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TRANSOFRMING MARICO

SUBSIDIARIES' FINANCIALS
2014-2015

INDEX

BOARD OF DIRECTORS

Mr. Saugata Gupta	Chairman
Mr. B. Sridhar	Director
Mr. Vivek Karve	Director
Mr. Aditya Shome	Managing Director
Mr. Rohit Jaiswal	Director
Mr. Masud Khan	Independent Director
Ms. Rokeya Afzal	Independent Director

MANAGEMENT TEAM

Mr. Aditya Shome	Managing Director
Mr. Aditya Singh	Director-Marketing
Mr. Iqbal Chowdhury	Director-Finance
Mr. Sidhartha Das	Director-HR
Mr. Md. Nazim Uddin	Head-Supply Chain
Mr. Md. Saiful Alam	Head-Manufacturing

COMPANY SECRETARY	Mr. Monzurul Alam
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
AUDITORS	A. Qasem & Co.
LEGAL ADVISOR	Corporate Counsel
PRINCIPAL BANKERS	Standard Chartered Bank HSBC Citibank N.A 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: 135 Fax: +880 28932322 Email: info@maricobangladesh.net

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Marico Bangladesh Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Marico Bangladesh Limited which comprise the statement of financial position as at 31 March 2015, 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 (BFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). 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 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 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 present fairly, in all material respects, the financial position of Marico Bangladesh Limited as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

Report on Other Legal and Regulatory Requirements

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

(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 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.

A. Qasem & Co.

Dhaka, 22 April 2015 — Chartered Accountants

BALANCE SHEET

	Note	31 March 2015 Taka	31 March 2014 Taka	31 March 2015 Rs. Crore	31 March 2014 Rs. Crore
Assets					
Property, plant and equipment	4	731,713,275	883,065,869	58.76	68.17
Capital work in progress		–	11,148,115	–	0.86
Intangible assets	5	7,284,910	6,017,123	0.58	0.47
Deferred tax assets	6	33,726,602	24,240,760	2.71	1.87
Long-term advances and deposits	7	5,167,416	4,578,517	0.41	0.35
Non-current assets		**777,892,203**	**929,050,384**	**62.46**	**71.72**
Inventories	8	1,822,852,895	919,281,100	146.37	70.97
Accrued interest		14,021,076	75,131,935	1.13	5.80
Advances, deposits and prepayments	9	47,175,777	77,917,336	3.79	6.02
Short-term investment	10	500,000,000	1,232,516,250	40.15	95.15
Cash and cash equivalents	11	191,990,392	442,266,619	15.42	34.14
Current assets		**2,576,040,140**	**2,747,113,240**	**206.86**	**212.08**
Total assets		**3,353,932,343**	**3,676,163,624**	**269.32**	**283.80**
Equity and Liabilities					
Equity					
Share capital	12	315,000,000	315,000,000	25.29	24.32
Share premium		252,000,000	252,000,000	20.24	19.45
Retained earnings		1,145,170,637	1,139,151,102	91.96	87.94
Total equity		**1,712,170,637**	**1,706,151,102**	**137.49**	**131.71**
Liabilities					
Provision for gratuity	13	20,465,488	15,685,982	1.64	1.21
Provision for leave encashment	14	6,428,033	6,493,103	0.52	0.50
Non-current liabilities		**26,893,521**	**22,179,085**	**2.16**	**1.71**
Provision for gratuity	13	2,646,276	2,005,460	0.21	0.15
Provision for leave encashment	14	1,310,915	1,323,176	0.11	0.10
Trade and other payables	15	1,245,243,909	1,491,120,583	99.99	115.13
Current tax liabilities	16	365,667,085	453,384,218	29.36	35.00
Current liabilities		1,614,868,185	1,947,833,437	129.67	150.38
Total liabilities		**1,641,761,706**	**1,970,012,522**	**131.83**	**152.09**
Total equity and liabilities		**3,353,932,343**	**3,676,163,624**	**269.32**	**283.80**

The annexed notes 1 to 33 form an integral part of these financial statements.

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

As per our annexed report of same date.

A. Qasem & Co.
Chartered Accountants

Dhaka, 22 April 2015

Note: The exchange rate use to convert Taka to Rs.0.803 (Previous year Taka to Rs. 0.772)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Note	31 March 2015 Taka	31 March 2014 Taka	31 March 2015 Rs. Crore	31 March 2014 Rs. Crore
Revenue	17	7,117,757,407	6,370,783,669	571.56	491.82
Cost of sales	18	(3,811,531,905)	(3,176,055,199)	(306.07)	(245.19)
Gross profit		**3,306,225,502**	**3,194,728,470**	**265.49**	**246.63**
Marketing, selling and distribution expenses	19	(942,770,401)	(888,099,270)	(75.70)	(68.56)
General and administrative expenses	20	(636,462,886)	(722,873,457)	(51.11)	(55.81)
Other income	21	844,066	3,696,318	0.07	0.29
Profit from operation		**1,727,836,281**	**1,587,452,061**	**138.75**	**122.55**
Net finance income	22	100,680,684	288,455,452	8.08	22.27
Profit before tax		**1,828,516,965**	**1,875,907,513**	**146.83**	**144.82**
Income tax expense	23	(483,747,430)	(490,299,658)	(38.84)	(37.85)
Profit for the year		**1,344,769,535**	**1,385,607,855**	**107.99**	**106.97**
Other comprehensive income		–	–	–	–
Total comprehensive income for the year		1,344,769,535	1,385,607,855	107.99	106.97
Earnings per share					
Basic earnings per share (par value of Tk 10)	24	**42.69**	43.99	**34.28**	42.45

The annexed notes 1 to 33 form an integral part of these financial statements.

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

As per our annexed report of same date.

A. Qasem & Co.
Chartered Accountants

Dhaka, 22 April 2015

Note: The exchange rate use to convert Taka to Rs.0.803 (Previous year Taka to Rs. 0.772)

CASH FLOWS STATEMENT

	31 March 2015 Taka	31 March 2014 Taka	31 March 2015 Rs. Crore	31 March 2014 Rs. Crore
Cash flows from operating activities				
Collection from customers	7,149,084,037	6,444,865,658	574.07	497.54
Payment to suppliers and for operating expenses	(6,325,870,698)	(3,828,215,975)	(507.97)	(295.54)
Interest paid	(2,502,325)	(600,812)	(0.20)	(0.05)
Interest received	167,912,236	269,748,919	13.49	20.82
Income tax paid	(580,950,405)	(181,993,063)	(46.65)	(14.05)
Net cash from operating activities	**407,672,845**	2,703,804,727	**32.74**	208.72
Cash flows from investing activities				
Acquisition of property, plant and equipment	(49,532,157)	(215,790,788)	(3.98)	(16.66)
Acquisition of intangible assets	(3,904,959)	(7,220,547)	(0.31)	(0.56)
Disposal of property, plant and equipment	1,721,794	1,773,094	0.14	0.14
Encashment of short-term investments	732,516,250	334,648,548	58.82	25.84
Net cash from investing activities	**680,800,928**	113,410,307	**54.67**	8.76
Cash flows from financing activities				
Dividend paid	(1,338,750,000)	(2,835,000,000)	(107.50)	(218.86)
Short-term finance	–	(38,534,964)	–	(2.97)
Net cash used in financing activities	**(1,338,750,000)**	(2,873,534,964)	**(107.50)**	(221.83)
Net decrease in cash and cash equivalents	(250,276,227)	(56,319,930)	(20.09)	(4.35)
Opening cash and cash equivalents	442,266,619	498,586,549	35.51	38.49
Closing cash and cash equivalents	**191,990,392**	442,266,619	**15.42**	34.14

Note: The exchange rate use to convert Taka to Rs.0.803 (Previous year Taka to Rs. 0.772)

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Retained earnings	Total equity	Share capital	Share premium	Retained earnings	Total equity
	Taka	Taka	Taka	Taka	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Balance at 1 April 2013	**315,000,000**	**252,000,000**	**2,588,543,247**	**3,155,543,247**	**24.32**	**19.45**	**199.84**	**243.61**
Comprehensive income for the year ended 31 March 2014	–	–	1,385,607,855	1,385,607,855	–	–	106.97	106.97
Final dividend for 2012–2013	–	–	(157,500,000)	(157,500,000)	–	–	(12.16)	(12.16)
1st Interim dividend for 2013–2014	–	–	(472,500,000)	(472,500,000)	–	–	(36.48)	(36.48)
2nd Interim dividend for 2013–2014	–	–	(630,000,000)	(630,000,000)	–	–	(48.64)	(48.64)
3rd Interim dividend for 2013–2014	–	–	(1,575,000,000)	(1,575,000,000)	–	–	(121.59)	(121.59)
Balance at 31 March 2014	**315,000,000**	**252,000,000**	**1,139,151,102**	**1,706,151,102**	**24.32**	**19.45**	**87.94**	**131.71**
Balance at 1 April 2014	315,000,000	252,000,000	1,139,151,102	1,706,151,102	25.29	20.24	91.48	137.00
Comprehensive income for the year ended 31 March 2015	–	–	1,344,769,535	1,344,769,535	–	–	107.98	107.98
Final dividend for 2013–2014	–	–	(157,500,000)	(157,500,000)	–	–	(12.65)	(12.65)
1st Interim dividend for 2014–2015	–	–	(472,500,000)	(472,500,000)	–	–	(37.94)	(37.94)
2nd Interim dividend for 2014–2015	–	–	(708,750,000)	(708,750,000)	–	–	(56.91)	(56.91)
Balance at 31 March 2015	**315,000,000**	**252,000,000**	**1,145,170,637**	**1,712,170,637**	**25.29**	**20.24**	**91.96**	**137.48**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

1 Reporting entity

Marico Bangladesh Limited (MBL) is a listed company incorporated on 6 September 1999 in Bangladesh under the Companies Act 1994. The Company is a subsidiary of Marico Limited, India. Its shares are traded in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

1.1 Registered office

The address of the Company's registered office is House # 01, Road # 01, Sector # 01, Uttara Model Town, Dhaka-1230.

1.2 Nature of business activities

The Company manufactures and markets products under the brands such as Parachute, Nihar, Saffola, Hair Code, Livon, Parachute Advanced, Beliphool, Parachute Body Lotion and Set-wet in Bangladesh. The Company sells its products through its own distribution channels comprising of sales depots located in Gazipur, Chittagong, Bogra, Jessore and Comilla. The Company started its commercial operations from 30 January 2000.

