Societé Par Actions	**-**	29,457,399,278	**-**	8.75
Realised foreign exchange gains	**1,278,159,063**	467,363,421	**0.36**	0.14
Net gain from foreign currency translation at year-end	**-**	**354,720,252**	**-**	**0.11**
	8,985,301,352	**31,650,718,274**	**2.56**	**9.40**

25 FINANCIAL EXPENSES

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Loss from merging Thuan Phat (*)	**44,685,170,213**	-	**12.74**	-
Interest expense	**874,635,009**	2,084,487,512	**0.25**	0.62
Realised foreign exchange losses	**888,013,034**	944,848,087	**0.25**	0.28
Net loss from foreign currency translation at year-end/period-end	**257,796,443**	-	**0.07**	-
	46,705,614,699	**3,029,335,599**	**13.31**	**0.90**

(*) This loss incurred from merging Thuan Phat into the Company as investment in Thuan Phat is higher than its net assets at the merger date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

26 SELLING EXPENSES

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Staff costs	**208,910,907,552**	171,149,668,229	**59.54**	50.83
Advertising expenses	**160,854,498,273**	83,452,069,912	**45.84**	24.79
Marketing support expenses	**142,090,445,031**	61,606,323,825	**40.50**	18.30
Transportation expenses	**19,880,870,045**	21,905,499,161	**5.67**	6.51
Travelling expenses	**14,725,645,175**	14,588,143,423	**4.20**	4.33
Rental fee	**13,721,659,790**	12,133,866,518	**3.91**	3.60
Marketing and research expenses	**12,871,890,468**	18,195,855,304	**3.67**	5.40
Depreciation expenses	**548,297,345**	459,610,567	**0.16**	0.14
Others	**8,819,246,310**	6,937,114,568	**2.51**	2.06
	582,423,459,989	**390,428,151,507**	**165.99**	**115.96**

27 GENERAL AND ADMINISTRATION EXPENSES

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Staff costs	**75,484,687,959**	67,747,383,247	**21.51**	20.12
Out-source services expenses	**8,817,506,584**	6,775,780,876	**2.51**	2.01
Rental expenses	**7,280,400,175**	10,895,570,726	**2.07**	3.24
Repair and maintenance expenses	**5,161,644,169**	2,177,463,868	**1.47**	0.65
Professional expenses	**4,879,489,660**	2,949,853,305	**1.39**	0.88
Recruitment, training expenses	**2,018,600,062**	2,092,755,529	**0.58**	0.62
Depreciation expenses	**1,813,192,001**	1,423,941,822	**0.52**	0.42
Travelling expenses	**1,863,619,376**	2,657,525,597	**0.53**	0.79
License fees	**1,474,408,267**	570,591,181	**0.42**	0.17
Others	**5,438,551,029**	4,235,800,619	**1.55**	1.26
	114,232,099,282	**101,526,666,770**	**32.56**	**30.15**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017

28 BUSINESS INCOME TAX

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Net accounting profit before tax	**53,275,526,274**	164,813,795,210	**15.18**	48.95
Tax calculated at a rate of 20%	**10,655,105,255**	36,259,034,946	**3.04**	10.77
Effect of:				
- Income not subject to tax	**(4,703,674,300)**	(298,016,905)	**(1.34)**	(0.09)
- Expenses not deductible for tax purposes	**43,900,822**	214,381,224	**0.01**	0.06
- Impact of tax reduction	**-**	(10,693,434,650)	**-**	(3.18)
- Under-provision in previous year	**3,353,770,858**	-	**0.96**	-
- Other	**(136,260)**	441,996,900	**(0.00)**	0.13
Business income tax charge (*)	**9,348,966,375**	**25,923,961,515**	**2.66**	**7.70**
Charged/(credited) to income statement:				
Business income tax – current	**12,094,148,128**	30,848,424,356	**3.45**	9.16
Business income tax – deferred (Note 17)	**(2,745,181,753)**	(4,924,462,841)	**(0.78)**	(1.46)
	9,348,966,375	**25,923,961,515**	**2.66**	**7.70**

(*) The business income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

29 COST OF OPERATION BY FACTORS

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Outside service expenses	**431,699,474,057**	242,009,898,329	**123.03**	71.88
Raw materials	**411,767,497,344**	382,290,011,589	**117.35**	113.54
Labour costs	**319,758,655,825**	257,582,366,048	**91.13**	76.50
Depreciation expense	**6,986,312,973**	5,951,065,373	**1.99**	1.77
Other expenses	**14,978,615,156**	24,147,885,178	**4.27**	7.17
	1,185,190,555,355	**911,981,226,517**	**337.78**	**270.86**

30 ADDITIONAL INFORMATION FOR THE ITEMS OF THE STATEMENT OF CASH FLOWS

(a) Non-cash transactions affect the cash flow statement

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Purchase assets under form of merging Thuan Phat	**36,111,946,294**	-	**10.29**	-
Other non-cash transactions	**15,833,180,801**	-	**4.51**	-
	51,945,127,095	-	**14.80**	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

(b) Amount of loan actually withdrawn during the year

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Proceeds from borrowings following normal borrowing contracts	**1,211,690,512,506**	875,328,145,452	**345.33**	259.97

(c) Amount of loan principal actually paid during the year

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Repayments for borrowings following normal borrowing contracts	**1,214,126,373,496**	995,933,342,094	**346.03**	295.79

31 RELATED PARTY DISCLOSURES

The Company is controlled by Marico Limited, a company incorporated in India, which owns 99.996 % of the Company's share capital.

(a) Related party transactions

During the year, the following transactions were carried out with related parties:

i) Sales of goods

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Parent company	**-**	22,283,151,244	**-**	6.62
Thuan Phat Foodstuff Joint Stock Company	**9,609,602**	39,514,370	**0.00**	0.01
	9,609,602	**22,322,665,614**	**0.00**	**6.63**

ii) Purchases of goods

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Parent company	**107,854,496,864**	16,676,912,511	**30.74**	4.95
Thuan Phat Foodstuff Joint Stock Company	**109,846,135,953**	137,199,627,254	**31.31**	40.75
	217,700,632,817	**153,876,539,765**	**62.04**	**45.70**

iii) Compensation of key management

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Gross salaries and other benefits	**37,418,000,000**	35,575,229,441	**10.66**	10.57

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017

(b) Year end balances with related parties

Particulars	2017 VND	2016 VND	2017 ₹ Crore	2016 ₹ Crore
Short-term trade accounts receivable (Note 5)				
Parent company	**2,874,555,552**	11,958,010,505	**0.82**	3.55
Short-term prepayments to suppliers (Note 6)				
Thuan Phat Foodstuff Joint Stock Company	**-**	3,531,534,553	**-**	1.05
Short-term trade accounts payable (Note 13)				
Parent company	**82,770,694,836**	6,970,052,771	**23.59**	2.07

32 COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	Office rental		Office rental	
	2017	2016	2017	2016
	VND	VND	₹ Crore	₹ Crore
Within 1 year	**11,948,636,795**	5,926,299,204	**3.41**	1.76
Between 1 and 5 years	**19,407,180,954**	8,951,180,954	**5.53**	2.66
Total minimum payments	**31,355,817,749**	**14,877,480,158**	**8.94**	**4.42**

The financial statements were approved by the Board of Directors on 16 May 2017.

Trinh Thi Kim Thanh	**Phan Thi Cam Nguyen**	**Luong Huu Khanh**
Prepaper	Chief accountant	General Director

Business Registration Certificate	No. 4103006767 dated 18 May, 2007 was issued by the Department of Planning and Investment of Ho Chi Minh City.	
Enterprise Registration Certificate	No. 0304979919 dated 18 May, 2007 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the 10th amendment dated 7 June, 2016.	
Board of Management	Mr. Ashish Joshi	Chairman
(As on March 31, 2017)	Mr. Ashutosh Telang	Member
	Mr. Nikhil P. Narkhede	Member
	Mr. Vivek Karve	Member
	Mr. Nguyễn Ngọc Anh Tuấn	Member
	Mr. Luong Huu Khanh	Member
	Mr. Nguyen Bui Vinh Hy	Member (From 27 June, 2016)
	Mr. Nguyen Thi Thu Trinh	Member (Until 27 June, 2016)
Board of Directors	Mr. Nguyen Bui Vinh Hy	General Director (From 31 May, 2016)
	Mr. Nguyen Thi Thu Trinh	General Director (Until 31 May, 2016)
Legal representative	Mr. Nguyen Bui Vinh Hy	General Director (From 31 May, 2016)
	Mr. Nguyen Thi Thu Trinh	General Director (Until 31 May, 2016)
Registered office	39B Truong Son Street, Ward 4, Tan Binh District, Ho Chi Minh City, Vietnam.	
Auditor	Price Waterhouse Coopers (Vietnam) Limited	

STATEMENT OF THE RESPONSIBILITY OF THE GENERAL DIRECTOR OF THE COMPANY IN RESPECT OF THE FINANCIAL STATEMENTS

The General Director of Thuan Phat Foodstuff Joint Stock Company ("the Company") is responsible for the financial statements which give a true and fair view of the financial position of the Company as at 30 November 2016 (date preceding the effective date of merger) and of the results of its operations and cash flows for the period from 1 April 2016 to 30 November 2016. In preparing these financial statements, the General Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The General Director is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable the financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. The General Director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE FINANCIAL STATEMENTS

I hereby approve the accompanying financial statements as set out on pages 5 to 25 which give a true and fair view of the financial position of the Company as at 30 November 2016 and of the results of its operations and cash flows for the period from 1 April 2016 to 30 November 2016, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

Nguyen Thi Thu Trinh
General Director
16 December, 2016

Ho Chi Minh City,
SR Vietnam

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THUAN PHAT FOODSTUFF JOINT STOCK COMPANY

We have audited the accompanying financial statements of Thuan Phat Foodstuff Joint Stock Company ("the Company") which were prepared on 30 November, 2016 and approved by the General Director on 16 December, 2016. The financial statements comprise the balance sheet as at 30 November, 2016 (date preceding the effective date of merger), the income statement and the cash flow statement for the period from 1 April, 2016 to 30 November, 2016 , and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 25.

The General Director's Responsibility

The General Director of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements and for such internal control which the General Director determines is necessary to enable the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements, plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the General Director, as well as evaluating the overall presentation of the financial statements.

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

Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 30 November, 2016, its financial performance and cash flows for the period from 1 April, 2016 to 30 November, 2016, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

Emphasis of matter

Without qualifying our opinion, we draw attention to Notes 1 and 2.1 the financial statements, which indicate the dissolution of the legal entity of Thuan Phat Foodstuff Joint Stock Company as a result of its merger with Marico South East Asia Corporation from 1 December, 2016. The Company's assets, liabilities, capital and reserves have been transferred at book values to the newly merged Company and there has been no curtailment of the operations in connection with the merger.

For and on behalf of PricewaterhouseCoopers (Vietnam) Ltd.

Richard Peters
Audit Practising Licence No. 0561-2013-006-1

Tran Van Thang
Audit Practising Licence No. 3586-2016-006-1

Authorised signatory
Report reference number: HCM5663
Ho Chi Minh City,
16 December, 2016

As indicated in Note 2.1 to the financial statements, the accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

BALANCE SHEET

As at November 30, 2016

Particulars	Note	As at November 30,2016 VND	As at March 31, 2016 VND	As at November 30,2016 ₹ Crore	As at March 31, 2016 ₹ Crore
Assets					
CURRENT ASSETS		**24,604,780,680**	**25,548,481,521**	**7.43**	**7.59**
Cash and cash equivalents	3	**7,983,356**	**681,144,091**	**0.00**	**0.20**
Cash		7,983,356	681,144,091	0.00	0.20
Short term receivable		**492,238,452**	**1,157,349,808**	**0.15**	**0.34**
Short term prepayments to suppliers		482,238,452	1,118,479,808	0.15	0.33
Other short term receivables		10,000,000	38,870,000	0.00	**0.01**
Inventories	4	**23,965,004,832**	**23,673,098,620**	**7.24**	**7.03**
Inventories		24,521,930,724	24,287,958,499	7.41	7.21
Provision for decline in value of inventories		(556,925,892)	(614,859,879)	(0.17)	(0.18)
Other current assets		**139,554,040**	**36,889,002**	**0.04**	**0.01**
Short-term prepaid expenses	5(a)	139,554,040	36,889,002	0.04	0.01
NON-CURRENT ASSETS		**37,506,019,689**	**36,984,993,496**	**11.33**	**10.98**
Fixed assets		**36,111,946,294**	**35,171,348,784**	**10.91**	**10.45**
Tangible fixed assets	6(a)	17,600,442,705	16,397,450,068	5.32	4.87
Cost		30,711,280,316	29,046,125,068	9.27	8.63
Accumulated depreciation		(13,110,837,611)	(12,648,675,000)	(3.96)	(3.76)
Intangible fixed assets	6(b)	18,421,076,668	18,773,898,716	5.56	5.58
Cost		22,394,278,817	22,394,278,817	6.76	6.65
Accumulated amortisation		(3,973,202,149)	(3,620,380,101)	(1.20)	(1.08)
Long-term assets in progress		**90,426,921**	–	**0.03**	–
Construction in progress		90,426,921	**–**	**0.03**	**-**
Long-term prepaid expenses	5(b)	1,394,073,395	1,422,657,686	0.42	0.42
Other long term assets		1,394,073,395	1,813,644,712	0.42	0.54
Deferred income tax assets	11	–	390,987,026	–	0.12
TOTAL ASSETS		**62,110,800,369**	**62,533,475,017**	**18.76**	**18.57**

Note: The exchange rate use to convert VND to ₹ 0.00302 (Previous year VND to ₹ 0.00297)

BALANCE SHEET (CONTD.)

As at November 30, 2016

Particulars	Note	30.11.2016 VND	As at March 31, 31.3.2016 VND	30.11.2016 ₹ Crore	31.3.2016 ₹ Crore
LIABILITIES		**10,165,770,944**	**17,305,482,173**	**3.07**	**5.14**
Current liabilities		**8,272,626,194**	**15,734,148,923**	**2.50**	**4.67**
Short term trade accounts payable	7	-	8,337,752,473	-	2.47
Short term advances from customers		3,452,993,559	3,537,998,003	1.04	1.05
Tax and other payables to the State Budget	8	1,792,423,490	675,633,085	0.54	0.20
Short term accrued Payable	9	2,817,469,805	2,882,869,787	0.85	0.86
Short term inter company payables		88,350,200	-	0.03	-
Other short term payables		121,389,140	299,895,575	0.04	0.09
Long-term liabilities	10	**1,893,144,750**	**1,571,333,250**	**0.57**	**0.47**
Provision for long term liabilities		1,893,144,750	1,571,333,250	0.57	0.47
OWNER'S EQUITY		**51,945,029,425**	**45,227,992,844**	**15.69**	**13.43**
Capital and reserves		**51,945,029,425**	**45,227,992,844**	**15.69**	**13.43**
Owner's capital	12,13	31,400,000,000	31,400,000,000	9.48	9.33
- Ordinary shares with voting rights		31,400,000,000	31,400,000,000	9.48	9.33
Undistributed earnings	13	20,545,029,425	13,827,992,844	6.20	4.11
- Undistributed post-tax profits of the previous years		**13,827,992,844**	**15,483,692,220**	**4.18**	**4.60**
- Post-tax profits/(loss) of the current period/year		6,717,036,581	(1,655,699,376)	2.03	(0.49)
TOTAL RESOURCES		**62,110,800,369**	**62,533,475,017**	**18.76**	**18.57**

Nguyen Thi Da Thao
Preparer

Phan Thi Cam Nguyen
Chief Accountant

Nguyen Bui Vinh Hy
General Director
16 December 2016

Note: The exchange rate use to convert VND to ₹ 0.00302 (Previous year VND to ₹ 0.00297)

INCOME STATEMENT

For the year ended November 30, 2016

Particulars	Note	Year ended 30, Nov. 2016 VND	Year ended 31 March, 2016 VND	Year ended 30, Nov. 2016 ₹ Crore	Year ended 31 March, 2016 ₹ Crore
Sales		**110,138,645,619**	**137,810,180,887**	**33.26**	**40.93**
Less deductions		(14,652,000)	(339,694,235)	(0.00)	(0.10)
Net sales	16	**110,123,993,619**	**137,470,486,652**	**33.26**	**40.83**
Cost of sales	17	**(96,633,689,766)**	**(120,358,665,836)**	**(29.18)**	**(35.75)**
Gross profit		**13,490,303,853**	**17,111,820,816**	**4.07**	**5.08**
Financial income		4,139,488	7,305,726	0.00	0.00
Financial expenses		–	(3,013,040)	–	(0.00)
Selling expenses	18	(3,021,975,600)	(14,505,986,412)	(0.91)	(4.31)
General and administration expenses	19	(1,569,165,745)	(4,362,505,138)	(0.47)	(1.30)
Net Operating profit/(loss)		**8,903,301,996**	**(1,752,378,048)**	**2.69**	**(0.53)**
Other income		288,367,007	75,587,721	0.09	0.02
Other expenses		(3,488)	(6,205)	(0.00)	(0.00)
Net other income		**288,363,519**	**75,581,516**	**0.09**	**0.02**
Net accounting profit/(loss) before tax		**9,191,665,515**	**(1,676,796,532)**	**2.78**	**(0.51)**
Business income tax - current	20	**(2,083,641,908)**	**–**	**(0.63)**	**–**
Business income tax - deferred	11,20	**(390,987,026)**	**21,097,156**	**(0.12)**	**0.01**
Net profit/(loss) after tax		**6,717,036,581**	**(1,655,699,376)**	**2.03**	**(0.50)**
(Loss)/Earnings Per Share	14	**2,139**	**(527)**	**0.00**	**(0.00)**

Nguyen Thi Da Thao
Preparer

Phan Thi Cam Nguyen
Chief Accountant

Nguyen Bui Vinh Hy
General Director
16 December, 2016

Note: The exchange rate use to convert VND to ₹ 0.00302 (Previous year VND to ₹ 0.00297)

CASH FLOW STATEMENT (INDIRECT METHOD)

For the year ended November 30, 2016

Particulars	Note	Year ended March 31, For period from 1.4.2016 to 30.11.2016 VND	For the year ended 31.3.2016 VND	For period from1.4.2016 to 30.11.2016 ₹ Crore	For the year ended 31.3.2016 ₹ Crore
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit/(loss) before tax		**9,191,665,515**	**(1,676,796,532)**	**2.78**	**(0.51)**
Adjustments for:					
Depreciation and amortisation	6	2,046,962,683	2,775,698,848	0.62	0.82
Provisions		263,877,513	369,857,051	0.08	0.11
Unrealised foreign exchange gains		(2,226,137)	-	(0.00)	-
Profit from investing activities		(250,414,634)	(9,060,203)	(0.08)	-0.00
Operating profit before changes in working capital		**11,249,864,940**	**1,459,699,164**	**3.40**	**0.42**
Decrease/(increase) in receivables		575,430,821	(117,877,451)	0.17	(0.05)
(Increase)/decrease in inventories		(233,972,225)	8,396,938,882	(0.07)	2.49
Decrease in payables		(10,835,591,558)	(5,883,611,362)	(3.27)	(1.75)
Increase in prepaid expenses		(74,080,747)	(78,976,191)	(0.02)	(0.02)
Business income tax paid	8	1,200,000,000	(113,711,763)	0.36	(0.03)
Net cash inflows from operating activities		**1,881,651,231**	**3,602,461,279**	**0.57**	**1.07**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of fixed assets		(2,984,900,456)	(3,682,956,151)	(0.90)	(1.10)
Proceeds from disposals of fixed assets		425,949,002	1,754,477	0.13	0.00
Interest received		1,913,351	7,305,726	0.00	0.00
Net cash outflows from investing activities		**(2,557,038,103)**	**(3,673,895,948)**	**(0.77)**	**(1.10)**
Net (decrease)/increase in cash and cash equivalents		**(675,386,872)**	**(71,434,669)**	**(0.20)**	**(0.02)**
Cash and cash equivalents at beginning of year/period	3	**681,144,091**	**752,578,760**	**0.20**	**0.22**
Effect of facing exchange differences		**2,226,137**	**–**	**0.00**	**–**
Cash and cash equivalents at end of year/period	3	**7,983,356**	**681,144,091**	**–**	**0.20**

Nguyen Thi Da Thao
Preparer

Huynh Anh Dung Thanh
Chief Accountant

Nguyen Thi Thu Trinh
General Director
16 Dec, 2016

NOTES TO THE FINANCIAL STATEMENTS

For Period From 31 March 2016 To 30 November 2016

1 GENERAL INFORMATION

Thuan Phat Foodstuff Joint Stock Company ("the Company") was established in SR Vietnam pursuant to Business Registration Certificate No. 4103006767 issued by the Department of Planning and Investment of Ho Chi Minh City on 18 May 2007 and the 10th amended Enterprise Registration Certificates No. 0304979919 dated 7 June 2016 issued by the Department of Planning and Investment of Ho Chi Minh City.

The principal activities of the Company are to manufacture processed foods; produce, process and trade foodstuffs; perform the consignment agency; trade technologized food and materials used in food industry.

In accordance with the Merger Contract dated 15 November 2016, all of the Company's legal assets, rights, interests and obligations would be transferred to Marico South East Asia Corporation. The transfer of all assets, liabilities and owner's equity would be at their net book values as at 30 November 2016. Immediately from this point in time afterwards, the legal entity of Thuan Phat Foodstuff Joint Stock Company has been dissolved, but the operations of the Company have continued within the newly merged company. For the merger accounting purposes, the Company has decided that the effective date of the merger is 1 December 2016.

As at 30 November 2016, the Company had 136 employees (as at 31 March 2016: 119 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements. The financial statements have been prepared under the historical cost convention.

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam. The accounting principles and practices utilised in SR Vietnam may differ from those generally accepted in countries and jurisdictions other than SR Vietnam.

The merger is effective from 1 December 2016. Although the Company was dissolved on 30 November 2016, these financial statements have been prepared as if it is a going concern because the Company's operations have continued with the newly merged Company and there has been no curtailment of the operation in connection with the merger. On the effective date of the merger, all the Company's assets, liabilities and owner's equity were transferred to the newly merged Company at book values.

2.2 Significant changes in the Company's accounting policies applied

Circular No. 53/2016/TT- BTC ("Circular 53") issued on 21 March 2016 - Amended some articles of Circular No. 200/2014/TT-BTC ("Circular 200") – Providing guidance on Corporate Accounting System. Circular 53 is applicable to fiscal years beginning on or after 1 January 2016. However, enterprises can choose to apply those changes relating to foreign exchange rates for the fiscal year 2015. The changes in accounting policies had no significant impact to the Company.

2.3 Fiscal year

The Company's fiscal year is from 1 April to 31 March. Following the approval of the legal merger, the Company has prepared the financial statements for the last financial period from 1 April 2016 to 30 November 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended November 30, 2016

2.4 Currency

The financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in currencies other than VND ("foreign currencies") are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the bank where the Company regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the bank where the Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

2.6 Trade receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review by the General Director of all outstanding amounts at the year end. Bad debts are written off when identified.

2.7 Inventories

IInventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses. Provision is made, where necessary, for obsolete, slow-moving and defective inventory items.

The value of work in progress (WIP) balance of fish sauce at year end is recognized based on the selling price of Phu Quoc Fish Sauce Association. The quantity of WIP of fish sauce at the year end is determined based on the remaining estimated quantity of extractions from each of the barrel currently in the manufacturing process and the corresponding percentage of protein determined for each barrel.

2.8 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended November 30, 2016

Depreciation/Amortisation

Fixed assets are depreciated/amortised using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The principal annual rates used are:

Buildings and structures	4% - 4.5%
Plant and machinery	10% - 33.3%
Motor vehicles	16.7% - 20%
Office equipment	25% - 33.3%
Land use rights	2.50%
Computer software	12.50%
Patents	20%

Disposals

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the income statement.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.9 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the balance sheet and are mainly prepaid land rental and tools and equipment already put to use. Prepaid expenses are recorded at historical cost and allocated to expenses using the straight line method over the allocation period.

2.10 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchases of goods and services.
- Other payables are non-trade payables not relating to purchases of goods and services.
- Intercompany payables: payables between the superior unit and the subordinate unit which has no legal status and has dependent cost-accounting.

Payables are reclassified into long-term and short-term payables on the balance sheet based on remaining period from the balance sheet date to the maturity date.

2.11 Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid due to pending invoice or sufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended November 30, 2016

2.12 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; settlement the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expenses.

2.13 Provision for dismantling and restoration costs

According to Circular 200, since 1 January 2015, the Company is required to provide for dismantling and restoration costs of the Company's leased premises and land.

This provision is determined based on the estimated dismantling and restoration costs incurred at the time of returning the premises and lands in future and recognised on a straight-line basis over the period from 1 January 2015 to the time of returning the premises and lands.