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, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

2.2 Authorisation for issue

The financial statements were authorised for issue by the Board of Directors in the 86th Board of Directors Meeting held on 22 April 2015.

2.3 Basis of measurement

The financial statements have been prepared under the historical cost convention.

2.4 Functional and presentation currency

These financial statements are presented in Bangladeshi Taka (BDT), which is the Company's functional currency. All financial information presented in BDT/Taka has been rounded off to the nearest integer.

2.5 Reporting period

The financial statements of the Company covered one year from 1 April 2014 to 31 March 2015.

2.6 Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount 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 estimates are revised and in any future periods affected.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

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 entirely in the same level of fair value hierarchy as the lowest level input that is significant to the entirely 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 the following note:

Note 30: Financial instruments - Fair values and financial risk management.

2.8 Comparative information

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 wherever considered necessary, to ensure better comparability with the current year's financial statements and to comply with relevant BFRSs.

2.9 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.

3 Significant accounting policies

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

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.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal to the carrying amount of the property, plant and equipment and is recognised with other income in profit or loss.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company and its costs can be measured reliably.

iii) Depreciation

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 recognised in profit or loss on straight line method over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated. Considering the estimated useful lives of the assets the following rates have been applied in current and comparative years:

Assets	**Depreciation rate**
Plant and machinery	10-33%
Factory equipment	20-33%
Moulds	15-33%
Factory building	10-20%
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, refrigerators and water coolers	20-33%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation is charged from the month of acquisition of property, plant and equipment and no depreciation is charged in the month of disposal.

iv) Impairment

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

3.3 Intangible assets

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 the intellectual property, copyright and other costs incidental to such capital expenditure.

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%.

3.4 Net finance income

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss using the effective interest method.

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.

3.5 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.

3.5.1 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. Current tax payable also includes any tax liability arising from the declaration of dividends.

3.5.2 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

3.6 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.

3.7 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.

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

3.8 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.

3.9 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.

ii) Defined benefit plans

The Company operates unfunded gratuity scheme and leave encashment scheme, provision in respect of which is made annually covering all its eligible employees. These schemes are 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.

The Company recognises all expenses and all actuarial gains and losses arising from defined benefit plan in profit and loss.

iii) Workers' profit participation and welfare fund

Workers' profit participation and welfare fund ("the fund") qualifies as defined contribution plan. The fund has been made @ 5% of profit as per provision of the Bangladesh Labor Law 2006 in line with changes of the Law in July 2013.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

3.10 Contingencies

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.

3.11 Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share 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, adjusted for own shares held. 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, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.12 Financial instruments

Non-derivative financial instruments comprise accrued interest, short-term investment, cash and cash equivalents, trade and other payables.

Accrued interest

Interest accrued on fixed deposits which will be received at the end of maturity period is classified as held to maturity financial asset which is a part of original instrument of fixed deposits.

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.

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.

Trade and other payables

Trade and other payables consist of payable against raw material, packing material, payable against transport and service, payable against royalty, technical and assistance fees, payable against ASP and SLI activities, purchase of capital goods and for FOH expenses. These payables are classified as other financial liabilities.

3.13 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 31 March 2015

4. Property, plant and equipment

Year 2015

Particulars	Cost				Accumulated depreciation				Carrying value
	As at 1 April 2014	Addition during the year	Disposal / Adjustment during the year	As at 31 March 2015	As at 1 April 2015	Charged for the year	Adjustment for the year	As at 31 March 2015	As at 31 March 2015
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Plant and machinery	546,155,363	7,658,385	–	553,813,748	187,299,595	99,456,236	–	286,755,831	267,057,917
Freehold land	176,749,959	–	–	176,749,959	–	–	–	–	176,749,959
Vehicles	37,932,178	–	4,266,990	33,665,188	25,413,291	6,127,264	3,367,419	28,173,136	5,492,052
Factory equipment	4,152,054	686,950	–	4,839,004	3,561,598	385,849	–	3,947,447	891,557
Moulds	62,350,403	13,545,034	424,031	75,471,406	27,772,614	17,120,002	424,031	44,468,585	31,002,821
Factory building	171,804,875	5,636,838	–	177,441,713	42,826,425	35,073,281	–	77,899,706	99,542,007
Office building	193,910,204	–	–	193,910,204	49,032,983	22,542,279	–	71,575,262	122,334,942
Laboratory equipment	5,360,853	69,680	–	5,430,533	2,077,004	1,013,491	–	3,090,495	2,340,038
Office equipment	19,320,316	10,732,922	2,291,067	27,762,171	14,841,336	5,615,956	2,208,272	18,249,020	9,513,151
Computers	9,554,113	3,098,907	497,721	12,155,299	6,421,856	2,171,431	463,850	8,129,437	4,025,862
Furniture and fixtures	42,949,068	3,053,729	2,724,987	43,277,810	30,562,446	3,916,788	2,416,367	32,062,867	11,214,943
A.C., refrigerator and water coolers	9,993,071	267,733	413,790	9,847,014	7,357,440	1,355,331	413,783	8,298,988	1,548,026
Total	**1,280,232,457**	**44,750,178**	**10,618,586**	**1,314,364,049**	**397,166,588**	**194,777,908**	**9,293,722**	**582,650,774**	**731,713,275**

4. Property, plant and equipment

Year 2014

Particulars	Cost				Accumulated depreciation				Carrying value
	As at 1 April 2013	Addition during the year	Disposal / Adjustment during the year	As at 31 March 2014	As at 1 April 2013	Charged for the year	Adjustment for the year	As at 31 March 2014	As at 31 March 2014
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Plant and machinery	442,238,376	103,951,987	35,000	546,155,363	91,763,032	95,563,786	27,223	187,299,595	358,855,768
Freehold land	174,712,066	2,037,893	–	176,749,959	–	–	–	–	176,749,959
Vehicles	41,247,878	–	3,315,700	37,932,178	18,663,178	9,003,123	2,253,010	25,413,291	12,518,887
Factory equipment	3,561,671	590,383	–	4,152,054	2,743,834	817,764	–	3,561,598	590,456
Moulds	37,252,535	26,497,829	1,399,961	62,350,403	16,157,732	13,014,843	1,399,961	27,772,614	34,577,789
Factory building	119,079,789	52,725,086	–	171,804,875	10,822,333	32,004,092	–	42,826,425	128,978,450
Office building	167,473,589	26,436,615	–	193,910,204	27,583,107	21,449,876	–	49,032,983	144,877,221
Laboratory equipment	4,538,319	822,534	–	5,360,853	985,772	1,091,232	–	2,077,004	3,283,849
Office equipment	14,972,758	4,470,697	123,139	19,320,316	11,195,361	3,713,968	67,993	14,841,336	4,478,980
Computers	7,442,995	2,586,418	475,300	9,554,113	5,415,168	1,447,348	440,660	6,421,856	3,132,257
Furniture and fixtures	31,456,983	11,506,333	14,248	42,949,068	25,060,098	5,515,805	13,457	30,562,446	12,386,622
A.C., refrigerators and water coolers	9,431,528	1,174,593	613,050	9,993,071	6,460,015	1,495,599	598,174	7,357,440	2,635,631
Total	**1,053,408,487**	**232,800,368**	**5,976,398**	**1,280,232,457**	**216,849,630**	**185,117,436**	**4,800,478**	**397,166,588**	**883,065,869**

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for the year ended 31 March 2015

Year 2015

Particulars	Cost				Accumulated depreciation				Carrying value
	As at 1 April 2014	Addition during the year	Disposal / Adjustment during the year	As at 31 March 2015	As at 1 April 2015	Charged for the year	Adjustment for the year	As at 31 March 2015	As at 31 March 2015
	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore
Plant and machinery	43.86	0.61	–	44.47	15.05	8.00	–	23.05	21.42
Freehold land	14.19	–	–	14.19	–	–	–	–	14.19
Vehicles	3.05	–	0.34	2.71	2.04	0.49	0.27	2.26	0.45
Factory equipment	0.33	0.06	–	0.39	0.29	0.03	–	0.32	0.07
Moulds	5.01	1.09	0.03	6.07	2.23	1.37	0.03	3.57	2.50
Factory building	13.80	0.45	–	14.25	3.44	2.82	–	6.26	7.99
Office building	15.57	–	–	15.57	3.94	1.81	–	5.75	9.82
Laboratory equipment	0.43	0.01	–	0.44	0.17	0.08	–	0.25	0.19
Office equipment	1.55	0.86	0.18	2.23	1.19	0.45	0.18	1.46	0.77
Computers	0.77	0.25	0.04	0.98	0.52	0.17	0.04	0.65	0.33
Furniture and fixtures	3.45	0.25	0.22	3.48	2.45	0.31	0.19	2.57	0.91
A.C., refrigerator and water coolers	0.80	0.02	0.03	0.79	0.59	0.11	0.03	0.67	0.12
Total	**102.81**	**3.60**	**0.84**	**105.57**	**31.91**	**15.64**	**0.74**	**46.81**	**58.76**

Year 2014

Particulars	Cost				Accumulated depreciation				Carrying value
	As at 1 April 2013	Addition during the year	Disposal / Adjustment during the year	As at 31 March 2014	As at 1 April 2013	Charged for the year	Adjustment for the year	As at 31 March 2014	As at 31 March 2014
	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore
Plant and machinery	34.14	8.03	–	42.17	7.08	7.38	–	14.46	27.71
Freehold land	13.49	0.16	–	13.65	–	–	–	–	13.65
Vehicles	3.18	–	0.26	2.92	1.44	0.69	0.16	1.97	0.95
Factory equipment	0.27	0.05	–	0.32	0.21	0.06	–	0.27	0.05
Moulds	2.88	2.05	0.11	4.82	1.25	1.00	0.11	2.14	2.68
Factory building	9.19	4.07	–	13.26	0.84	2.47	–	3.31	9.95
Office building	12.93	2.04	–	14.97	2.13	1.66	–	3.79	11.18
Laboratory equipment	0.35	0.06	–	0.41	0.08	0.08	–	0.16	0.25
Office equipment	1.16	0.35	0.01	1.50	0.86	0.29	0.01	1.14	0.36
Computers	0.57	0.20	0.04	0.73	0.42	0.11	0.03	0.50	0.23
Furniture and fixtures	2.43	0.89	–	3.32	1.93	0.43	–	2.36	0.96
A.C., refrigerators and water coolers	0.73	0.09	0.05	0.77	0.50	0.12	0.05	0.57	0.20
Total	81.32	17.99	0.47	98.84	16.74	14.29	0.36	30.67	68.17