2.14 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the six-month period prior to the balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in according with current regulations.

2.15 Share capital

Contributed capital of the shareholders is recorded according to actual amount contributed. Contributions from owners are recorded according to par value of the share.

Undistributed earnings record the Company's results (profit/loss) after business income tax at the reporting date.

2.16 Revenue recognition

(a) Sales of goods

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised based on principle of "substance over form" and allocated to each sales obligation. In case that the Company gives promotional goods to customers associated with customers' purchase, the Company allocates total consideration received for goods sold and promotional goods. Cost of promotional goods is recognised as cost of sales in the income statement.

(b) Interest income

Interest income is recognised on an earned basis.

2.17 Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period of the related sales of products, goods and services are recorded as deduction of revenue of that period.

Sales deductions for products, goods or services which are sold in the period but are incurred after the balance sheet date but before the issuance of the financial statements are recorded as deduction of revenue of the period.

2.18 Cost of sales

Cost of goods sold are cost of finished goods, merchandises, materials sold during the period, and recorded on the basis of matching with revenue and on prudent concept.

2.19 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services, which mainly include publicity, display, promotions, advertising expenses, sale commissions, maintenance charges, packaging, and transportation.

2.20 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances,...); social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff, expenses of office materials, tools and supplies, depreciation of fixed assets used for administration, land rental, licence tax, provision for bad debts, outside services ,other cash expenses.

2.21 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries that the Socialist Republic of Vietnam has not signed any double tax relief agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profit and the current tax rates. Current and deferred tax should be recognized as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended November 30, 2016

2.22 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering the related party relationship, the Company considers the substance of the relationship not merely the legal firm.

3 CASH AND CASH EQUIVALENTS

Particulars	30.11.2016 VND	31.3.2016 VND	30.11.2016 ₹ Crore	31.3.2016 ₹ Crore
Cash on hand	**–**	3,429,000	**–**	–
Cash at bank	**7,983,356**	677,715,091	**–**	0.20
	7,983,356	**681,144,091**	**–**	**0.20**

4 INVENTORIES

Particulars	30-11-2016		31-3-2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	**7,020,440,868**	**(556,925,892)**	9,289,898,493	(608,652,518)
Work in progress	**17,458,844,287**	**–**	14,383,264,269	–
Finished goods	**42,645,569**	**–**	614,795,737	(6,207,361)
	24,521,930,724	**(556,925,892)**	**24,287,958,499**	**(614,859,879)**

Particulars	30-11-2016		31-3-2016	
	Cost ₹ Crore	Provision ₹ Crore	Cost ₹ Crore	Provision ₹ Crore
Raw materials	**2.12**	**(0.17)**	2.76	(0.18)
Work in progress	**5.27**	**–**	4.27	-
Finished goods	**0.01**	**–**	0.18	(0.00)
	7.41	**(0.17)**	**7.21**	**(0.18)**

Movements in the provision for decline in value of inventories during the period/ year were as follows:

Particulars	30-11-2016 VND	31-3-2016 VND	30-11-2016 ₹ Crore	31-3-2016 ₹ Crore
Beginning of period/year	**614,859,879**	620,043,328	**0.19**	0.18
Reversal of period/year	**(57,933,987)**	(5,183,449)	**(0.02)**	(0.00)
End of Year/Period	**556,925,892**	**614,859,879**	**0.17**	**0.18**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended November 30, 2016

5 PREPAID EXPENSES

5a SHORT–TERM PREPAID EXPENSES

Particulars	30-11-2016 VND	31-3-2016 VND	30-11-2016 ₹ Crore	31-3-2016 ₹ Crore
Tools and Supplies	**139,554,040**	36,889,002	**0.04**	0.01
	139,554,040	**36,889,002**	**0.04**	**0.01**

Movements of short-term prepaid expenses during the period/year were as follows:

Particulars	30-11-2016 VND	31-3-2016 VND	30-11-2016 ₹ Crore	31-3-2016 ₹ Crore
Beginning of period/year	**36,889,002**	251,064,586	**0.01**	0.07
Additions during the period/year	**370,408,922**	1,052,244,921	**0.11**	0.31
Allocation during the period/year	**(267,743,884)**	(1,266,420,505)	**(0.08)**	(0.36)
End of period/year	**139,554,040**	**36,889,002**	**0.04**	**0.02**

5b LONG-TERM PREPAID EXPENSES

Particulars	30-11-2016 VND	31-3-2016 VND	30-11-2016 ₹ Crore	31-3-2016 ₹ Crore
Land rental	**545,707,118**	557,970,198	**0.16**	0.17
Tools & supplies	**848,366,277**	864,687,488	**0.26**	0.26
	1,394,073,395	**1,422,657,686**	**0.42**	**0.42**

Movement of long-term prepaid expenses during the period/year as follows:

Particulars	30-11-2016 VND	31-3-2016 VND	30-11-2016 ₹ Crore	31-3-2016 ₹ Crore
Beginning of year/period	**1,422,657,686**	1,129,505,911	**0.43**	0.34
Additions during the period/year	**521,783,000**	1,105,176,305	**0.16**	0.33
Allocation during the year/period	**(550,367,291)**	(812,024,530)	**(0.17)**	(0.24)
End of year/period	**1,394,073,395**	**1,422,657,686**	**0.42**	**0.42**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended November 30, 2016

6 FIXED ASSETS

(a) Tangible fixed assets

Particulars	Buildings and structures VND	Plant and machinery VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
At 1 Apr, 2016	11,516,688,137	15,352,175,232	1,708,993,372	468,268,327	**29,046,125,068**
New purchases	269,108,600	2,715,791,856	–	–	**2,984,900,456**
Disposals during period	–	(821,206,382)	(498,538,826)	–	**(1,319,745,208)**
At 30 November 2016	11,785,796,737	17,246,760,706	1,210,454,546	468,268,327	**30,711,280,316**
Accumulated depreciation					
At 1 April 2016	3,513,808,749	8,078,731,878	792,495,154	263,639,219	**12,648,675,000**
Charge for the period	502,693,581	1,086,284,000	62,853,438	42,309,616	**1,694,140,635**
Disposals during period	–	(741,957,657)	(490,020,367)	–	**(1,231,978,024)**
At 30 November 2016	4,016,502,330	8,423,058,221	365,328,225	305,948,835	**13,110,837,611**
Net book value					
At 1 April 2016	8,002,879,388	7,273,443,354	916,498,218	204,629,108	**16,397,450,068**
At 30 November 2016	7,769,294,407	8,823,702,485	845,126,321	162,319,492	**17,600,442,705**

Particulars	Buildings and structures ₹ Crore	Plant and machinery ₹ Crore	Motor vehicles ₹ Crore	Office equipment ₹ Crore	Total ₹ Crore
Historical cost					
At 1 Apr, 2016	3.42	4.56	0.51	0.14	**8.63**
New purchases	0.08	0.82	–	–	**0.90**
Disposals during period	–	(0.25)	(0.15)	–	**(0.40)**
At 30 November 2016	**3.56**	**5.21**	**0.37**	**0.14**	9.27
Accumulated depreciation					
At 1 Apr, 2016	1.04	2.40	0.24	0.08	**3.76**
Charge for the period	0.15	0.33	0.02	0.01	**0.51**
Disposals during period	–	(0.22)	(0.15)	–	**(0.37)**
At 30 November 2016	**1.21**	**2.54**	**0.11**	**0.09**	3.96
Net book value					
At 1 April 2016	2.38	2.16	0.27	0.06	**4.87**
At 30 November 2016	**2.35**	**2.66**	**0.26**	**0.05**	**5.32**

Historical cost of fully depreciated tangible fixed assets as at 30 November 2016 but still in active use was VND3,815,649,170 (as at 31 March 2016: VND3,213,039,234).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended November 30, 2016

(b) Intangible fixed assets

Particulars	Land use rights	Computer software	Patents	Total
	VND	VND	VND	VND
Historical cost				
At 1 April 2016 and 30 Nov 2016	21,510,101,000	720,817,817	163,360,000	**22,394,278,817**
	21,510,101,000	**720,817,817**	**163,360,000**	**22,394,278,817**
Accumulated amortisation				
At 1 April 2016	2,807,672,320	720,817,817	91,889,964	**3,620,380,101**
Charge for the period	339,208,720	–	13,613,328	**352,822,048**
At 30 November 2016	**3,146,881,040**	**720,817,817**	**105,503,292**	**3,973,202,149**
Net book value				
At 1 April 2016	**18,702,428,680**	**–**	**71,470,036**	**18,773,898,716**
At 30 November 2016	**18,363,219,960**	**–**	**57,856,708**	**18,421,076,668**

Particulars	Land use rights	Computer software	Patents	Total
	₹ Crore	₹ Crore	₹ Crore	₹ Crore
Historical cost				
At 1 April 2016 and 30 Nov 2016	6.50	0.22	0.05	**6.76**
	6.50	**0.22**	**0.05**	**6.76**
Accumulated amortisation				
At 1 April 2016	0.83	0.21	0.03	**1.08**
Charge for the period	0.10		0.00	**0.11**
At 30 November 2016	0.95	0.22	0.03	**1.20**
Net book value				
At 1 April 2016	**5.55**	**-**	**0.02**	**5.58**
At 30 November 2016	**5.55**	**-**	**0.02**	**5.56**

Historical cost of fully amortised intangible fixed assets as at 30 November 2016 but still in active use was VND720,817,817 (as at 31 March 2016: VND720,817,817).

7 SHORT-TERM TRADE ACCOUNTS PAYABLE

Particulars	30-11-2016	31-3-2016	30-11-2016	31-3-2016
	VND	VND	₹ Crore	₹ Crore
Third parties				
Kieu Hon Private Enterprise	-	1,376,100,000	-	0.41
An Khang Company Limited	-	1,149,258,400	-	0.34
Tan Phu Plastic Joint Stock Company - Long An Branch	-	889,441,734	-	0.26
Others	-	4,922,952,339	-	1.46
	-	**8,337,752,473**	-	**2.47**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended November 30, 2016

8 TAXES AND OTHER PAYABLES TO THE STATE BUDGET

Particulars	As at 1.4.2016 VND	Payable during the year VND	Paid/Net-off during the year VND	As at 30.11.2016 VND
Personal income tax	32,694,795	362,553,741	(368,422,750)	26,825,786
Value added tax- Output	642,938,290	11,547,789,346	(11,308,771,840)	881,955,796
Current income tax	–	2,083,641,908	(1,200,000,000)	883,641,908
	675,633,085	**13,993,984,995**	**(12,877,194,590)**	**1,792,423,490**

Particulars	As at 1.4.2016 ₹ Crore	Payable during the year ₹ Crore	Paid/Net-off during the year ₹ Crore	As at 30.11.2016 ₹ Crore
Personal income tax	0.01	0.11	(0.11)	**0.01**
Value added tax- Output	0.19	3.49	(3.42)	**0.27**
Current income tax	–	0.63	(0.36)	**0.27**
	0.20	**4.23**	**(3.89)**	**0.54**

9 SHORT-TERM ACCRUED EXPENSES

Particulars	30.11.2016 VND	31.3.2016 VND	30.11.2016 ₹ Crore	31.3.2016 ₹ Crore
Salary, bonus for employees	**920,485,000**	1,090,192,809	**0.28**	0.32
Marketing expenses	**1,268,349,184**	1,195,706,978	**0.38**	0.36
Service fees	**144,187,650**	136,000,000	**0.04**	0.04
Others	**484,447,971**	460,970,000	**0.15**	0.14
	2,817,469,805	**2,882,869,787**	**0.85**	**0.86**

10 PROVISION FOR LONG-TERM LIABILITIES

Particulars	30.11.2016 VND	31.3.2016 VND	30.11.2016 ₹ Crore	31.3.2016 ₹ Crore
Provision for severance allowances (*)	**1,507,714,750**	1,340,075,250	**0.46**	0.40
Provision for dismantling and restoration costs (Note 2.13)	**385,430,000**	231,258,000	**0.12**	0.07
	1,893,144,750	**1,571,333,250**	**0.57**	**0.47**

(*) Movements of provision for severance allowances during the period/year were as follows:

Particulars	30.11.2016 VND	31.3.2016 VND	30.11.2016 ₹ Crore	31.3.2016 ₹ Crore
Beginning of period/year	**1,340,075,250**	1,196,292,750	**0.40**	0.36
Additional during period/year	**253,368,084**	143,782,500	**0.08**	0.04
Utilisation during the period/year	**(85,728,584)**	–	**(0.03)**	–
End of period/year	**1,507,714,750**	1,340,075,250	**0.46**	0.40

NOTES TO THE FINANCIAL STATEMENTS

For the year ended November 30, 2016

11 DEFERRED INCOME TAX ASSETS

The details were as follows:

Particulars	30.11.2016 VND	31.3.2016 VND	30.11.2016 ₹ Crore	31.3.2016 ₹ Crore
Deferred income tax assets:				
Deferred income tax asset to be recovered after more than 12 months	–	390,987,026	–	0.12

The deferred income tax assets mainly arise from deductible temporary differences relating to provision for decline in value of inventories and provision for severance allowances.