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

4.1 Depreciation allocated to:

	2015	2014	2015	2014
	Taka	Taka	Rs.Crore	Rs.Crore
Cost of sales (Note 18)	160,270,064	148,625,244	12.87	11.47
General and administrative expenses (Note 20)	34,507,844	36,492,192	2.77	2.82
	194,777,908	185,117,436	15.64	14.29

5 Intangible assets

Year 2015

Particulars	Cost				Accumulated depreciation				Carrying value
	As at 1 April 2014	Addition during the year	Disposal / Adjustment during the year	As at 31 March 2015	As at 1 April 2015	Charged for the year	Adjustment for the year	As at 31 March 2015	As at 31 March 2015
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Intangible assets	7,220,547	3,904,959	–	11,125,506	1,203,424	2,637,172	–	3,840,596	7,284,910

Year 2014

Particulars	Cost				Accumulated depreciation				Carrying value
	As at 1 April 2013	Addition during the year	Disposal / Adjustment during the year	As at 31 March 2014	As at 1 April 2013	Charged for the year	Adjustment for the year	As at 31 March 2014	As at 31 March 2014
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Intangible assets	–	7,220,547	–	7,220,547	–	1,203,424	–	1,203,424	6,017,123

Year 2015

Particulars	Cost				Accumulated depreciation				Carrying value
	As at 1 April 2014	Addition during the year	Disposal / Adjustment during the year	As at 31 March 2015	As at 1 April 2015	Charged for the year	Adjustment for the year	As at 31 March 2015	As at 31 March 2015
	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore
Intangible assets	0.58	0.31	–	0.89	0.10	0.21	–	0.31	0.58

Year 2014

Particulars	Cost				Accumulated depreciation				Carrying value
	As at 1 April 2013	Addition during the year	Disposal / Adjustment during the year	As at 31 March 2014	As at 1 April 2013	Charged for the year	Adjustment for the year	As at 31 March 2014	As at 31 March 2014
	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore
Intangible assets	–	0.56	–	0.56	–	0.09	–	0.09	0.47

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

6 **Deferred tax asset**

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

	Carrying value as at 31 March	31 March 2015	31 March 2014	Carrying value as at 31 March	31 March 2015	31 March 2014
		Taka	Taka		Rs.Crore	Rs.Crore
		Tax base as at 3 1 March	Temporary Difference Taxable/ (deductible)		Tax base as at 31 March	Temporary Difference Taxable/ (deductible)
Deferred tax asset/(liability)						
Year 2015						
Property, plant and equipment	562,084,968	472,656,207	89,428,761	45.14	37.95	7.18
Deferred revenue expense	–	20,291,645	(20,291,645)	–	1.63	(1.63)
Provision for gratuity	(23,111,764)	–	(23,111,764)	(1.86)	–	(1.86)
Royalty payable	(182,294,450)	–	(182,294,450)	(14.64)	–	(14.64)
Net deductible temporary difference	–	–	(136,269,098)	–	–	(10.95)
Income tax rate *	–	–	24.75%	–	–	24.75%
Deferred tax asset (A)			**(33,726,602)**			**(2.71)**
Year 2014						
Property, plant and equipment	706,312,994	595,254,194	111,058,800	54.53	45.95	8.57
Deferred revenue expense	–	16,572,911	(16,572,911)	–	1.28	(1.28)
Provision for gratuity	(17,691,442)	–	(17,691,442)	(1.37)	–	(1.37)
Provision for leave encashment	(7,816,279)	–	(7,816,279)	(0.60)	–	(0.60)
Royalty payable	(166,920,632)	–	(166,920,632)	(12.89)	–	(12.89)
Net deductible temporary difference		–	(97,942,464)	–	–	(7.57)
Income tax rate *	–	–	24.75%	–	–	24.75%
Deferred tax asset (B)	–	–	(24,240,760)	–	–	(1.87)
Deferred tax expense (A –B)	–	–	(9,485,842)	–	–	(0.84)

* The Company has declared more than 30% interim dividend and thus its tax rate is 24.75% for the relevant assessment years.

7 **Long-term advances and deposits**

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	**Taka**	**Rs. Crore**	**Rs. Crore**
Advance for capital goods	2,331,504	3,122,373	0.18	0.24
Security deposits	2,835,912	1,456,144	0.23	0.11
	5,167,416	4,578,517	0.41	0.35

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

8 Inventories

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Raw materials	1,378,515,052	518,681,356	110.69	40.04
Packing materials	38,719,047	34,018,116	3.11	2.63
Finished goods	287,803,616	235,402,145	23.11	18.17
Raw materials in transit	117,815,180	131,179,483	9.46	10.13
	1,822,852,895	919,281,100	146.37	70.97

9 Advances, deposits and prepayments

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Advances				
Loans to employees	6,169,332	8,013,924	0.50	0.62
Advance for services	21,430,594	43,897,564	1.72	3.39
	27,599,926	51,911,488	2.22	4.01
Deposits				
VAT current account	9,786,060	15,455,200	0.79	1.20
Supplementary duty	1,894,574	1,687,066	0.15	0.13
Security deposits	2,492,400	3,270,000	0.20	0.25
	14,173,034	20,412,266	1.14	1.58
Prepayments				
Prepaid expenses	5,402,817	5,593,582	0.43	0.43
	47,175,777	77,917,336	3.79	6.02

10 Short-term investment

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Fixed deposits with original maturity of more than three months (Note 10.1)	500,000,000	1,232,516,250	40.15	95.15

10.1 Fixed deposits with original maturity of more than three months

Fixed deposits with:

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Commercial Bank of Ceylon PLC	100,000,000	500,000,000	8.03	38.60
Delta Brac Housing Finance Corporation Ltd.	100,000,000	–	8.03	–
Dhaka Bank Limited	–	150,000,000	–	11.58
IDLC Finance Limited	130,000,000	170,000,000	10.44	13.12
Islami Bank Bangladesh Limited	170,000,000	–	13.65	–
Prime Bank Limited	–	100,000,000	–	7.72
The Hongkong and Shanghai Banking Corporation Limited	–	312,516,250	–	24.13
	500,000,000	**1,232,516,250**	**40.15**	**95.15**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

11 Cash and cash equivalents

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Cash in hand	119,360	312,711	0.01	0.02
Cash at banks:				
BRAC Bank Limited	19,352,758	21,069,661	1.55	1.63
Citibank N.A.	2,144,300	14,174,551	0.17	1.09
Commercial Bank of Ceylon PLC	–	729,867	–	0.06
Dutch Bangla Bank Limited	–	133,525	–	0.01
Islami Bank Bangladesh Limited	2,834,400	3,532,754	0.23	0.27
Prime Bank Limited	605,000	80,980	0.05	0.01
Sonali Bank Limited	14,059	6,000	0.01	0.01
Standard Chartered Bank	5,179,790	(7,509,647)	0.42	(0.58)
The Hongkong and Shanghai Banking Corporation Limited	6,575,996	13,183,027	0.53	1.02
	36,706,303	**45,400,718**	**2.95**	**3.51**
Fixed deposits with original maturity of three months or less (Note 11.1)	155,164,729	396,553,190	12.46	30.61
	191,990,392	**442,266,619**	**15.42**	**34.14**

11.1 Fixed deposits with original maturity of three months or less

Fixed deposits with:

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Standard Chartered Bank	155,164,729	396,553,190	12.46	30.61

12 Share capital

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Authorised				
40,000,000 ordinary shares of Tk 10 each	400,000,000	400,000,000	32.12	30.88
Issued, subscribed and paid up				
Issued for cash	41,500,000	41,500,000	3.33	3.20
Issued for consideration other than cash	273,500,000	273,500,000	21.96	21.11
	315,000,000	**315,000,000**	**25.29**	**24.31**

12.1 Composition of shareholding

	2015		2014	
	No. of shares	Percentage	No. of shares	Percentage
Marico Limited, India	28,350,000	90%	28,350,000	90%
Other shareholders	3,150,000	10%	3,150,000	10%
	31,500,000	**100%**	**31,500,000**	**100%**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

12.2 Classification of shareholders by holding

Holdings	Number of holders		% Total holding	
	2015	2014	2015	2014
Less than 500 shares	1796	1813	0.37	0.41
500 to 5,000 shares	109	132	0.46	0.50
5,001 to 10,000 shares	9	7	0.22	0.16
10,001 to 20,000 shares	8	6	0.34	0.25
20,001 to 30,000 shares	4	2	0.33	0.15
30,001 to 40,000 shares	2	3	0.23	0.34
40,001 to 50,000 shares	1	3	0.16	0.45
50,001 to 100,000 shares	2	2	0.49	0.40
100,001 to 1,000,000 shares	10	10	7.41	7.35
Over 1,000,000 shares	1	1	90.00	90.00
	1942	1979	100.00	100.00

13 Provision for gratuity

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Opening balance	17,691,442	15,956,603	1.42	1.23
Add: Provision made during the year	7,201,039	2,639,854	0.58	0.20
	24,892,481	18,596,457	2.00	1.43
Less: Paid during the year	(1,780,717)	(905,015)	(0.14)	(0.07)
	23,111,764	17,691,442	1.86	1.36
Current and non-current classification:				
Current liability	2,646,276	2,005,460	0.21	0.15
Non-current liability	20,465,488	15,685,982	1.64	1.21
	23,111,764	**17,691,442**	**1.85**	**1.36**

14 Provision for leave encashment

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Opening balance	7,816,279	9,404,119	0.63	0.73
Add: Provision made during the year	5,007,353	762,943	0.40	0.06
	12,823,632	10,167,062	1.03	0.79
Less: Paid during the year	(5,084,684)	(2,350,783)	(0.41)	(0.18)
	7,738,948	7,816,279	0.62	0.61
Current and non-current classification:				
Current liability	1,310,915	1,323,176	0.11	0.10
Non-current liability	6,428,033	6,493,103	0.52	0.50
	7,738,948	7,816,279	0.63	0.60

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

15 Trade and other payables

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Trade payables				
Payable against raw material (Note 15.1)	117,177,909	166,269,580	9.41	12.84
Payable against packing material	34,535,172	35,165,949	2.77	2.71
Payable against services	100,594,779	37,806,585	8.08	2.92
	252,307,860	239,242,114	20.26	18.47
Other payables				
Workers' profit participation and welfare fund	96,237,735	98,731,974	7.73	7.62
Royalty payable	182,294,450	166,920,632	14.64	12.89
Bank guarantee commission payable	8,893,986	8,893,986	0.71	0.69
General and technical assistance fees payable	97,864,679	60,052,215	7.86	4.64
Advance from customers	27,535,640	58,862,270	2.21	4.54
Withholding tax and VAT payable	12,734,101	172,003,752	1.02	13.28
Payable against business promotion expenses	254,010,523	354,088,225	20.40	27.34
Payable against advertisement expenses	162,652,085	90,289,744	13.06	6.97
Audit fees payable	412,000	412,000	0.03	0.03
Payable against capital goods	897,416	6,470,264	0.07	0.50
Import duty and related charges payable	41,293,635	69,267,858	3.32	5.35
Payable against expenses	108,109,799	165,885,549	8.68	12.81
	992,936,049	1,251,878,469	79.73	96.66
	1,245,243,909	**1,491,120,583**	**99.99**	**115.13**

15.1 Payable against raw material

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Marico Limited, India	6,578,844	92,112,894	0.53	7.11
Marico Middle East FZE	108,520,514	73,232,121	8.71	5.65
International Consumer Products Corporation	–	32,203	–	
Other vendors	2,078,551	892,362	0.17	0.07
	117,177,909	**166,269,580**	**9.41**	**12.83**

16 Current tax liabilities

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Provision for income tax (Note 16.1)	1,505,618,013	1,525,985,360	120.90	117.80
Less: Advance income tax (Note 16.2)	(1,139,950,928)	(1,072,601,142)	(91.54)	(82.80)
	365,667,085	**453,384,218**	**29.36**	**35.00**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

16.1 Provision for income tax

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Opening balance	1,525,985,360	1,080,417,993	122.54	83.41
Add: Provision for current year	501,419,093	475,304,697	40.26	36.69
Provision for prior years				
Assessment year 2012-2013	24,972,662	–	2.01	–
Assessment year 2009-2010	9,098,540	–	0.73	–
	2,061,475,655	**1,555,722,690**	**165.54**	**120.10**
Less: Prior years' adjustment for				
Assessment year 2011-2012	(385,390,142)	(22,028,373)	(30.95)	(1.70)
Assessment year 2010–2011	(220,061,336)	(7,708,957)	(17.67)	(0.60)
Assessment year 2009-2010	49,593,836	–	3.98	–
	1,505,618,013	**1,525,985,360**	**120.90**	**117.80**

16. 2 Advance income tax

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Opening balance	1,072,601,142	920,345,408	86.13	71.05
Add: Payment made during the year for	–	–	–	–
Assessment year 2015-2016	236,210,635	–	18.97	–
Assessment year 2014-2015	344,739,770	123,708,249	27.68	9.55
Assessment year 2013-2014	–	26,471,485	–	2.04
Assessment year 2011-2012	–	22,028,373	–	1.70
Assessment year 2010-2011	–	9,784,957	–	0.76
	1,653,551,547	**1,102,338,472**	**132.78**	**85.10**
Less: Adjustment during the year				
Assessment year 2011-2012	(359,055,794)	(22,028,373)	(28.83)	(1.70)
Assessment year 2010-2011	(154,544,825)	(7,708,957)	(12.41)	(0.60)
	1,139,950,928	**1,072,601,142**	**91.54**	**82.80**

16. 3 Year wise break up of provision for current tax and balance of advance income tax

Accounting year ended	Assessment year	Provision forincome tax	Advance income tax	Rs. Crore	Rs. Crore
31-Mar-15	AY 2015-16	501,419,093	236,210,635	40.26	18.24
31-Mar-14	AY 2014-15	475,304,697	468,448,019	38.17	36.16
31-Mar-13	AY 2013-14	282,689,572	199,086,374	22.70	15.37
31-Mar-12	AY 2012-13	237,106,111	236,205,900	19.04	18.24
30-Sep-08	AY 2009-10	9,098,540	–	0.73	–
		1,505,618,013	1,139,950,928	120.90	88.01

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

17 Revenue

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Parachute coconut oil	5,958,318,440	5,563,189,521	478.46	429.48
Value added hair oil (VAHO)	908,064,767	659,161,139	72.92	50.89
Haircode	121,445,442	112,036,613	9.75	8.65
Saffola – Edible oil	18,057,976	6,532,488	1.45	0.50
Parachute body lotion	16,840,222	–	1.35	–
Others	95,030,560	29,863,908	7.63	2.30
	7,117,757,407	**6,370,783,669**	**571.56**	**491.82**

18 Cost of sales

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Opening stock of finished goods	235,402,145	283,400,693	18.90	21.88
Cost of goods manufactured (Note 18.1)	3,863,933,376	3,128,056,651	310.28	241.48
	4,099,335,521	3,411,457,344	329.18	263.36
Closing stock of finished goods	(287,803,616)	(235,402,145)	(23.11)	(18.17)
	3,811,531,905	**3,176,055,199**	**306.07**	**245.19**

18.1 Cost of goods manufactured

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Materials consumed:				
Opening stock of raw and packing materials	683,878,955	738,155,675	54.92	56.99
Purchases during the year	4,423,199,264	2,802,128,709	355.18	216.32
Closing stock of raw and packing materials	(1,535,049,279)	(683,878,955)	(123.26)	(52.80)
	3,572,028,940	**2,856,405,429**	**286.84**	**220.51**
Factory overhead:				
Salaries and allowances	27,181,510	29,429,788	2.18	2.27
Cost of outsourced human resources	32,887,373	27,819,855	2.64	2.15
Power expenses	46,619,941	40,918,650	3.74	3.16
Repairs and maintenance of plant and machinery	5,287,550	4,096,972	0.42	0.32
Repairs and maintenance of factory building	169,000	169,000	0.01	0.01
Depreciation (Note 4.1)	160,270,064	148,625,244	12.87	11.47
LC charges	2,836,042	2,281,836	0.23	0.18
Communication expenses	780,029	711,433	0.06	0.05
Entertainment	2,322,042	2,184,811	0.19	0.17
Printing and stationery	719,037	673,890	0.06	0.05
Security charges	4,751,421	2,409,582	0.38	0.19
Travelling and conveyance–Local	5,364,014	5,116,094	0.43	0.39
Welfare expenses	353,594	120,924	0.03	0.01
Insurance premium	2,362,819	7,093,143	0.19	0.55
	291,904,436	**271,651,222**	**23.43**	**20.97**
	3,863,933,376	**3,128,056,651**	**310.27**	**241.48**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

19 Marketing, selling and distribution expenses

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Advertisement	559,290,044	529,602,272	44.91	40.89
Business promotion expenses	160,613,234	149,225,190	12.90	11.52
Collection charges	1,960,471	3,898,312	0.16	0.30
Distribution expenses	41,723,662	42,637,015	3.35	3.29
Entertainment	7,276,698	5,588,621	0.58	0.43
Free sample	1,217,840	7,249,198	0.10	0.56
Freight– outward	61,014,343	75,810,831	4.90	5.85
Market research expenses	31,691,681	17,672,897	2.54	1.36
Redistribution expenses	77,982,428	56,414,934	6.26	4.36
	942,770,401	**888,099,270**	**75.70**	**68.56**

20 General and administrative expenses

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Salaries and allowances	198,846,378	225,439,980	15.97	17.40
Gratuity (Note 13)	7,201,039	2,639,854	0.58	0.20
Workers' profit participation and welfare fund	96,237,735	98,731,974	7.73	7.62
Rent, rates and taxes expenses	1,588,554	1,267,478	0.13	0.10
Professional charges	43,822,572	140,275,933	3.52	10.83
Security charges	1,733,502	1,496,761	0.14	0.12
Legal charges	2,994,808	1,711,924	0.24	0.13
Stamp and license fees	4,426,472	2,756,498	0.36	0.21
Directors' remuneration	24,560,293	24,103,073	1.97	1.86
Directors' fees	662,500	527,916	0.05	0.04
Repair and maintenance	14,877,477	13,467,119	1.19	1.04
Communication expenses	8,112,103	8,126,273	0.65	0.63
Subscription to trade association	314,140	98,850	0.02	0.01
Entertainment	9,690,721	9,541,969	0.78	0.74
Printing and stationery	3,054,478	1,513,441	0.25	0.12
Vehicle running expenses	22,324,575	12,061,998	1.79	0.93
Travelling and conveyance–Local	8,993,051	14,523,747	0.72	1.12
Travelling and conveyance–Foreign	4,890,783	4,417,125	0.39	0.34
Audit fees	412,000	412,000	0.03	0.03
Recruitment expenses	3,214,395	554,330	0.26	0.04
Insurance premium	7,212,492	10,338,562	0.58	0.80
Books and periodicals	186,583	126,414	0.01	0.01
Bank charges	2,083,206	2,886,102	0.17	0.22
Staff welfare expenses	10,465,187	3,405,571	0.84	0.26
AGM and public relation expenses	1,336,617	1,875,410	0.11	0.15

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

Conference and training expenses	1,451,284	7,259,322	0.12	0.56
Electricity and gas charges	2,345,081	1,883,553	0.19	0.15
Amortisation (Note 5)	2,637,172	1,203,424	0.21	0.09
Royalty	70,058,562	56,970,102	5.63	4.40
Depreciation (Note 4.1)	34,507,844	36,492,192	2.77	2.82
Listing fees	140,000	140,000	0.01	0.01
General and technical assistance fees	37,812,464	36,624,562	3.04	2.83
CSR project (Note 20.1)	8,268,818	–	0.66	–
	636,462,886	**722,873,457**	**51.11**	**55.81**

20.1 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.

21 Other income

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Gain on sale of assets (Note 21.1)	844,066	597,174	0.07	0.05
Rental income *	–	3,099,144	–	0.24
	844,066	**3,696,318**	**0.07**	**0.29**

* Rented 2nd floor of HO was remained vacant from 1 April 2014 and subsequently management has decided to use the floor for its own purpose.