The movements in the deferred income tax assets during the period/year were as follows:

Particulars	30.11.2016 VND	31.3.2016 VND	30.11.2016 ₹ Crore	31.3.2016 ₹ Crore
Beginning of year	**390,987,026**	369,889,870	**0.12**	0.11
Income statement credit (Note 20)	**(390,987,026)**	21,097,156	**(0.12)**	0.01
End of year	–	390,987,026	-	0.12

The Company uses tax rate of 20% for period from 1.4.2016 to 30.11.2016, for the year ended 31.3.2016 (22%) for determining deferred tax assets and deferred tax liabilities.

12 OWNERS' CAPITAL

(a) Number of shares

Particulars	30.11.2016 Ordinary shares	31.3.2016 Ordinary shares
Number of shares registered	**3,140,000**	3,140,000
Number of shares issued	**3,140,000**	3,140,000
Number of existing shares in issue	**3,140,000**	3,140,000

(b) Details of owners' shareholding

Particulars	Ordinary shares	30.11.2016 %	Ordinary shares	31.03.2016 %
Marico South East Asia Corporation	3,139,800	99.994	3,139,800	99.994
Mr. Nguyen Ngoc Anh Tuan	100	0.003	100	0.003
Mr. Nguyen Bui Vinh Hy	100	0.003	–	–
Ms. Nguyen Thi Thu Trinh	–	–	100	0.003
	3,140,000	**100.000**	**3,140,000**	**100.000**

(c) Movement of share capital

Particulars	Number of share capital (shares)	Ordinary shares VND	Total VND	Ordinary shares ₹ Crore	Total ₹ Crore
At 1 April 2016 and 30 November 2016	3,140,000	31,400,000,000	**31,400,000,000**	9.48	**9.33**

Par value per share: VND10,000.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended November 30, 2016

13 MOVEMENTS IN OWNERS' EQUITY

Particulars	Owners' capital VND	Undistributed earnings VND	Total VND	Owners' capital ₹ Crore	Undistributed earnings ₹ Crore	Total ₹ Crore
As at 1 April 2015	31,400,000,000	15,483,692,220	**46,883,692,220**	9.33	4.60	**13.92**
Loss for the year	–	(1,655,699,376)	**(1,655,699,376)**	–	(0.49)	**(0.49)**
As at 31 March 2016	31,400,000,000	13,827,992,844	**45,227,992,844**	9.33	4.11	**13.43**
Profit for the period	–	6,717,036,581	**6,717,036,581**	–	1.99	**1.99**
As at 30 November 2016	**31,400,000,000**	**20,545,029,425**	**51,945,029,425**	**9.48**	**6.20**	**15.69**

14 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders holding ordinary shares after deducting the bonus and welfare fund by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares:

Particulars	30.11.2016 VND	31.3.2016 VND	30.11.2016 ₹ Crore	31.3.2016 ₹ Crore
Net (loss)/profit attributable to shareholder (VND)	**6,717,036,581**	**(1,655,699,376)**	**2.03**	**(0.49)**
Weighted average number of ordinary shares in issue (shares)	**3,140,000**	3,140,000	**0.00**	0.00
Basic (losses)/earning per share (VND)	**2,139**	**(527)**	**0.00**	0.00

15 OFF BALANCE SHEET ITEMS

Included in cash and cash equivalents are balances held in currencies other than VND of US$270 (as at 31 March 2016: US$279).

16 REVENUE

Particulars	For period from 1.4.2016 to 30.11.2016 VND	For the year ended 31.3.2016 VND	For period from 1.4.2016 to 30.11.2016 ₹ Crore	For the year ended 31.3.2016 ₹ Crore
Sales				
Sales of goods	**110,138,645,619**	137,810,180,887	**33.26**	40.93
Sales deductions				
Sales returns	**(14,652,000)**	(339,694,235)	**(0.00)**	(0.10)
	110,123,993,619	**137,470,486,652**	**33.26**	**40.83**

17 COST OF SALES

Particulars	For period from 1.4.2016 to 30.11.2016 VND	For the year ended 31.3.2016 VND	For period from 1.4.2016 to 30.11.2016 ₹ Crore	For the year ended 31.3.2016 ₹ Crore
Cost of finished goods sold	**96,691,623,753**	120,363,849,285	**29.20**	35.75
Reversal of provision for decline in value of inventories	**(57,933,987)**	(5,183,449)	**(0.02)**	(0.00)
	96,633,689,766	**120,358,665,836**	**29.18**	**35.75**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended November 30, 2016

18 SELLING EXPENSES

Particulars	For period from 1.4.2016 to 30.11.2016 VND	For the year ended 31.3.2016 VND	For period from 1.4.2016 to 30.11.2016 ₹ Crore	For the year ended 31.3.2016 ₹ Crore
Labour cost	**646,781,644**	2,461,808,211	**0.20**	0.73
Depreciation Expenses	**–**	48,036,777	**–**	0.01
External services expenses	**967,352,406**	545,756,122	**0.29**	0.16
Advertising expenses	**–**	8,959,450,464	**–**	2.66
Others	**1,407,841,550**	2,490,934,838	**0.43**	0.74
Total	**3,021,975,600**	**14,505,986,412**	**0.91**	**4.31**

19 GENERAL AND ADMINISTRATION EXPENSES

Particulars	For period from 1.4.2016 to 30.11.2016 VND	For the year ended 31.3.2016 VND	For period from 1.4.2016 to 30.11.2016 ₹ Crore	For the year ended 31.3.2016 ₹ Crore
Labour cost	**863,313,595**	2,270,594,027	**0.26**	0.67
Depreciation expenses	**14,188,328**	20,419,992	**0.00**	0.01
External services expenses	**416,271,320**	1,597,821,051	**0.13**	0.47
Others	**275,392,502**	473,670,068	**0.08**	0.14
	1,569,165,745	**4,362,505,138**	**0.47**	**1.30**

20 BUSINESS INCOME TAX

The tax on the Company's profit/(loss) before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% for period from 1.4.2016 to 30.11.2016, for the year ended 31.3.2016 (22%) as follows:

Particulars	For period from 1.4.2016 to 30.11.2016 VND	For the year ended 31.3.2016 VND	For period from 1.4.2016 to 30.11.2016 ₹ Crore	For the year ended 31.3.2016 ₹ Crore
Net accounting profit/(loss) before tax	**9,191,665,515**	(1,676,796,532)	**2.78**	(0.50)
Tax calculated at a rate of 20%/(22%)	**1,838,333,103**	(368,895,237)	**0.56**	(0.11)
Effect of:				
Expenses not deductible for tax purposes	**15,957,000**	25,670,839	**0.00**	0.01
Deductible temporary difference in which no deferred income tax assets had been recognised	**716,671,290**	–	**0.22**	–
Tax losses in which no deferred income tax assets were recognised		283,028,540	**0.00**	0.08
Utilisation of previously unrecognised tax losses	**(96,332,459)**	–	**(0.03)**	–
Change in tax rates	**–**	39,098,702		0.01
Business income tax charge	**2,474,628,934**	**(21,097,156)**	**0.75**	**(0.01)**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended November 30, 2016

Particulars	For period from 1.4.2016 to 30.11.2016 VND	For the year ended 31.3.2016 VND	For period from 1.4.2016 to 30.11.2016 ₹ Crore	For the year ended 31.3.2016 ₹ Crore
Charged/(Credited) to income statement:				
Business income tax-current	**2,083,641,908**	-	**0.63**	-
Business income tax-deferred (Note 11)	**390,987,026**	(21,097,156)	**0.12**	(0.01)
	2,474,628,934	**(21,097,156)**	**0.75**	**(0.01)**

The business income tax charge for the period is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

21 EXPENSES BY FACTORS

Particulars	For period from 1.4.2016 to 30.11.2016 VND	For the year ended 31.3.2016 VND	For period from 1.4.2016 to 30.11.2016 ₹ Crore	For the year ended 31.3.2016 ₹ Crore
Raw materials	**73,567,288,911**	97,675,989,831	**22.24**	29.01
Labour costs	**12,320,049,413**	18,259,009,004	**3.72**	5.42
Depreciation expense	**2,046,962,683**	2,775,698,848	**0.62**	0.82
Outside service expenses	**7,449,078,908**	14,953,986,885	**2.25**	4.44
Other cash expenses	**1,754,269,047**	3,129,879,193	**0.53**	0.93
	97,137,648,962	**136,794,563,761**	**29.37**	**40.63**

22 RELATED PARTY DISCLOSURES

The Company is controlled by Marico South East Asia Corporation, a company incorporated in Vietnam, which owns 99.994% of the Company's share capital. The ultimate parent of the Company is Marico Limited, a company incorporated in India.

(a) Related party transactions

(i) Sales of goods

Particulars	For period from 1.4.2016 to 30.11.2016 VND	For the year ended 31.3.2016 VND	For period from 1.4.2016 to 30.11.2016 ₹ Crore	For the year ended 31.3.2016 ₹ Crore
Parent Compony	**109,846,135,955**	137,199,627,254	**33.17**	40.75

ii) Purchases of goods

Particulars	For period from 1.4.2016 to 30.11.2016 VND	For the year ended 31.3.2016 VND	For period from 1.4.2016 to 30.11.2016 ₹ Crore	For the year ended 31.3.2016 ₹ Crore
Parent Company	**25,611,857**	39,514,370	**0.01**	0.01
	25,611,857	**39,514,370**	**0.01**	**0.01**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended November 30, 2016

(iii) Compensation of key management

Particulars	For period from 1.4.2016 to 30.11.2016 VND	For the year ended 31.3.2016 VND	For period from 1.4.2016 to 30.11.2016 ₹ Crore	For the year ended 31.3.2016 ₹ Crore
Gross salaries and other benefits	**229,615,000**	1,448,700,000	**0.07**	0.43

b) **Year end balances with related parties**

(i) Short-term advances from customers

Particulars	For period from 1.4.2016 to 30.11.2016 VND	For the year ended 31.3.2016 VND	For period from 1.4.2016 to 30.11.2016 ₹ Crore	For the year ended 31.3.2016 ₹ Crore
Parent company	**3,436,409,005**	3,531,534,553	**1.04**	1.05

The financial statements were approved by the Board of Directors on 16 December 2016

Nguyen Thi Da Thao
Preparer

Phan Thi Cam Nguyen
Chief Accountant

Nguyen Bui Vinh Hy
General Director

Board of Directors	Mr. Harsh Mariwala	Director
(As on March 31, 2017)	Mr. Saugata Gupta	Managing Director
	Mr. Vivek Karve	Director & Chief Financial Officer
	Mr. Atul Choksey	Independent Director (till March 31, 2017)
	Ms. Hema Ravichandar	Independent Director
Company Secretary	Mr. Surender Sharma	
Registered Office	7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai 400 098	
Auditors	M/s. Price Waterhouse, Chartered Accountants	
Bankers	HSBC Bank, Mumbai	

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MARICO CONSUMER CARE LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Ind AS financial statements of Marico Consumer Care Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the

Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated April 29, 2016 and April 30, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i The Company does not have any pending litigations as at March 31, 2017 which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.

iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – Refer Note 4 (c).

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Vipin R Bansal
Partner
Membership Number 117753

Place : Mumbai
Date : May 2, 2017

ANNEXURE A TO INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 11 (f) of the Independent Auditors’ Report of even date to the members ofMarico Consumer Care Limited on the Ind AS financial statements for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 ofSection 143 of the Act

1. We have audited the internal financial controls over financial reporting of Marico Consumer Care Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of theInd AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

2. The Company’s management is responsible for establishing and maintaining internal financial controlsbased on the internal control over financial reporting criteriaestablished by the Company considering the essential components of internal control stated inthe Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued bythe Institute of Chartered Accountants of India (ICAI). These responsibilities include the design,implementation and maintenance of adequate internal financial controls that were operatingeffectively for ensuring the orderly and efficient conduct of its business, including adherence tocompany’s policies, the safeguarding of its assets, the prevention and detection of frauds anderrors, the accuracy and completeness of the accounting records, and the timely preparation ofreliable financial information, as required under the Act.