21.1 Gain on sale of assets

Year 2015

	Original cost	Accumulated depreciation	Book value	Sale value	Gain on sale of assets
	Taka	Taka	Taka	Taka	Taka
Vehicles	4,266,990	3,367,419	899,571	1,947,137	1,047,566
Moulds	424,031	424,031	–	–	–
Office equipment	2,291,067	2,208,272	82,795	74,223	(8,572)
Computers	497,721	463,850	33,871	41,471	7,600
Furniture and fixtures	2,724,987	2,416,366	308,621	98,100	(210,521)
A.C., refrigerators and water coolers	413,790	413,783	7	8,000	7,993
	10,618,586	**9,293,721**	**1,324,865**	**2,168,931**	**844,066**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

21.2 Gain on sale of assets

	Original cost	Accumulated depreciation	Book value	Sale value	Gain on sale of assets
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Vehicles	0.34	0.27	0.07	0.16	0.09
Moulds	0.03	0.03	–	–	–
Office equipment	0.18	0.18	–	0.01	0.01
Computers	0.04	0.04	–	–	–
Furniture and fixtures	0.22	0.19	0.03	0.01	(0.02)
A.C., refrigerators and water coolers	0.03	0.03	–	–	–
	0.84	0.74	0.10	0.18	0.08

Year 2014

	Original cost	Accumulated depreciation	Book value	Sale value	Gain on sale of assets
	Taka	Taka	Taka	Taka	Taka
Plant and machinery	35,000	27,223	7,777	–	(7,777)
Vehicles	3,315,700	2,253,010	1,062,690	1,622,400	559,710
Moulds	1,399,961	1,399,961	–	–	–
Office equipment	123,139	67,993	55,146	51,109	(4,037)
Computers	475,300	440,660	34,640	74,000	39,360
Furniture and fixtures	14,248	13,457	791	12,269	11,478
A.C., refrigerators and water coolers	613,050	598,174	14,876	13,316	(1,560)
	5,976,398	**4,800,478**	**1,175,920**	**1,773,094**	**597,174**

	Original cost	Accumulated depreciation	Book value	Sale value	Gain on sale of assets
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Plant and machinery	–	–	–	–	–
Vehicles	0.26	0.17	0.08	0.13	0.04
Moulds	0.11	0.11	–	-	–
Office equipment	0.01	0.01	–	-	–
Computers	0.04	0.03	–	0.01	–
Furniture and fixtures	–	–	–	–	–
A.C., refrigerators and water coolers	0.05	0.05	–	–	–
	0.47	**0.37**	**0.08**	**0.14**	**0.04**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

22 Net finance income

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Interest on fixed deposits	(104,653,321)	(288,188,080)	(8.40)	(22.25)
Interest on call deposits	(2,148,056)	(1,673,819)	(0.17)	(0.13)
Interest on overdraft and STL	2,502,325	600,812	0.20	0.05
Foreign exchange loss	3,618,368	805,635	0.29	0.06
	(100,680,684)	(288,455,452)	(8.08)	(22.27)

23 Income tax expense

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Current tax expense				
Current year (Note 16.1)	501,419,093	475,304,697	40.26	36.69
Adjustment for prior years	(8,185,821)	–	(0.66)	–
Deferred tax (income)/expense (Note 6)	(9,485,842)	14,994,961	(0.76)	1.16
	483,747,430	490,299,658	38.84	37.85

23.1 Reconciliation of effective tax

	31 March 2015		31 March 2014	
	%	Taka	%	Taka
Profit before tax		1,828,516,965		1,875,907,513
Income tax using the domestic corporate tax rate	24.75%	452,557,949	24.75%	464,287,109
Factors affecting the tax charge for current year				
Non deductible expenses		92,416,695		84,206,233
Deductible expenses		(43,555,552)		(73,188,645)
Adjustment for prior years		(8,185,821)		
Deferred tax (income)/expense		(9,485,842)		**14,994,961**
Total income tax expenses	**26.46%**	**483,747,430**	**26.14%**	**490,299,658**

23.1 Reconciliation of effective tax

	31 March 2014		31 March 2013	
	%	Rs. Crore	%	Rs. Crore
Profit before tax		146.83		144.82
Income tax using the domestic corporate tax rate	0.25%	36.34	24.75%	35.84
Factors affecting the tax charge for current year				
Non deductible expenses		7.42		6.50
Deductible expenses		(3.50)		(5.65)
Adjustment for prior years		(0.66)		–
Deferred tax (income)/expense		(0.76)		1.16
Total income tax expenses	**0.26%**	**39.74**	**26.14%**	**37.85**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

24 Earnings per share

24.1 Basic Earnings Per Share

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
The computation of EPS is given below:				
Earnings attributable to ordinary shareholders (Net profit after tax)	1,344,769,535	1,385,607,855	1,079,800,000.00	1,069,700,000.00
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	42.69	43.99	34.28	33.96

24.2 Diluted earnings per share

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

25 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	Balance as at 31 March 2015	Balance as at 31 March 2014	Transaction Amount	Balance as at 31 March 2015	Balance as at 31 March 2014
Marico Limited, India	Parent company	Purchase of RM and PM	937,252,514	6,578,844	92,112,892	75.26	0.53	7.11
		Royalty	70,058,562	182,294,450	166,920,632	5.63	14.64	12.89
		Bank guarantee commission			8,893,986	–	0.71	0.69
		Dividend	1,204,875,000	–	–	96.75	–	–
		General and technical assistance fees	37,812,464	97,864,679	60,052,215	3.04	7.86	4.64
Marico Middle East FZE	Subsidiary of parent company		1,606,105,785	108,520,514	73,232,121			
International Consumer Products Corporation	Subsidiary of parent company		–	–	32,203			

26 Capacity

Major product	Unit of measure	Budgeted capacity during the year
PCNO	KL	23,400
VAHO	KL	4,800
Copra	Ton	30,500

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

27 Operating leases – leases as lessee

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Non–cancellable operating lease rentals are payable as follows:				
No later than one year	13,890,781	11,494,791	1.12	0.89
Between two and five years	40,630,360	16,852,768	3.26	1.30
More than five years	1,308,000	–	0.11	–
	55,829,141	**28,347,559**	**4.49**	**2.19**

The company leases a number of warehouses, deposits and sales offices facilities under operating leases.

During the year an amount of Taka 20,043,536 was recognised as an expense in profit or loss in respect of operating leases.

28 Capital expenditure commitment

	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Estimated amount of contracts remaining to be executed on capital account	34,509,088	4,277,224	2.77	0.33

29 Contingent Liabilities

29.1 L/C amount for import of raw materials which were not received till the reporting date.

	At 31 March 2015 US dollar	At 31 March 2014 US dollar	At 31 March 2015 Rs.Crore	At 31 March 2015 Rs.Crore
Outstanding L/C	1,525,714	4,238,412	9.54	25.38

29.2 Contingent liability in respect of value added tax

	At 31 March 2015 Taka	At 31 March 2014 Taka	At 31 March 2015 Rs.Crore	At 31 March 2015 Rs.Crore
Outstanding L/C	409,444,520	69,952,058	32.88	5.40

These are being vigorously defended by the Company and the directors do 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 31 March 2015

30 Financial instruments - Fair values and financial risk management

30.1 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 2015

Figures in Taka

Particulars	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												
Accrued interest	–	–	–	14,021,076	–	–	–	14,021,076	–	–	–	–
Short-term investment (Note 10)	–	–	–	500,000,000	–	–	–	500,000,000	–	–	–	–
Cash and cash equivalents (Note 11)	–	–	–	–	191,990,392	–	–	191,990,392	–	–	–	–
	–	**–**	**–**	**514,021,076**	**191,990,392**	**–**	**–**	**706,011,468**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value	–	–	–	–	–	–			–	–	–	–
	–	–	–	–	–	–			–	–	–	–
Financial liabilities not measured at fair value												
Trade and other payables (Note 15)							1,245,243,909	1,245,243,909				
							1,245,243,909	**1,245,243,909**				

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

Figures in Taka

Particulars	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												
Accrued interest	–	–	–	75,131,935	–	–	–	75,131,935	–	–	–	–
Short-term investment (Note 10)	–	–	–	1,232,516,250	–	–	–	1,232,516,250	–	–	–	–
Cash and cash equivalents (Note 11)	–	–	–	–	442,266,619	–	–	442,266,619	–	–	–	–
	–	**–**	**–**	**1,307,648,185**	**442,266,619**	**–**	**–**	**1,749,914,804**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value	–	–	–	–	–	–	–	–	–	–	–	–
							–	–				
	–	–	–	–	–	–	–	–	–	–	–	–
Financial liabilities not measured at fair value												
Trade and other payables (Note 15)							1,491,120,583	1,491,120,583				
							1,491,120,583	**1,491,120,583**				

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

31 March 2015

Rs. Crore

Particulars	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												
Accrued interest	–	–	–	1.13	–	–	–	1.13	–	–	–	–
Short-term investment (Note 10)	–	–	–	40.15	–	–	–	40.15	–	–	–	–
Cash and cash equivalents (Note 11)	–	–	–	–	15.42	–	–	15.42	–	–	–	–
	–	**–**	**–**	**41.28**	**15.42**	**–**	**–**	**56.70**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value	–	–	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–	–	–	–
Financial liabilities not measured at fair value												
Trade and other payables (Note 15)												

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

31 March 2014

Rs. Crore

Particulars	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												
Accrued interest	–	–	–	5.80	–	–	–	5.80	–	–	–	–
Short-term investment (Note 10)	–	–	–	95.15	–	–	–	95.15	–	–	–	–
Cash and cash equivalents (Note 11)	–	–	–	–	34.14	–	–	34.14	–	–	–	–
	–	**–**	**–**	**100.95**	**34.14**	**–**	**–**	**135.09**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value	–	–	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–	–	–	–
Financial liabilities not measured at fair value												
Trade and other payables (Note 15)	–	–	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

30.2 Financial risk management

i) ***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:

Exposure of financial assets	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Taka	Taka	Rs. Crore	Rs. Crore
Financial assets				
Accrued interest	14,021,076	75,131,935	1.13	5.80
Short-term investment (Note 10)	500,000,000	1,232,516,250	40.15	95.15
Cash and cash equivalents except cash in hand ((Note 11)	191,871,032	441,953,908	15.41	34.12
Total financial assets	**705,892,108**	**1,749,602,093**	**56.69**	**135.07**

ii) ***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:

Exposure of liquidity risk	Carrying amount	Cash flows	Upto 1 year	Above 1 year	Carrying amount	Cash flows	Upto 1 year	Above 1 year
	Taka	Taka	Taka	Taka	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Year 2015								
Trade and other payables (Note 15)	1,245,243,909	1,245,243,909	1,245,243,909	–	99.99	99.99	99.99	
Total financial liabilities	1,245,243,909	1,245,243,909	1,245,243,909	–	99.99	99.99	99.99	–
Year 2014								
Trade and other payables (Note 15)	1,491,120,583	1,491,120,583	1,491,120,583	–	115.13	115.13	115.13	–
Total financial liabilities	1,491,120,583	1,491,120,583	1,491,120,583	–	115.13	115.13	115.13	–

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

iii) ***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.

The company's exposures to foreign currency risk at 31 March 2015 are as follows:

	2015	2014	2015	2014
	US Dollar	**US Dollar**	**Rs.Crore**	**Rs.Crore**
Import of goods and services Bank balance	(2,782,741)	(5,173,334)	(17.39)	(30.98)
	87,666	90,058	0.55	0.54
	(2,695,075)	**(5,083,276)**	**(16.84)**	**(30.44)**

31 Value of import calculated on CIF Basis

	1 April 2014 to 31 March 2015	1 April 2014 to 31 March 2015
	Taka	**Rs. Crore**
Raw materials	3,896,311,938	312.87
Capital goods	17,189,803	1.38
	3,913,501,741	**314.25**

32 Number of employees

The number of employees engaged for the whole period or part thereof who received a total salary of Tk 36,000 p.a. and above was 189 (previous year: 140) among them 32 employees left from Marico Bangladesh Limited and total 157 employees existed as at 31 March 2015.

33 Subsequent events

For the year ended 31 March 2015 the Board of Directors recommended final cash dividend @ 50% per share at 86th Board of Directors Meeting held on 22 April 2015.

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

Board of Directors	Mr. Aditya Shome Mr. Rohit Jaiswal Mr. Pawan Agarwal Mr. Vivek Karve
Registered Office	House-1, Road-1, Sector-1 Uttara, Dhaka-1230, Bangladesh
Auditors	Rahman Rahman Huq Chartered Accountants
Internal Auditors	Hussain Farhad & Co. Chartered Accountants
Bankers	Standard Chartered Bank Citi N.A.
Legal Advisors	Corporate Counsel Suite-802, Rahat Tower (7th Floor), 14, Biponon C/A, West Banglamotor, Dhaka-1000

AUDITORS' REPORT

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 30 September 2014, and the profit and loss account, statement of changes in equity 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

Management is responsible for the preparation of financial statements that give a true and fair view 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 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, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 30 September 2014, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with Companies Act 1994, we also report the following:

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 balance sheet and profit and loss account dealt with by the report are in agreement with the books of account.

Dhaka, 23 October 2014

BALANCE SHEET

	Note	As at September 2013, 2014 Taka	2013 Taka	2014 Rs. Crore	2014 Rs. Crore
Source of funds					
Shareholders' funds					
Share capital	4	1,000,000	1,000,000	0.08	0.08
Retained earnings		23,986,653	23,137,682	1.91	1.87
Total		**24,986,653**	**24,137,682**	**1.99**	**1.95**
Application of funds					
Current assets					
Interest receivable	5	473,061	583,513	0.04	0.05
Fixed deposits	6	31,197,525	24,140,300	2.49	1.94
Cash and cash equivalents	7	355,313	7,086,461	0.03	0.57
		32,025,899	**31,810,274**	**2.56**	**2.56**
Current liabilities					
Payable for expenses	8	80,500	649,500	0.01	0.05
Payable to holding company	9	3,609,981	3,609,981	0.29	0.29
Other payable	10	1,463,917	1,621,972	0.12	0.13
Current tax liabilities	11	1,884,848	1,791,139	0.15	0.14
		7,039,246	**7,672,592**	**0.57**	**0.61**
Net current assets		24,986,653	24,137,682	1.99	1.95
Total		**24,986,653**	**24,137,682**	**1.99**	**1.95**

The annexed notes 1 to 20 form an integral part of these financial statements.

Director

Director

As per our report of same date.

Rahman Rahman Huq
Auditor
Dhaka, 23 October 2014
Chartered Accountants

Note: The exchange rate use to convert Taka to Rs.0.803 (Previous year Taka to Rs. 0.772)

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 2014

	Note	2014 Taka	2013 Taka	2014 Rs. Crore	2014 Rs. Crore
Turnover		–	–	–	–
Cost of sales		–	–	–	–
Gross profit		–	–	–	–
General and administrative expenses	12	**182,377**	**491,601**	**0.03**	**0.04**
Operating Loss		**(182,377)**	**(491,601)**	**(0.03)**	**(0.04)**
Finance income	13	**2,998,818**	**3,211,928**	**0.24**	**0.26**
Profit before tax		**2,816,441**	**2,720,327**	**0.21**	**0.22**
Tax expenses					
Current tax expenses	14	**1,967,470**	**2,539,344**	**0.16**	**0.20**
Profit for the year		**848,971**	**180,983**	**0.05**	**0.02**

The annexed notes 1 to 20 form an integral part of these financial statements.

Director Director

As per our report of same date.

Rahman Rahman Huq
Auditor
Dhaka, 23 October 2014
Chartered Accountants

Note: The exchange rate use to convert Taka to Rs.0.803 (Previous year Taka to Rs. 0.772)

CASH FLOWS STATEMENT

	As at September 30,			
	2014	**2013**	**2014**	**2014**
	Taka	**Taka**	**Rs. Crore**	**Rs. Crore**
Cash flows from operating activities				
Profit for the year	848,971	180,983	0.07	0.01
Adjustment for:				
Tax expenses	**1,967,470**	2,539,344	0.16	0.20
Changes in:				
Interest receivable	110,452	591,436	0.01	0.05
Payable for expenses	(569,000)	(53,824)	(0.05)	(0.01)
Other payable	(158,055)	(123,859)	(0.01)	(0.01)
Cash used in operating activities	2,199,838	3,134,080	0.18	0.25
Tax paid	(1,873,761)	(2,238,838)	(0.15)	(0.18)
Net cash generated from operating activities	**326,077**	**895,242**	**0.03**	**0.07**
Cash flows from investing activities				
Encashment of fixed deposits	24,140,300	28,190,500	1.92	2.27
Investment in fixed deposits	(31,197,525)	(24,140,300)	(2.49)	(1.94)
Net cash (used in)/from investing activities	(7,057,225)	4,050,200	(0.57)	0.33
Cash flows from financing activities	–	–	–	–
Net cash from financing activities	–	–	–	–
Net (decrease)/increase in cash and cash equivalents	(6,731,148)	4,945,442	(0.54)	0.40
Opening cash and cash equivalents	7,086,461	2,141,019	0.57	0.17
Closing cash and cash equivalents	**355,313**	**7,086,461**	**0.03**	**0.57**

Note: The exchange rate use to convert Taka to Rs.0.803 (Previous year Taka to Rs. 0.772)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	for the year ended 30 September 2014					
	Share capital	Retained earnings	Total	Share capital	Retained earnings	Total
	Taka	Taka	Taka	Rs.Crore	Rs.Crore	Rs.Crore
Balance as at 1 October 2012	1,000,000	22,956,699	23,956,699	0.08	1.85	1.93
Loss for the year	-	180,983	180,983	-	0.02	0.01
Balance as at 30 September 2013	**1,000,000**	**23,137,682**	**24,137,682**	**0.08**	**1.87**	**1.94**
Balance as at 1 October 2013	1,000,000	23,137,682	24,137,682	0.08	1.85	1.93
Profit for the year	-	848,971	848,971	-	0.06	0.07
Balance as at 30 September 201	**1,000,000**	**23,986,653**	**24,986,653**	**0.08**	**1.91**	**2.00**

Note: The exchange rate use to convert Taka to Rs.0.803 (Previous year Taka to Rs. 0.772)

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 30 September 2014

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 was import trading and local trading, and selling of different finished goods.

The main operation of the entity was discontinued since 2009. No sales has taken place from that year.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards and Companies act 1994.

2.2 Date of authorisation

The Board of Directors has authorised these financial statements on 23 October 2014.

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

These financial statements of the Company have been prepared as at and for the year ended 30 September 2014.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 30 September 2014

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.

Fixed deposits

The company has the positive intent and ability to hold fixed deposits to maturity, and as 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.

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.

3.2.3 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.

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 30 September 2014

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 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 current tax, is recognised in profit or loss except to the extent that its relates to a 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.

4. Share capital

	As at September 30,			
	2014 Taka	2013 Taka	2014 Rs. Crore	2013 Rs. Crore
Authorized:				
1,000,000 Ordinary shares of Tk 10 each	10,000,000	10,000,000	0.80	0.81
Issued, subscribed and paid-up:	1,000,000	1,000,000	0.08	0.08
100,000 Ordinary shares of Tk 10 each fully paid up in cash				

Percentage of shareholding as at 30 September 2014:

Name of the shareholders	Number of shares	Value of shares Taka	Value of shares Rs. Crore
Marico Middle East FZE (MME)	99,996	999,960	0.08
Directors (as joint holders with MME)	4	40	–
	100,000	1,000,000	0.08

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 30 September 2014

5. Interest receivable

	As at September 30,			
	2014	**2013**	**2014**	**2013**
	Taka	**Taka**	**Rs. Crore**	**Rs. Crore**
Interest on fixed deposit	473,061	583,513	0.04	0.05
	473,061	583,513	0.04	0.05

5. Fixed deposits

	2014	**2013**	**2014**	**2012**
	Taka	**Taka**	**Rs. Crore**	**Rs. Crore**
Standard Chartered Bank	–	22,140,300	–	1.78
Citibank, N.A.	–	2,000,000	–	0.16
IDLC Finance Limited	1,500,000	–	0.12	–
Dhaka Bank Limited	29,697,525	–	2.37	–
	31,197,525	24,140,300	2.49	1.94

7. Cash and cash equivalents

	2014	**2013**	**2014**	**2013**
	Taka	**Taka**	**Rs. Crore**	**Rs. Crore**
Cash at banks:				
Citibank, N.A. (SND Account)	234,386	756,241	0.02	0.06
Standard Chartered Bank (Call deposit account)	120,927	3,830,220	0.01	0.31
	355,313	4,586,461	0.03	0.37
Fixed deposits with:				
Citibank, N.A.	–	2,500,000	–	0.20
	355,313	7,086,461	0.03	0.57

8. Payable for expenses

Audit fees	80,500	80,500	0.01	0.01
Creditors for services	–	569,000	–	0.04
	80,500	649,500	0.01	0.05

9. Payable to holding company

Bank guarantee commission	3,609,981	3,609,981	0.29	0.29

10. Other payable

VAT and SD payable	1,463,917	1,558,750	0.12	0.12
Tax deducted at source	–	63,222	–	0.01
	1,463,917	1,621,972	0.12	0.13