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls overfinancial reporting based on our audit. We conducted our audit in accordance withthe Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the“Guidance Note”) and the Standards on Auditing deemed to be prescribedunder section 143(10) of the Act to the extent applicable to an audit ofinternal financial controls, bothapplicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the GuidanceNote require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financialreporting was established and maintained and if such controls operated effectively in all materialrespects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy ofthe internal financial controls system over financial reporting and their operating effectiveness.Our audit of internal financial controls over financial reporting included obtaining anunderstanding of internal financial controls over financial reporting, assessing the risk that amaterial weakness exists, and testing and evaluating the design and operating effectiveness ofinternal control based on the assessed risk. The procedures selected depend on the auditor’sjudgement, including the assessment of the risks of material misstatement of the financialstatements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to providea basis for our audit opinion on the Company’s internal financial controls system overfinancial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation offinancial statements for external purposes in accordance with generally accepted accountingprinciples. Acompany's internal financial control over financial reporting includes those policiesand procedures that (1) pertain to the maintenance of records that, in reasonable detail,accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)provide reasonable assurance that transactions are recorded as necessary to permit preparationof financial statements in accordance with generally accepted accounting principles, and thatreceipts and expenditures of the company are being made only in accordance withauthorisations of management and directors of the company; and (3) provide reasonableassurance regarding prevention or timely detection of unauthorised acquisition, use, ordisposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, includingthe possibility of collusion or improper management override of controls, material misstatementsdue to error or fraud may occur and not be detected. Also, projections of any evaluation of theinternal financial controls over financial reporting to future periods are subject to the risk that theinternal financial control over financial reporting may become inadequate because of changes inconditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financialcontrols system over financial reporting and such internal financial controls over financialreporting were operating effectively as at March 31, 2017, based on theinternal control over financial reporting criteria established by the Company considering theessential components of internal control stated in the Guidance Note on Audit of InternalFinancial Controls Over Financial Reporting issued by the Institute of Chartered Accountants ofIndia.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Vipin R Bansal
Partner
Membership Number 117753

Place : Mumbai
Date : May 2, 2017

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Marico Consumer Care Limited on the financial statements as of and for the year ended March 31, 2016

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties as disclosed in Note 3 on fixed assets to the financial statements. Therefore, the provisions of Clause (i) (c) of the said Order are not applicable to the Company.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause (ii) of the said Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause (iii), (iii) (a), (iii) (b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax which have not been deposited on account of any dispute.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any noncash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Vipin R Bansal
Partner
Membership Number 117753

Place : Mumbai
Date : May 2, 2017

BALANCE SHEET

As at March 31, 2017

Amount in ₹

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	–	414,928	1,600,829
Financial assets				
(i) Investments	4(a)	12,843,600	11,893,000	10,979,800
(ii) Other financial assets	4(b)	432,244	432,244	432,244
Total non-current assets		**13,275,844**	**12,740,172**	**13,012,873**
Current assets				
Financial assets				
(i) Investments	4(a)	300,467,626	256,285,781	311,337,402
(ii) Cash and cash equivalents	4(c)	279,984	852,158	815,148
(iii) Other financial assets	4(b)	13,980,609	13,291,671	11,179,874
Current tax assets (Net)	5	598,090	448,214	591,463
Other current assets	6	–	19,562	19,561
Total current assets		**315,326,309**	**270,897,386**	**323,943,448**
Total assets		**328,602,153**	**283,637,558**	**336,956,321**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	7(a)	206,608,300	206,608,300	206,608,300
Other equity				
Reserves and Surplus	7(b)	114,868,338	71,385,274	125,952,284
Equity attributable to owners		**321,476,638**	**277,993,574**	**332,560,584**
Total equity		**321,476,638**	**277,993,574**	**332,560,584**
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	8	3,070,870	2,056,141	1,215,396
Total non-current liabilities		**3,070,870**	**2,056,141**	**1,215,396**
Current liabilities				
Financial liabilities				
Trade payables	9	3,011,975	2,694,504	2,330,590
Other current liabilities	10	1,042,670	893,339	849,751
Total current liabilities		**4,054,645**	**3,587,843**	**3,180,341**
Total liabilities		**7,125,515**	**5,643,984**	**4,395,737**
Total equity and liabilities		**328,602,153**	**283,637,558**	**336,956,321**
Significant accounting policies	2 (A)			
Critical estimates and judgements	2 (B)			

The above balance sheet should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

Vipin R Bansal
Partner
Membership No.: 117753

Place : Mumbai
Date : May 2, 2017

For and on behalf of
Marico Consumer Care Limited

Harsh Mariwala — **Director**
[DIN 00210342]

Saugata Gupta — **Managing Director**
[DIN 05251806]

Vivek Karve — **Director & CFO**
[DIN 06840707]

Surender Sharma — **Company Secretary**
[Membership No.A13435]

Place : Mumbai
Date : May 2, 2017

PROFIT AND LOSS

For the year ended March 31, 2017

Amount in ₹

Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
Other income	11	77,961,887	74,945,116
Total income		**77,961,887**	**74,945,116**
Expenses:			
Finance cost	13	25,311	11,025
Depreciation and amortisation expenses	12	414,928	1,185,901
Other expenses	14	9,518,667	6,897,846
Total expenses		**9,958,906**	**8,094,772**
Profit before tax		**68,002,981**	**66,850,344**
Income tax expense:			
Current tax	15	23,505,188	21,860,134
Deferred tax	8	1,014,729	840,745
Total tax expense		**24,519,917**	**22,700,879**
Profit for the year		**43,483,064**	**44,149,465**
Earnings per equity share for profit attributable to owners			
Basic earnings per share	23	2.10	2.14
Diluted earnings per share	23	2.10	2.14
Significant accounting policies	2 (A)		
Critical estimates and judgements	2 (B)		

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

Vipin R Bansal
Partner
Membership No.: 117753

Place : Mumbai
Date : May 2, 2017

For and on behalf of
Marico Consumer Care Limited

Harsh Mariwala — **Director**
[DIN 00210342]

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Surender Sharma — **Company Secretary**
[Membership No.A13435]

Place : Mumbai
Date : May 2, 2017

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2017

A. Equity Share Capital

Amount in ₹

Particulars	Note	
As at 1st April 2015	7 (a)	206,608,300
Changes in equity share capital		–
As at 31st March 2016		**206,608,300**
Changes in equity share capital		–
As at 31st March 2017		**206,608,300**

B. Other Equity

Amount in ₹

Particulars	Note No.	Attributable to owners	
		Reserves and surplus Retained earnings	Total other equity
Balance as at April 1, 2015	**7(b)**	125,952,284	125,952,285
Profit for the year	7(b)	44,149,465	44,149,465
Other comprehensive income for the year		–	–
Total comprehensive income for the year		**44,149,465**	**44,149,465**
Dividend paid (including dividend distribution tax of Rs.16,073,155) (refer note 7(b))	7(b)	(98,716,475)	(98,716,475)
Balance as at March 31, 2016		**71,385,274**	**71,385,274**
Balance as at April 1, 2016	**7(b)**	**71,385,274**	**71,385,274**
Profit for the year	7(b)	43,483,064	43,483,064
Total comprehensive income for the year		**43,483,064**	**43,483,064**
Balance as at March 31, 2017		**114,868,338**	**114,868,338**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

Vipin R Bansal
Partner
Membership No.: 117753

Place : Mumbai
Date : May 2, 2017

For and on behalf of
Marico Consumer Care Limited

Harsh Mariwala — **Director**
[DIN 00210342]

Saugata Gupta — **Managing Director**
[DIN 05251806]

Vivek Karve — **Director & CFO**
[DIN 06840707]

Surender Sharma — **Company Secretary**
[Membership No.A13435]

Place : Mumbai
Date : May 2, 2017

CASH FLOW STATEMENT

For the year ended March 31, 2017

Amount in ₹

	Particulars	For the year ended March 31, 2017	2016
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	PROFIT BEFORE INCOME TAX	**68,002,981**	**66,850,344**
	Adjustments for:		
	Depreciation and amortisation	414,928	1,185,901
	Finance costs	25,311	11,025
	Interest income from financial assets at amortised cost	(17,243,366)	(15,795,685)
	Net gain on sale of investments	(1,554,419)	(608,380)
	Net gain on financial assets mandatorily measured at fair value through profit or loss	(4,016,381)	(2,542,860)
	Dividend income form investment mandatorily measured at fair value through profit or loss	–	(4,844,984)
		(22,373,927)	**(22,594,983)**
	Operating profit before working capital changes	**45,629,054**	**44,255,361**
	Change in operating assets and liabilities:		
	(Increase)/ Decrease in other current financial assets	(688,938)	(2,111,795)
	(Increase)/ Decrease in other current assets	19,562	–
	Increase in trade payables	317,471	363,914
	Increase/(Decrease) in other current liabilities	149,331	43,588
	Changes in Working Capital	**(202,574)**	**(1,704,293)**
	Cash generated from Operations	**45,426,480**	**42,551,068**
	Income taxes paid (net of refunds)	(23,655,064)	(21,716,885)
	NET CASH IN FLOW GENERATED FROM OPERATING ACTIVITIES	**21,771,416**	**20,834,183**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	(Purchase) / Sale of investments (net)	(45,399,995)	271,505,775
	Purchase of Inter-corporate deposits	(100,000,000)	(200,000,000)
	Proceeds from redemption of Inter- corporate deposits	100,000,000	–
	Dividend income form mandatorily measured at fair value through profit or loss	–	4,844,984
	Interest income from financial assets at amortised cost	23,081,716	1,579,568
	NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES	**(22,318,279)**	**77,930,327**

CASH FLOW STATEMENT(Contd.)

For the year ended March 31, 2017

C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Finance charges paid	(25,311)	(11,025)
	Dividend paid (including tax thereon)	–	(98,716,475)
	NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES	**(25,311)**	**(98,727,500)**
D	**NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)**	**(572,174)**	**37,010**
E	**Cash and cash equivalents at the beginning of the financial year**	852,158	815,148
F	**Cash and cash equivalents at end of the year**	**279,984**	**852,158**

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

Vipin R Bansal
Partner
Membership No.: 117753

Place : Mumbai
Date : May 2, 2017

For and on behalf of
Marico Consumer Care Limited

Harsh Mariwala — **Director**
[DIN 00210342]

Saugata Gupta — **Managing Director**
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[DIN 06840707]

Surender Sharma — **Company Secretary**
[Membership No.A13435]

Place : Mumbai
Date : May 2, 2017

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1 The Company and nature of its operations:

Marico Consumer Care Limited ('MCCL' or 'the Company') was incorporated on April 20, 2012 under the Companies Act, 1956. MCCL is a 100% subsidiary of Marico Limited. MCCL is headquartered in Mumbai, Maharashtra, India and was formed with the main objective of carrying out the business of fast moving consumer products and skin care segment. The Company presently owns various Intellectual Property Rights which were licensed during the year under consideration to Marico Limited, the holding Company and Marico Middle East FZE its fellow subsidiaries.

2 (A) Summary of significant accounting policies:

a) Basis of preparation:

i. These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 & other relevant provisions of the act.

These financial statements for the year ended March 31, 2017 are the first financials with comparatives prepared under Ind AS. For all periods upto and including the year ended March 31, 2016 , the Company prepared its financial statements in accordance with the generally accepted accounting principles (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS.

The date of transition to Ind AS is April 1, 2015. Refer Note 24 for the first time adoption exemptions availed by the Company.

Reconciliations and explanations for the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 24.

ii. **Historical cost convention :**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value;

b) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortisation and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation.Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

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 item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs & maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

Transition to IND AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Depreciation and amortization

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives

As per technical evaluation of the Company, the useful life considered for the following items is lower than the life stipulate in Schedule II to the Companies Act, 2013:

Asset	Useful Life (years)
Plant & Machinery – Mould	6

Extra shift depreciation is provided on "Plant" basis.

Assets individually costing Rs. 25,000 or less are depreciated fully in the year of acquisition.

Depreciation on additions / deletions during the year is provided from the month in which the asset is capitalized up to the month in which the asset is disposed off.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

c) Intangible Assets:

i. Intangible assets with finite useful life:

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given here under

Asset	**Useful Life (years)**
Computer software	3

ii. Intangible assets with infinite useful life:

Intangible assets with indefinite useful lives are measured at cost and are not amortised, but are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

d) Investment & Other financial assets:

i. Classification:

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortised cost.

Classification of debt assets will be driven by the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset.

Amortised Cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows & for selling the financial assets, where the assets cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iii. Impairment of financial assets:

The Company assesses if there is any significant increase in credit risk pertaining to the assets and accordingly create necessary provisions, wherever required.

iv. Derecognition of financial assets:

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset

e) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an item in deferred tax asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of fifteen succeeding assessment years.

f) Impairment of assets:

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which assets carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Nonfinancial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

g) Provisions and Contingent Liabilities

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

h) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes.

The company recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement

i. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

ii. Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

iii. Revenue from royalty income is recognized on accrual basis.

i) Foreign Currency Transaction:

i) Functional and presentation currencies:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in INR which is the functional and presentation currency for Marico Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

ii) Transactions & Balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the profit and loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis.

Non-monetary foreign currency items are carried at cost.

j) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k) Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at cost less provision for impairment

l) Trade and other payables:

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

m) Earnings Per Share

i) Basic earnings per share: Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 23).

ii) Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

n) Segment Reporting:

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker (CODM). The Managing Director & CEO is designated as CODM.

o) Contributed Equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

p) **Dividend:**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

q) **Amendments to Ind AS 7, 'Statement of cash flows' on disclosure initiative:**

The amendments to Ind AS 7 introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes (i.e. changes in fair values), Changes resulting from acquisitions and disposals and effect of foreign exchange differences. Changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in cash flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing liabilities. The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2017.

2 **(B) Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates & associated assumptions are based on historical experience & management's best knowledge of current events & actions the Company may take in future.

3 **Property, plant and equipment**

Amount in ₹

Particular	Plant and machinery	Total
Year ended March 31, 2016		
Gross carrying amount		
Deemed Cost as at April 1, 2015	**1,600,829**	**1,600,829**
Additions	–	–
Closing gross carrying amount	**1,600,829**	**1,600,829**
Accumulated depreciation		
Depreciation charge during the year	1,185,901	1,185,901
Closing accumulated depreciation	**1,185,901**	**1,185,901**
Net carrying amount	**414,928**	**414,928**
Year ended March 31, 2017		
Gross carrying amount		
Opening gross carrying amount	**1,600,829**	**1,600,829**
Additions	–	–
Closing gross carrying amount	**1,600,829**	**1,600,829**
Accumulated depreciation		
Opening accumulated depreciation	1,185,901	1,185,901
Depreciation charge during the year	414,928	414,928
Closing accumulated depreciation	**1,600,829**	**1,600,829**
Net carrying amount	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

4 (a) Investments

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current Investments			
Mutual Funds	12,843,600	11,893,000	10,979,800
	12,843,600	**11,893,000**	**10,979,800**
Current Investments			
Inter corporate deposits	208,377,766	214,216,116	–
Mutual Funds	92,089,860	42,069,665	311,337,402
	300,467,626	**256,285,781**	**311,337,402**
Total Investments	**313,311,226**	**268,178,781**	**322,317,202**
Non-current Investments			
Investment in mutual funds at FVPL			
Quoted			
Reliance Fixed Horizon Fund-XXVI-Series 2-Growth Plan 1,000,000 (March 31, 2016 : 1,000,000, April 1, 2015 : 1,000,000) units of Rs. 10 each fully paid	12,843,600	11,893,000	10,979,800
Total investment in mutual funds	**12,843,600**	**11,893,000**	**10,979,800**
Aggregate amount of quoted investments	12,843,600	11,893,000	10,979,800
Market value/ Net asset value of quoted investments	12,843,600	11,893,000	10,979,800
Current investments			
Investment in mutual funds at FVPL			
Unquoted			
Birla Sun Life Floating Rate Fund-Short Term Plan-Growth Nil (March 31, 2016 : Nil, April 1, 2015 : 551,505) Units of Rs. 100 each fully paid	–	–	102,631,684
HDFC Liquid Fund-Growth Nil (March 31, 2016 : Nil, April 1, 2015 : 3,683,665) Units of Rs. 10 each fully paid	–	–	101,581,848
LIC Nomura MF Liquid Fund - Growth Nil (March 31, 2016 : Nil, April 1, 2015 : 9,550) Units of Rs. 1000 each fully paid	–	–	24,188,664
Reliance Liquid Fund-Treasury Plan-Growth 7,771 (March 31, 2016 : 4,696, April 1, 2015 : 17,605) Units of Rs. 1000 each fully paid	30,726,941	17,306,995	59,957,266
Edelweiss Liquid Fund - Super IP - Gr (Formerly known as JP Morgan India Liquid Fund-SIP-Growth) 1,269,009 (March 31, 2016 : 1,269,009, April 1, 2015 : 1,269,009) Units of Rs. 10 each fully paid	26,410,355	24,762,670	22,977,940
UTI Money Market - IP - Growth 19,238 (March 31, 2016 : Nil, April 1, 2015 : Nil) Units of Rs. 1000 each fully paid	34,952,564	–	–
Total investment in mutual funds	**92,089,860**	**42,069,665**	**311,337,402**
Aggregate amount of unquoted investments	**300,467,626**	**256,285,781**	**311,337,402**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

4 (b) Other Non current financial assets

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fixed Deposits-maturing after 12 months	432,244	432,244	432,244
Total other non-current financial assets	**432,244**	**432,244**	**432,244**

4 (b) Other current financial assets

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance to related parties	13,980,609	13,291,671	11,179,874
Total other current financial assets	**13,980,609**	**13,291,671**	**11,179,874**

4 (c) Cash and cash equivalents

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Bank balances in current accounts	279,854	852,028	815,018
Cash on hand	130	130	130
Total cash and cash equivalents	**279,984**	**852,158**	**815,148**

The details of specified bank notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 as provided in the table below:

During the year, the company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308 (E) dated March 31, 2017 on the details of the specified bank notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016. The denomination wise SBNs and other notes as per the notification are given below:

Amount in ₹

Details	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	–	130	130
(+) Permitted receipts	–	–	–
(-) Permitted payments	–	–	–
(-) Amount deposited in Banks	–	–	–
Closing cash in hand as on 30.12.2016	–	130	130

5 Current tax assets

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening balance	448,214	591,463	749,419
Current tax payable for the year	(23,505,188)	(21,860,134)	(23,998,679)
Less : Taxes paid	23,655,064	21,716,885	23,840,723
Closing balance	**598,090**	**448,214**	**591,463**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017

6 Other current assets

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other receivables	–	19,562	19,561
Total other current assets	**–**	**19,562**	**19,561**

7 (a) Share capital

Amount in ₹

Particulars	No. of shares	Amount
Authorised share capital		
As at April 1, 2015		
Equity shares of Rs. 10/- each	80,000,000	800,000,000
Total	**80,000,000**	**800,000,000**
As at March 31, 2016		
Equity shares of Rs. 10/- each	80,000,000	80,000,000
Total	**80,000,000**	**80,000,000**
As at March 31, 2017		
Equity shares of Rs. 10/- each	80,000,000	80,000,000
Total	**80,000,000**	**80,000,000**
Issued, subscribed and paid-up as at March 31, 2017, March 31, 2016 and April 1, 2015		
20,660,830 equity shares of Rs. 10/- each fully paid-up	20,660,8300	206,608,300
Total	**206,608,300**	**206,608,300**

Rights of equity shareholders

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 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.

Details of shareholders holding more than 5% shares in the company

Amount in ₹

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs. 10/– each fully paid–up						
Marico Limited and its nominees	**20,660,830**	**100%**	20,660,830	100%	20,660,830	100%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

7 (b) **Reserves and surplus**

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Retained earnings	**114,868,338**	71,385,274	125,952,284
Total Reserve and surplus	**114,868,338**	**71,385,274**	**125,952,284**

(vi) **Retained earnings**

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening Balance	**71,385,274**	125,952,284	68,233,687
Net Profit for the year	**43,483,064**	44,149,465	55,257,995
Items of other comprehensive income recognised directly in retained earnings			
Remeasurements of post–employment benefit obligation, net of tax		–	–
Less : Dividend	**–**	(82,643,320)	–
Less : Tax on dividend	**–**	(16,073,155)	–
Gain on Fair Valuation of investment (Net of tax)	**–**	–	2,460,602
Closing balance	**114,868,338**	**71,385,274**	**125,952,284**

8 **Deferred tax liabilities**

The balance comprises temporary differences attributable to :

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets at fair value through Profit & Loss	**3,070,870**	2,056,141	1,215,396
Total deferred tax liabilities	**3,070,870**	**2,056,141**	**1,215,396**

Movement in deferred tax liabilities

Amount in ₹

Particulars	Financial assets at fair value through Profit & Loss	Total deferred tax liabilities
As at April 1, 2015	**1,215,396**	**1,215,396**
(Charged)/credited :		
to Profit and loss	840,745	840,745
As at March 31, 2016	**2,056,141**	**2,056,141**
(Charged)/credited :		
to Profit and loss	1,014,729	1,014,729
As at March 31, 2017	**3,070,870**	**3,070,870**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

9 Trade payables

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
Trade payables	**3,011,975**	2,694,504	2,330,590
Total Trade Payable	**3,011,975**	**2,694,504**	**2,330,590**

10 Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
Amount payable to statutory/ government authorities	**1,042,670**	893,339	849,751
Total other current liabilities	**1,042,670**	**893,339**	**849,751**

11 Other income

Amount in ₹

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest income from financial assets at amortised cost	**17,243,366**	**15,795,685**
Dividend income from investments mandatorily measured at fair value through profit or loss	**–**	4,844,984
Net gain on financial assets mandatorily measured at fair value through profit or loss and net gain on sale of investments*	**5,570,800**	3,151,240
Royalty income	**55,134,738**	51,147,825
Net gain on foreign currency transactions and translation	**12,983**	5,382
Total	**77,961,887**	**74,945,116**

*Includes net gain on financial assets mandatorily measured at fair value through profit or loss of Rs 4,016,381 (31st March 2016: Rs. 2,542,860)

12 Depreciation and amortization expense

Amount in ₹

Particulars	Year ended March 31, 2017	Year ended March 31 2016
Depreciation on property, plant and equipment	**414,928**	1,185,901
Total depreciation and amortization expense	**414,928**	**1,185,901**

13 Finance costs

Amount in ₹

Particulars	Year ended March 31, 2017	Year ended March 31 2016
Interest cost	**19,569**	1,503
Bank and other financial charges	**5,742**	9,522
Finance costs expensed in profit or loss	**25,311**	**11,025**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

14 Other expenses

Amount in ₹

Particulars	Year ended March 31, 2017	Year ended March 31 2016
Legal and professional charges	**7,632,247**	5,623,245
Payments to the auditor		
as Statutory Audit fees	**199,345**	184,631
Rates and taxes	**40,227**	33,936
Subscriptions charges	**34,500**	28,625
Miscellaneous expenses	**223,706**	208,494
Expenditure towards Corporate Social Responsibility	**1,350,000**	800,000
Insurance Charges	**38,642**	18,915
Total	**9,518,667**	**6,897,846**

Expenses towards Corporate Social Responsibility:

(a) Gross amount required to be spent by the company during the year : Rs. 1,251,930 (1st March 2016: Rs. 8,00,000)

(b) Amount spent during the year : Rs. 13,50,000 (31st March 2016: Rs. 8,00,000)

Particulars	Paid
(i) Construction/acquisition of any asset	–
(ii) On purposes other than (i) above	1,350,000

15 Income tax expense

Amount in ₹

Particulars	Year ended March 31, 2017	Year ended March 31 2016
(a) Income tax expense		
Current tax	23,505,188	21,860,134
Total current tax expense	**23,505,188**	**21,860,134**
Deferred tax		
(Decrease) /Increase in deferred tax liabilities	**1,014,729**	840,745
Total deferred tax expense/(benefit)	**1,014,729**	**840,745**
Income tax expense	**24,519,917**	**22,700,879**

Reconciliation of tax expense and accounting profit multiplies by India tax rate

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit from continuing operations before income tax expense	68,002,981	66,850,344
India tax rate	33.063%	33.063%
Tax at India tax rate	**22,483,826**	**22,102,729**
Tax effect of amounts which are not deductible (allowable) in calculating taxable income :		
Exempt Income	–	(1,601,897)
Expenses not deductible for tax purposes	2,711,091	2,334,078
Deduction for Corporate Social Resposibilty expense	(675,000)	(132,252)
Others	–	(1,779)
Income tax expense	**24,519,917**	**22,700,879**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017