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 30 September 2014

11. Current tax liabilities

	As at September 30,			
	2015	**2014**	**2015**	**2014**
	Taka	**Taka**	**Rs. Crore**	**Rs. Crore**
Provision for tax (Note 11.1)	39,993,360	39,016,944	3.19	3.14
Advance income tax (Note 11.2)	(38,108,512)	(37,225,805)	(3.04)	(3.00)
	1,884,848	1,791,139	0.15	0.14

11.1 Provision for tax

	As at September 30,			
	2015	**2014**	**2015**	**2014**
	Taka	**Taka**	**Rs. Crore**	**Rs. Crore**
Opening balance	39,016,944	42,225,607	3.11	3.40
Add: Provision made for:				
AY 2015-2016	1,056,165	-	0.09	-
AY 2014-2015	-	1,020,123	-	0.08
AY 2012-2013	911,305	101,428	0.07	0.01
Less: Adjustment for the AY 2008-2009	-	(4,330,214)	-	(0.35)
Tax paid for settlement of AY 2012-2013	(911,305)	-	(0.07)	-
Tax paid for settlement of AY 2006-2007	(79,749)	-	(0.01)	-
	39,993,360	39,016,944	3.19	3.14

11.2 Advance income tax

	As at September 30,			
	2015	**2014**	**2015**	**2014**
	Taka	**Taka**	**Rs. Crore**	**Rs. Crore**
Opening balance	37,225,805	40,734,974	2.97	3.28
Add: Advance tax paid:				
TDS on interest	310,931	380,338	0.02	0.03
Tax deposited under section 74 for the AY 2014-2015	571,776	-	0.05	-
Less: Adjustment during the year for income year 2007-2008	-	(3,889,507)	-	(0.31)
Less: Adjustment for the AY 2008-2009	38,108,512	37,225,805	3.04	3.00

12 Provision for tax

	As at September 30,			
	2015	**2014**	**2015**	**2014**
	Taka	**Taka**	**Rs. Crore**	**Rs. Crore**
Professional charges	-	727,055	-	0.06
Group audit and review fees	-	46,000	-	0.01
Statutory audit fees	80,500	80,500	0.01	0.01
Bank charges	23,877	31,370	0.01	0.01
License fees	78,000	30,000	0.01	0.01
Legal fees	-	50,000	-	0.01
Written back of advertisement expenses	-	(473,324)	-	(0.04)
	182,377	491,601	0.03	0.04

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 30 September 2014

13. Finance income

	As at September 30,			
	2015	2014	2015	2014
	Taka	Taka	Rs. Crore	Rs. Crore
Interest on SND account	36,687	55,294	0.01	0.01
Interest on fixed deposits	2,962,131	3,156,634	0.24	0.25
	2,998,818	3,211,928	0.24	0.26

14. Finance income

	As at September 30,			
	2015	2014	2015	2014
	Taka	Taka	Rs. Crore	Rs. Crore
Current year tax expense	1,056,165	1,020,123	0.09	0.08
Prior year tax expense for:				
AY 2007-2008	-	484,113	-	0.04
AY 2011-2012	-	1,035,108	-	0.08
AY 2012-2013	911,305	-	0.07	-
	1,967,470	2,539,344	0.16	0.20

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:

	2014	2013	2014	2013
	Taka	Taka	Rs. Crore	Rs. Crore
Interest receivable	473,061	583,513	0.04	0.05
Fixed deposits	31,197,525	24,140,300	2.49	1.95
Cash and cash equivalents	355,313	7,086,461	0.03	0.57
	32,025,899	31,810,274	2.56	2.57

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 30 September 2014

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:

As at 30 September 2013 (Taka)

	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
As at 30 September 2014							
Payable for expenses	80,500	80,500	80,500	–	–	–	–
Payable to holding company	3,609,981	3,609,981	–	–	3,609,981	–	–
Other payable	1,463,917	1,463,917	1,463,917	–	–	–	–
	5,154,398	5,154,398	1,544,417	–	3,609,981	–	–

As at 30 September 2014

	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore
Payable for expenses	0.01	0.01	0.01	–	–	–	–
Payable to holding company	0.29	0.29	–	–	0.29	–	–
Other payable	0.12	0.12	0.12	–	–	–	–
	0.42	0.42	0.13	–	0.29	–	–

As at 30 September 2013

	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Payable for expenses	649,500	649,500	649,500	–	-	–	–
Payable to holding company	3,609,981	3,609,981	–	–	3,609,981	–	–
Other payable	1,621,972	1,621,972	1,621,972	–	-	–	–
	5,881,453	5,881,453	2,271,472	–	3,609,981	–	–

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 30 September 2014

As at 30 September 2013

	Carrying amount	Contractual cash flows	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore
Payable for expenses	0.05	0.05	0.05	–	–	–	–
Payable to holding company	0.29	0.29	–	–	0.29	–	–
Other payable	0.13	0.13	0.13	–	-	–	–
	0.47	0.47	0.18	–	0.29	–	–

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 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 2014.

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.

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:

	As at 30 September 2014		As at 30 September 2013	
	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				
Fixed deposits				
(maturity period exceeding 3 months)	31,197,525	31,197,525	24,140,300	24,140,300
Loans and receivables				
Cash and cash equivalents	355,313	355,313	7,086,461	7,086,461

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 30 September 2014

Available for sale financial assets	–	–	–	–
Financial liabilities				
Liabilities carried at fair value				
through profit or loss	–	–	–	–
Liabilities carried at amortised costs				
Payable for expenses	80,500	N/A*	649,500	N/A*
Payable to holding company	3,609,981	N/A*	3,609,981	N/A*
Other payable	1,463,917	N/A*	1,621,972	N/A*

	As at 30 September 2014		As at 30 September 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
	Rs.Crore	Rs.Crore	Rs.Crore	Rs.Crore
Financial assets				
Assets carried at fair value through profit or loss				
Held to maturity assets				
Fixed deposits				
(maturity period exceeding 3 months)	2.49	2.49	1.95	1.95
Loans and receivables				
Cash and cash equivalents	0.03	0.03	0.57	0.57
Available for sale financial assets	–	–	–	–
Financial liabilities				
Liabilities carried at fair value				
through profit or loss	–	–	–	–
Liabilities carried at amortised costs				
Payable for expenses	0.01	N/A*	0.05	N/A*
Payable to holding company	0.29	N/A*	0.29	N/A*
Other payable	0.12	N/A*	0.13	N/A*

* Determination of fair value is not required as per the requirements of BFRS 7: Financial Instruments: Disclosures (ref:

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 30 September 2014

Para 29). However, fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.

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 30 September 2014.

20 Events after the reporting period

Events after reporting period that provide additional information about the company's position at the balance sheet date or those that indicate the going concern assumption is not appropriate, are reflected in the financial statements. Events after the reporting period that are non-adjusting events are disclosed in the notes when material.

Board of Directors	Mr. Saugata Gupta
	Mr. B. Sridhar
	Mr. Mukesh Kripalani
	Mr. Rohit Jaiswal
	Mr. Souvik Mazumdar
	Mr. Baiju Mohan
Secretary, Manager, Negotiator	Mr. Rohit Jaiswal
Registered Office	Office No. LOB 15326, Jebel Ali, Dubai, UAE
Auditors	M/s. PricewaterhouseCoopers, 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 financial statements

We have audited the accompanying financial statements of Marico Middle East FZE ("the company") which comprise the balance sheet as at 31 March 2015 and the statements of comprehensive income, changes in 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

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 International Standards on Auditing. 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 of 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 judgement, 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 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 qualified audit opinion.

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. In our opinion, this is a departure from the requirements of IFRS 10, 'Consolidated Financial Statements' and clause 47 of the Implementing Regulations No. 1/92 pursuant to Law No. 9 of 1992 concerning the formation of Free Zone Establishments in the Jebel Ali Free Zone.

Qualified opinion

In our opinion, except for the matter discussed in the basis of qualified opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 March 2015, and its financial performance and its cash flows for year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

Further, we report that, except for the matter discussed in the basis for qualified opinion paragraph, the financial statements of the company comply, in all material respects, with the applicable provisions of the Implementing Regulations No. 1/92 pursuant to Law No. 9 of 1992 concerning the formation of Free Zone Establishments in the Jebel Ali Free Zone.

PricewaterhouseCoopers

…..…...……….2015
Paul Suddaby
Registered Auditor Number 309
Dubai, United Arab Emirates

BALANCE SHEET

	Note	As at 31 March 2015 AED	As at 31 March 2014 AED	As at 31 March 2015 Rs. Crore	As at 31 March 2014 Rs. Crore
ASSETS					
Non-current assets					
Property and equipment	6	100,018	230,816	0.17	0.38
Investments in subsidiaries	7	422,294	1,339,324	0.72	2.18
		522,312	**1,570,140**	**0.89**	**2.56**
Current assets					
Inventories		267,005	488,937	0.45	0.80
Trade and other receivables	8	22,684,588	18,910,934	38.60	30.84
Advances to subsidiaries	9	6,608,250	12,839,308	11.24	20.94
Due from related parties	10	5,730,923	3,466,257	9.75	5.65
Cash and bank balances	11	87,363	167,359	0.15	0.27
		35,378,129	35,872,795	60.20	58.49
Total assets		**35,900,441**	**37,442,935**	**61.09**	**61.06**
EQUITY AND LIABILITIES					
EQUITY					
Capital and reserves					
Share capital	12	22,000,000	22,000,000	37.44	35.87
Accumulated losses		(105,962,341)	(101,374,898)	(180.31)	(165.30)
Net deficit		**(83,962,341)**	**(79,374,898)**	**(142.87)**	**(129.43)**
LIABILITIES					
Non-current liability					
Provision for employees' end of service benefits	13	857,064	591,121	1.46	0.96
Current liabilities					
Trade and other payables	14	37,967,413	36,581,272	64.61	59.65
Due to related parties	10	11,443,792	11,114,015	19.47	18.12
Bank borrowings	15	69,594,513	68,531,425	118.42	111.75
		119,005,718	116,226,712	202.50	189.52
Total liabilities		**119,862,782**	**116,817,833**	**203.96**	**190.48**
Total equity and liabilities		**35,900,441**	**37,442,935**	**61.09**	**61.06**

These financial statements were approved by the Board of Directors on 3rd June 2015 and signed on their behalf by:

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Rohit Jaiswal

Director

The notes on pages 7 to 24 form an integral part of these financial statements.