16 Fair Value Measurements

a) Financial Instruments bt category

Amount in ₹

Particulars	Note	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
		FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial Assets										
Investments										
Mutual funds	4(a)	104,933,460	–	–	53,962,665	–	–	322,317,202	–	–
Inter corporate deposits	4(a)			208,377,766	–	–	214,216,116	–	–	–
Advance to related parties	4(b)			13,980,609	–	–	13,291,671	–	–	11,179,874
Cash and cash equivalent	4(c)			279,984			852,158			815,148
Fixed deposits	4(b)			432,244			432,244			432,244
Total financial assets		**104,933,460**	**–**	**223,070,603**	**53,962,665**	**–**	**228,792,189**	**322,317,202**	**–**	**12,427,266**
Financial Liabilities										
Trade payables	9			3,011,975	–	–	2,694,504	–	–	2,330,590
Total financial liabilities		**–**	**–**	**3,011,975**	**–**	**–**	**2,694,504**	**–**	**–**	**2,330,590**

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Amount in ₹

Financial assets and liabilities measured at fair value – recurring fair value measurements as at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Mutual funds	4(a)	12,843,600	92,089,860	–	104,933,460
Total financial assets		**12,843,600**	**92,089,860**	**–**	**104,933,460**

Financial assets and liabilities measured at amortized cost for which fair value are disclosed as at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Inter – corporate deposits	4(a)	–	208,377,766	–	208,377,766
Total financial assets		**–**	**208,377,766**	**–**	**208,377,766**

Financial assets and liabilities measured at fair value – recurring fair value measurements as at March 31, 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Mutual funds	4(a)	11,893,000	42,069,665	–	53,962,665
Total financial assets		**11,893,000**	**42,069,665**	**–**	**53,962,665**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017

Financial assets and liabilities measured at amortized cost for which fair value are disclosed as at March 31, 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Inter – corporate deposits	4(a)	–	214,216,116	–	214,216,116
Total financial assets		**–**	**214,216,116**	**–**	**214,216,116**

Financial assets and liabilities measured at fair value – recurring fair value measurements as at April 1, 2015	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Mutual funds	4(a)	10,979,800	311,337,402	–	322,317,202
Total financial assets		**10,979,800**	**311,337,402**	**–**	**322,317,202**

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

Level 1: Financial instruments measured using quoted prices. This includes mutual funds, that have quoted price. The fair value of all instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity–specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. The mutual funds are valued using the closing NAV published by the mutual fund.

Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the company carries such instruments at cost less impairment, if applicable.

The company policy is to recognize transfers into and transfer out of fair value hierarchy levels as at the end of the reporting period

c) **Fair Value of financial assets and liabilities measured at amortised cost**

Amount in ₹

Particulars	Note	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets							
Investments							
Inter–Corporate Deposits	4(a)	208,377,766	208,377,766	214,216,116	214,216,116	–	–
Total financial assets		**208,377,766**	**208,377,766**	**214,216,116**	**214,216,116**	**–**	**–**

The carrying amounts of trade payables, fixed deposit, cash and cash equivalents and advances to related parties are considered to be the same as their fair values, due to their short–term nature.
For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017

17 Financial risk management

Financial Risks

In the course of its business, the company is exposed to credit risk and price risk . This note presents the company's objectives, policies and processes for managing its financial risk and capital.

Board of Directors of the Company have approved Risk Management Framework through policies regarding Investment, borrowing and Foregin Exchange Management policy. Management ensures the implementation of strategies and achievement of objectives as laid down by the Board through central Treasury function.
Approved Treasury Management Guidelines define,determine and classify risk,by category of transaction, specific approval, execution and monitoring procedures.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises on liquid assets and financial assets

The company aims to minimize its financial credit risk through the application of risk management policies. The methodology used to set the list of counterparty limits includes counterparty Credit Ratings (CR) and sector exposure. Evolution of counterparties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out. The company avoids the concentration of credit risk on its liquid assets by spreading them over several asset management companies and monitoring of underlying sector exposure.

(B) Price Risk

The company's exposure to price risk arise from the investment held by the company in mutual funds and inter–corporate deposits which are classified as fair value through profit and loss.To manage its price risk arising from investment in mutual fund & Inter–corporate deposits, company has diversified its portfolio."

Mutual fund Net Asset Values (NAVs) are impacted by a number of factors like interest rate risk, credit risk, liquidity risk , market risk in addition to other factors. A movement of 1% in NAV on either side can lead to a gain/loss of Rs. 0.1 Crores on the overall portfolio as at 31st March,2017 and Rs. 0.05 Cr as at March 31, 2016 and 0.32 Cr as on April 1, 2015.

18 Capital management

The company's capital management is driven by company's policy to maintain a sound capital base to support the continued development of its business.

The Board of Directors seeks to maintain a prudent balance between different components of the company's capital. The company complies with all statutory requirement as per the extant regulations.

19 There are no contingent liabilities and contingent asset as at March 31, 2017, March 31, 2016 and as at March 31, 2015

20 Capital / Other Commitments :

There are no contracts remaining to be executed on capital / other account and not provided for as at March 31, 2017

21 There is no reportable segment in terms of India Accounting standard (Ind AS) 108 'Segment reporting' mandated by Rule 4 of the Companies (Indian Accounting Standard) Rules 2015.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017

22 Related party disclosure

a) Name of Related parties and nature of relationship :

Holding Company:

Marico Limited

Subsidiary Company:

Halite Personal Care Private Limited (A Company under Voluntary Liquidation)

Fellow Subsidiaries with whom the Company has transactions:

Marico Middle East FZE (MME)

Marico Innovation Foundation

Key Management Personnel :

Mr. Atul Choksey	:	Independent Director
Ms. Hema Ravichandar	:	Independent Director
Mr. Harsh Mariwala	:	Non–Executive Director
Mr. Saugata Gupta	:	Managing Director
Mr. Vivek Karve	:	Director & CFO

Note

Marico Innovation Foundation ("MIF"), a company incorporated under Section 25 of the Companies Act, 1956 (being a private company limited by guarantee not having share capital) primarily with an objective of fuelling and promoting innovation in India.

b) Transactions with related parties

Amount in ₹

Particulars	March 31, 2017	March 31, 2016
Marico Limited		
Royalty income	**54,629,287**	50,443,272
Dividend Paid	**–**	82,643,320
Reimbursement of expenses paid by holding company	**2,500**	40,215
Marico Middle East FZE		
Royalty Income	**505,450**	704,553
Marico Innovation Foundation		
Corporate Social Responsibility expenditure	**1,350,000**	800,000
Key Management Personel compensation		
Renuneration/ sitting fees to Non – Excutive and Independent Directors	**218,150**	239,094

C) Outstanding balances at the year end

Amount in ₹

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Other Receivable			
Marico Limited	**13,475,159**	12,587,118	10,616,718
Marico Middle East FZE	**505,450**	704,553	563,156

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017

23 Earnings per share

Amount in ₹

Particulars	March 31, 2017	March 31, 2016
Profit during the year **(A)**	**43,483,064**	44,149,465
Number of equity shares as at year end	**20,660,830**	20,660,830
Weighted average number of equity shares used as denominator for calculating basic / diluted earnings per share. (B)	**20,660,830**	**20,660,830**
Nominal value of equity share	**10**	10
Basic / Diluted Earnings per share **(A)/(B)**	**2.10**	2.14

24 First time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2A have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 1, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Deemed cost

Ind AS 101 permits a first–time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de–commissioning liabilities.

Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with IndAS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for Investment in equity instruments carried at FVPL in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

A.2.2 De–recognition of financial assets and liabilities

Ind AS 101 requires a first–time adopter to apply the de–recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first–time adopter to apply the de–recognition requirement provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The company has elected to apply the de–recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS .

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Ind AS 101 requires the company to reconcile equity, total comprehensive income, and cash flow for prior periods. The following reconciliation provide the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

(A) Reconciliation of Equity as at April 1, 2015 and as at 31st March 2016

(B) Reconciliation of total comprehensive income for the year ended March 31, 2016 and

(C) The impact on cash flows from operating, investing and financing activities for the year ended March 31, 2016

B. Reconciliation between previous GAAP and Ind AS

Reconciliation of Balance Sheet as at date of transition (April 1, 2015)

Amount in ₹

Particulars	Notes to first time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non–current assets				
Property, plant and equipment		1,600,829	–	1,600,829
Financial assets				
(i) Investments	2	10,000,000	979,800	10,979,800
(ii) Other financial assets		432,244	–	432,244
Total non–current assets		**12,033,073**	**979,800**	**13,012,873**
Current assets				
Financial assets				
(i) Investments	2	308,641,204	2,696,198	311,337,402
(ii) Cash and cash equivalents		815,148	–	815,148
(iii) Other financial assets		11,179,874	–	11,179,874
Current tax assets (net)		591,463	–	591,463
Other current assets		19,561	–	19,561
		321,247,250	**2,696,198**	**323,943,448**
Assets classified as held for sale		**–**	**–**	**–**
Total current assets		**321,247,250**	**2,696,198**	**323,943,448**
Total assets		**333,280,323**	**3,675,998**	**336,956,321**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital		206,608,300	–	206,608,300
Other Equity				–
Reserves and Surplus	2	123,491,682	2,460,602	125,952,284
Total equity		**330,099,982**	**2,460,602**	**332,560,584**
LIABILITIES				
Non–current liabilities				
Deferred tax liabilities	3	–	1,215,396	1,215,396
Total non–current liabilities		**–**	**1,215,396**	**1,215,396**
Current liabilities				
Financial liabilities				
(i) Trade payables		2,330,590	–	2,330,590
Other current liabilities		849,751	–	849,751
Total current liabilities		**3,180,341**	**–**	**3,180,341**
Total liabilities		**3,180,341**	**1,215,396**	**4,395,737**
Total equity and liabilities		**333,280,323**	**3,675,998**	**336,956,321**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of Balance Sheet as at date of transition (March 31, 2016)

Amount in ₹

Particulars	Notes to first time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		414,928	–	414,928
Financial assets				
(i) Investments	2	10,000,000	1,893,000	11,893,000
(ii) Other financial assets		432,244	–	432,244
Total non-current assets		**10,847,172**	**1,893,000**	**12,740,172**
Current assets				
Financial assets				
(i) Investments	2	251,959,923	4,325,858	256,285,781
(ii) Cash and cash equivalents		852,158	–	852,158
(iii) Other financial assets		13,291,671	–	13,291,671
Current tax assets		448,214	–	448,214
Other current assets		19,562	–	19,562
		266,571,528	**4,325,858**	**270,897,386**
Assets classified as held for sale		**–**	**–**	**–**
Total current assets		**266,571,528**	**4,325,858**	**270,897,386**
Total assets		**277,418,700**	**6,218,858**	**283,637,558**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital		206,608,300	–	206,608,300
Other Equity				
Reserves and Surplus	2	67,222,557	4,162,717	71,385,274
Total equity		**273,830,857**	**4,162,717**	**277,993,574**
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	3	–	2,056,141	2,056,141
Total non-current liabilities		**–**	**2,056,141**	**2,056,141**
Current liabilities				
Financial liabilities				
(i) Trade payables		2,694,504	–	2,694,504
Other current liabilities		893,339	–	893,339
Total liabilities		**3,587,843**	**–**	**3,587,843**
Total equity and liabilities		**277,418,700**	**6,218,858**	**283,637,558**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended March 31, 2016

Amount in ₹

Particulars	Notes to first time adoption	Previous GAAP*	Adjustments	Ind AS
Other income	2	72,402,256	2,542,860	74,945,116
Total Income		**72,402,256**	**2,542,860**	**74,945,116**
Expenses				
Depreciation and amortization expense		1,185,901	–	1,185,901
Finance costs		11,025	–	11,025
Other expenses		6,897,846	–	6,897,846
Total expenses		**8,094,772**	**–**	**8,094,772**
Profit before tax		**64,307,484**	**2,542,860**	**66,850,344**
Income tax expense				
Current tax		21,860,134	–	21,860,134
Deferred tax	3	–	840,745	840,745
Total tax expense		**21,860,134**	**840,745**	**22,700,879**
Profit for the year (A)		**42,447,350**	**1,702,115**	**44,149,465**

Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Amount in ₹

Particulars	Notes to First time adoption	As at March 31, 2016	As at March 31, 2015
Shareholder's equity under previous GAAP		273,830,857	330,099,982
Add/Less :			
Gain/ (loss) on Fair Valuation of investments	2	6,218,858	3,675,998
Tax impact on the above	3	(2,056,141)	(1,215,396)
Shareholder's equity under Ind AS		**277,993,574**	**332,560,584**

Reconciliation of total comprehensive income for the year ended March 31, 2016

	Notes to First time adoption	March 31, 2016
Profit after tax as per previous GAAP		42,447,350
Add/Less :		
Fair valuation of investments	2	2,542,860
Tax impact on the above	3	(840,745)
Total adjustments		1,702,115
Net profit/loss as per Ind AS		44,149,465
Other comprehensive income		–
Total comprehensive income as per IndAS		**44,149,465**

There is no impact of IND AS adoption on the statement of cash flow for the year ended March 31, 2016.

C. Notes on First-time adoption

1 **Retained Earnings**

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

2 **Fair valuation of investments**

Under the previous GAAP, investments in mutual funds were classified as non-current investments or current investments based on the intended holding period and realisability. Non-current investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2016. This increased the retained earnings by Rs. 6,218,858 as at March 31, 2016 (April 1, 2015 - Rs 3,675,998). The profit for the year ended March 31, 2016 increased by Rs. 25,42,860.

3 Deferred tax has been recognised on adjustments made on transition to Ind AS.

4 **Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss includes remeasurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

25 Certain Brands are in the process of being registered in the name of the Company.

26 **Event occuring after the Balance Sheet date**

As at May 2, 2017, the date of approval for issue of the standalone financial statement by the Board of Directors, the Company has no subsequent event which either warrant a modification in value of assets and liabilities or any other disclosure.

The notes referred to above form an integral part of the financial statements.

As per our attached report of even date.

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

Vipin R Bansal
Partner
Membership No.: 117753

Place : Mumbai
Date : May 2, 2017

For and on behalf of
Marico Consumer Care Limited

Harsh Mariwala — **Director**
[DIN 00210342]

Saugata Gupta — **Managing Director**
[DIN 05251806]

Vivek Karve — **Director & CFO**
[DIN 06840707]

Surender Sharma — **Company Secretary**
[Membership No.A13435]

Place : Mumbai
Date : May 2, 2017

Board of Directors (As on March 31, 2017)	Mr. Harsh Mariwala Mr. Saugata Gupta Mr. Rishabh Mariwala
Registered Office	7th Floor, Grande Palladium, 175, CST Road, Kalina, Santa Cruz (East), Mumbai 400 098
Auditors	Kirtane & Pandit LLP, Chartered Accountants
Bankers	Corporation Bank

INDEPENDENT AUDITORS' REPORT

To the Members Marico Innovation Foundation,

Report on the Financial Statements

1. We have audited the accompanying financial statements of Marico Innovation Foundation ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its surplus and its cash flows for the year ended on that date.

7. **Report on Other Legal and Regulatory Requirements**

INDEPENDENT AUDITORS' REPORT (Contd.)

8. As required by Section 143(3) of the Act, we further report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) on the basis of written representations received from the Directors as on March 31, 2017, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;

   f) In our opinion considering nature of business, size of operation and organizational structure of the entity the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

   g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

      (i) The company has disclosed the impact of pending litigations on its financial position in its Financial Statements (Refer Note No. 31 to the Financial Statements);

      (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise

      (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education Fund and Protection Fund. The question of delay in transferring such sums does not arise.

      (iv) The Company has provided all requisite disclosures in its Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and the same are in accordance with the books of accounts maintained by the Company.

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No. 105215W/ W100057

Milind Bhave
Partner
Membership No.: 047973

Place : Mumbai
Date : June 6, 2017

BALANCE SHEET

As at March 31, 2017

Amount in ₹

Particulars	Notes	As at March 31, 2017	2016
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Reserves and Surplus	9	(1,494,076)	(1,541,088)
Non-current liabilities		–	–
Current liabilities			
(a) Trade Payables	11	496,203	2,031,800
(b) Other Current Liabilities	12	998,258	3,605,762
TOTAL		**385**	**4,096,474**
ASSETS			
Current assets			
(a) Cash and Cash Equivalent	13	385	4,096,474
TOTAL		**385**	**4,096,474**

For Kirtane & Pandit LLP
Chartered Accountants
FRN NO: 105215W /W100057

MILIND BHAVE
Partner
Membership No. 047973

Place : Mumbai
Date : June 6, 2017

For and on behalf of Board of Directors
MARICO INNOVATION FOUNDATION

HARSH MARIWALA **Director**

SAUGATA GUPTA **Director**

Place : Mumbai
Date : June 6, 2017

INCOME AND EXPENDITURE STATEMENT

For the year ended March 31, 2017

Amount in ₹

Particulars	Notes	For the year ended March, 31, 2017	2016
Income:			
Revenue from Operations	10	4,550,000	22,340,000
Total Income		**4,550,000**	**22,340,000**
Expenditure:			
Direct Expenses	14/16/17	4,502,988	22,976,635
Total expenditure		**4,502,988**	**22,976,635**
Surplus/(Deficit) for the period		**47,012**	**(636,635)**

For Kirtane & Pandit LLP
Chartered Accountants
FRN NO: 105215W /W100057

MILIND BHAVE
Partner
Membership No. 047973

Place : Mumbai
Date : June 6, 2017

For and on behalf of Board of Directors
MARICO INNOVATION FOUNDATION

HARSH MARIWALA **Director**

SAUGATA GUPTA **Director**

Place : Mumbai
Date : June 6, 2017

CASH FLOW STATEMENT

For the year ended March 31, 2017

Amount in ₹

	Particulars	For the year ended March 31, 2017	2016
A	CASH FLOW FROM OPERATING ACTIVITIES		
	PROFIT/LOSS BEFORE TAXATION AND AFTER EXCEPTIONAL ITEMS	47,012	(636,635)
	Adjustments for:		
	Operating profit/(loss) before working capital changes	**47,012**	**(636,635)**
	Adjustments for:		
	(Increase)/ Decrease in loans and advances and other assets	–	–
	Increase/ (Decrease) in trade payable and other current liabilities	(4,143,102)	4,116,906
	Changes in Working Capital	**(4,143,102)**	**4,116,906**
	Cash generated from operations	**(4,096,090)**	**3,480,271**
	Taxes paid	–	–
	NET CASH FLOW FROM OPERATING ACTIVITIES	**(4,096,089)**	**3,480,271**
B	**NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS**	**(4,096,089)**	**3,480,271**
C	**Cash and cash equivalents - opening balance**	**4,096,474**	**616,203**
D	**Cash and cash equivalents - closing balance (B+C) (Refer note 13)**	**385**	**4,096,474**

Notes:

1. The above Cash Flow statement has been prepared under the indirect method as set out in Accounting Standard 3 (AS 3) 'Cash Flow Statement' as specified in Companies (Accounting Standards) Rules, 2006.
2. The figures for the previous year have been regrouped where necessary to conform to current year's classification.

As per our report of even date attached.

For Kirtane & Pandit LLP
Chartered Accountants
FRN NO: 105215W /W100057

MILIND BHAVE
Partner
Membership No. 047973

Place : Mumbai
Date : June 6, 2017

For and on behalf of Board of Directors
MARICO INNOVATION FOUNDATION

HARSH MARIWALA **Director**

SAUGATA GUPTA **Director**

Place : Mumbai
Date : June 6, 2017

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

1 Background

Marico Innovation Foundation (MIF) is a wholly owned subsidary of Marico Limited, incorporated in India, a not-for-profit institution, established in 2003, registered as a Section 25 company in 2009, fosters innovation in the business & social sector.

MIF works closely with social organisations, philanthropic institutions, social entrepreneurs and the social innovation ecosystem to nurture and implement 'direct impact' innovations to overcome systemic challenges inhabiting growth and scale. The focus of the foundation is to work with people who have social ideas and help them scale it to benefit India in a direct way. To this effect, MIF has already done work in the areas of renewable energy, waste management, employability, livelihoods and healthcare.

2 Significant Accounting Policies

The financial statements have been prepared on accrual basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are presented in Indian rupees.

3 Use of estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

4 Cash and cash equivalents

Cash and cash equivalents for the purpose of the Cash Flow Statement comprises cash on hand, cash in bank.

5 Provisions

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

6 Cash flow statements

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

7 Revenue Recognition

Donation received are accounted on the date of receipt. All donations received during the year are towards the objectives of the Company.

8 Income Tax

The Company has been granted exemption from Income Tax under section 12AA (1) (b) (i) of the Income Tax Act, 1961.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

9 RESERVES & SURPLUS

Amount in ₹

Particulars	As at March 31, 2017	2016
Surplus in the Statement of Income & Expenditure		
Opening balance	(1,541,088)	(904,453)
(+) Surplus/(Deficit) for the period	47,012	(636,635)
Closing Balance	**(1,494,076)**	**(1,541,088)**
Total	**(1,494,076)**	**(1,541,088)**

10 REVENUE FROM OPERATION

Amount in ₹

Particulars	As at March 31, 2017	2016
Donation	4,550,000	22,340,000
Total	**4,550,000**	**22,340,000**

11 TRADE PAYABLES

Amount in ₹

Particulars	As at March 31, 2017	2016
Sundry Creditors	496,203	2,031,800
Total	**496,203**	**2,031,800**

12 OTHER CURRENT LIABILITIES

Amount in ₹

Particulars	As at March 31, 2017	2016
Book Overdraft	297,018	–
TDS Payable	86,990	273,828
Provisions	614,250	3,331,934
Total	**998,258**	**3,605,762**

13 CASH AND BANK BALANCES

Amount in ₹

Particulars	As at March 31, 2017	2016
Bank Balance	–	4,048,875
Cash Balances	385	47,599
TOTAL	**385**	**4,096,474**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

The details of specified bank notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 as provided in the table below:

During the year, the company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308 (E) dated March 31st, 2017 on the details of the specified bank notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016. The denomination wise SBNs and other notes as per the notification are given below:

Amount in ₹

Details	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	3,594.00	3,594.00
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	1,124	1,124.00
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	2,470.00	2,470.00

For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8th November, 2016.

14 DIRECT EXPENSES

Amount in ₹

Particulars	For the year ended March 31,	
	2017	2016
Donation Given	2,000,000	6,654,180
Advertisement	–	2,680
Audit Fees	97,750	85,875
Communication expense (Mobile, Data card)	–	62,840
Entertainment expense	15,029	16,318
Printing and Stationery	–	499,855
Professional and Legal expense	1,719,938	12,665,522
Training and Seminar expense	3,931	2,248,380
Miscellaneous expense	56,346	94,244
Gifts	3,999	38,096
Recruitment expense	198,756	21,083
Travelling	365,140	576,662
Total	**4,460,889**	**22,965,735**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

15 AUDITOR'S REMUNERATION

(Excluding service tax)

Amount in ₹

Particulars	For the year ended March 31, 2017	2016
For Audit	85,000	75,000
Total	**85,000**	**75,000**

16 EMPLOYEE BENEFIT EXPENSES

Amount in ₹

Particulars	For the year ended March 31, 2017	2016
Welfare expense	41,466	**5,978**
Total	**41,466**	**5,978**

17 FINANCE COST

Amount in ₹

Particulars	For the year ended March 31 2017	2016
Bank and other financial charges	633	4,922
	633	**4,922**

18 RELATED PARTY TRANSACTION

During the year the company has entered into following related party transactions:

Name of Related Party	Nature of Relationship	Nature of transaction	2016-17 (₹)	2015-16 (₹)
Marico Ltd	Holding Company	Donations Received	4,550,000	21,540,000
Marico Consumer Care Ltd	Fellow subsidiary	Donations Received	–	800,000

Marico Innovation Foundation became a wholly owned subsidiary of Marico Limited on 15th March 2013.

For Kirtane & Pandit LLP
Chartered Accountants
FRN NO: 105215W /W100057

MILIND BHAVE
Partner
Membership No. 047973

Place : Mumbai
Date : June 6, 2017

For and on behalf of Board of Directors
MARICO INNOVATION FOUNDATION

HARSH MARIWALA **Director**

SAUGATA GUPTA **Director**

Place : Mumbai
Date : June 6, 2017

marico
make a difference

Purpose Statement

To transform in a sustainable manner, the lives of those we touch, by nurturing and empowering them to maximise thier true potential.

www.facebook.com/MaricoCampusConnections

www.youtube.com/user/MaricoLimited

www.linkedin.com/company/marico-ltd-

@Maricocareers

Registered Office
Marico Limited
7th floor, Grande Palladium
175, CST Road, Kalina,
Santa Cruz (East)
Mumbai 400098