Note: The exchange rate use to convert AED to Rs.17.016 (Previous year AED to Rs. 16.306)

STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 March		Year ended 31 March	
	Note	2015	2014	2015	2014
		AED	AED	Rs. Crore	Rs. Crore
Revenue		144,763,119	55,890,778	246.33	91.14
Other income		20,524	153,984	0.03	0.25
		144,783,643	56,044,762	246.36	91.39
Expenses					
Cost of inventories consumed		(111,400,969)	(41,555,582)	(189.56)	(67.76)
Staff costs	16	(12,152,114)	(10,755,406)	(20.68)	(17.54)
Depreciation expense	6	(160,493)	(277,135)	(0.27)	(0.45)
Impairment reversals/(expense)	17	2,962,265	(34,391,794)	5.04	(56.08)
Other expenses	18	(27,676,279)	(30,559,041)	(47.00)	(49.83)
Operating loss		(3,643,947)	(61,494,196)	(6.20)	(100.27)
Finance income	19	53,749	162,121	0.09	0.26
Finance costs	19	(997,245)	(947,773)	(2.00)	(1.55)
Loss for the year		(4,587,443)	(62,279,848)	(7.81)	(101.55)
Other comprehensive income		–	–	–	–
Total comprehensive loss for the year		(4,587,443)	(62,279,848)	(7.81)	(101.56)

The notes on pages 7 to 24 form an integral part of these financial statements.

Note: The exchange rate use to convert AED to Rs.17.016 (Previous year AED to Rs. 16.306)

STATEMENT OF CHANGES IN EQUITY

	Share capital AED	Accumulated losses AED	Total AED	Share capital Rs. Crore	Accumulated losses Rs. Crore	Total Rs. Crore
At 1 April 2013	22,000,000	(39,095,050)	(17,095,050)	32.51	(57.78)	(25.26)
Total comprehensive loss for the year	–	(62,279,848)	(62,279,848)	–	(92.04)	(92.04)
At 31 March 2014	22,000,000	(101,374,898)	(79,374,898)	35.87	(165.30)	(129.43)
Total comprehensive loss for the year	–	(4,587,443)	(4,587,443)	–	(7.48)	(7.48)
At 31 March 2015	22,000,000	(105,962,341)	(83,962,341)	37.44	(180.31)	(142.87)

The notes on pages 7 to 24 form an integral part of these financial statements.

Note: The exchange rate use to convert AED to Rs.17.016 (Previous year AED to Rs. 16.306)

STATEMENT OF CASH FLOWS

	Note	Year ended 31 March 2015 AED	Year ended 31 March 2014 AED	Year ended 31 March 2015 Rs. Crore	Year ended 31 March 2014 Rs. Crore
Cash flows from operating activities					
Loss for the year		(4,587,443)	(62,279,848)	(7.81)	(101.55)
Adjustments for:					
Depreciation	6	160,493	277,135	0.27	0.45
Provision for impairment of investments	17	917,030	30,512,499	1.56	49.75
(Reversal of)/provision for impairment of advances to subsidiaries	17	(3,879,295)	3,879,295	(6.60)	6.33
Loss on sale of property and equipment	18	170	5,116	0.01	0.01
Provision for employees' end of service benefits	13	368,956	382,895	0.63	0.62
Finance costs	19	997,245	947,773	1.70	1.55
Finance income	19	(53,749)	(162,121)	(0.09)	(0.26)
Operating cash flows before payment of employees' end of service benefits and changes in working capital		(6,076,593)	(26,437,256)	(10.34)	(43.11)
Payment of employees' end of service benefits		(103,013)	(460,437)	(0.18)	(0.75)
Changes in working capital:					
Inventories		221,932	(320,150)	0.38	(0.52)
Trade and other receivables		(3,773,654)	1,213,843	(6.42)	1.98
Due to related parties		329,777	873,081	0.56	1.41
Due from related parties		(2,264,666)	(3,136,073)	(3.85)	(5.11)
Trade and other payables		1,386,141	9,397,374	2.36	15.32
Net cash used in operating activities		(10,280,076)	(18,869,618)	(17.49)	(30.78)
Cash flows from investing activities					
Purchase of property and equipment	6	(29,865)	(49,940)	(0.05)	(0.08)
Interest income	19	53,749	162,121	0.09	0.26
Amounts received from/(advanced to) subsidiaries	9	10,110,353	(426,459)	17.20	(0.70)
Net cash generated from/(used in) investing activities		10,134,237	(314,278)	17.24	(0.51)
Cash flows from financing activities					
Addition of term loan	15	5,509,500	–	9.37	–
Interest paid	19	(997,245)	(947,773)	(1.70)	(1.55)
Net cash generated from/(used in) financing activities		4,512,255	(947,773)	7.68	(1.55)
Net increase/(decrease) in cash and cash equivalents		4,366,416	(20,131,669)	7.43	(32.84)
Cash and cash equivalents, beginning of the year	11	(16,942,066)	3,189,603	(28.83)	5.20
Cash and cash equivalents, end of the year	11	(12,575,650)	(16,942,066)	(21.40)	(27.63)

Note: The exchange rate use to convert AED to Rs.17.016 (Previous year AED to Rs. 16.306)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

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 and equipment. The company is a wholly owned subsidiary of Marico Limited ("the parent company"), a company incorporated in India and listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

2 Going concern

At 31 March 2015, the company had net current liabilities of AED 83,627,589 (2014: AED 80,353,917) and negative equity of AED 83,962,341 (2014: AED 79,374,898). The ability of the company to continue as a going concern is contingent on the continued support of the parent company who has confirmed its 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.

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.

(a) New standards and amendments adopted by the company

The company has adopted certain new standards and amendments which have been issued and are effective from period beginning 1 April 2014 and do not have a material impact on the company:

- IAS 36 (amendment), 'Impairment of assets' on recoverable amount disclosures (effective from 1 January 2014); and
- IAS 39 (amendment), 'Financial instruments : Recognition and measurement' (effective from 1 January 2014);

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

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

- IAS 16 (amendment), 'Property, plant and equipment' (effective from 1 January 2016);
- IFRS 7, 'Financial instruments: Disclosures' (effective from 1 July 2016);
- IFRS 9, 'Financial instruments' (effective from 1 January 2018); and
- IFRS 15, 'Revenue from construction with customer' (effective from 1 January 2015)

There are no IFRSs, amendments or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company's financial statements.

3.2 Property and equipment

Property and equipment 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.

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 (including structured 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

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.

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), and cash and bank balances (Note 11).

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

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.

(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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

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

Cash and cash equivalents comprise cash on hand and balance in current accounts netted off by the bank overdraft.

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.

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.

(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 over leaf indicates the interest rate exposure on borrowings with variable interest rates at 31 March 2015 and 2014. The analysis calculates the effect on the statement of comprehensive income of a reasonably possible movement in interest rate.

	2015	**2014**	**2015**	**2014**
	AED	**AED**	**Rs. Crore**	**Rs. Crore**
Interest cost				
+ 100 basis points	695,945	685,314	1.18	1.12
- 100 basis points	(695,945)	(685,314)	1.18	1.12

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

(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:

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Trade and other receivables (excluding prepayments and advances to suppliers)	21,895,542	18,531,863	37.26	30.22
Advances to subsidiaries	6,608,250	12,839,308	11.24	20.94
Due from related parties	5,730,923	3,466,257	9.75	5.65
Cash and bank balances	87,363	167,359	0.15	0.27
	34,322,078	35,004,787	58.40	57.08

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.

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

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Cash at bank with credit rating (Moody's)				
A2	22,456	2,782	0.04	0.01
Not rated	46,080	143,563	0.08	0.23
Cash on hand	18,827	21,014	0.03	0.03
Total	87,363	167,359	0.15	0.26

(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.

	Carrying amount AED	Contractual cash flows AED	Less than 1 year AED	Carrying amount Rs. Crore	Contractual cash flows Rs. Crore	Less than 1 year Rs. Crore
At 31 March 2015						
Trade and other payables (excluding advances from customers)	37,967,413	37,967,413	37,967,413	64.61	64.61	64.61
Due to related parties	11,443,792	11,443,792	11,443,792	19.47	19.47	19.47
Bank borrowings	69,594,513	70,592,801	70,592,801	118.42	120.12	120.12
	119,005,718	120,004,006	120,004,006	202.50	204.20	204.20

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Carrying amount	Contractual cash flows	Less than 1 year	Carrying amount	Contractual cash flows	Less than 1 year
	AED	AED	AED	Rs. Crore	Rs. Crore	Rs. Crore
At 31 March 2014						
Trade and other payables (excluding advances from customers)	36,581,272	36,581,272	36,581,272	59.65	59.65	59.65
Due to related parties	11,114,015	11,114,015	11,114,015	18.12	18.12	18.12
Bank borrowings	68,531,425	69,874,386	69,874,386	111.75	113.94	113.94
	116,226,712	117,569,673	117,569,673	189.52	191.71	191.71

(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.

	2015	2014	2015	2014
	AED	AED	Rs. Crore	Rs. Crore
Total borrowings	69,594,513	68,531,425	118.42	111.75
Cash and bank balances	(87,363)	(167,359)	(0.15)	(0.27)
Net debt	69,507,150	68,364,066	118.27	111.47
Total equity	(83,962,341)	(79,374,898)	(142.87)	(129.43)
Total shareholder's funds	(14,455,191)	(11,010,832)	(24.60)	(17.95)
Gearing ratio	(481%)	(621%)	(481%)	(621%)

4.2 Fair value estimation

At 31 March 2015 and 2014, 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*

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

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.

6 Property and equipment

	Equipments, fixture and fittings	Motor vehicles	Capital Work in Progress	Total	Equipments, fixture and fittings	Motor vehicles	Capital Work in Progress	Total
	AED	**AED**	**AED**	**AED**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**
Cost								
At 1 April 2013	757,244	88,171	–	845,415	1.12	0.13	–	1.25
Additions	49,940	–	–	49,940	0.08	–	–	0.08
Disposals	(12,680)	–	–	(12,680)	(0.02)	–	–	(0.02)
At 31 March 2014	794,504	88,171	–	882,675	1.18	0.13	–	1.31
Additions	19,645	-	10,220	29,865	0.03	–	0.02	0.05
Disposals	(21,381)	-	-	(21,381)	(0.04)	–	–	(0.04)
At 31 March 2015	792,768	88,171	10,220	891,159	1.18	0.13	0.02	1.32
Accumulated depreciation								
At 1 April 2013	354,885	27,403	–	382,288	0.52	0.04	–	0.56
Charge for the year	264,493	12,642	–	277,135	0.43	0.02	–	0.45
Disposals	(7,564)	-	–	(7,564)	(0.01)	–	–	(0.01)
At 31 March 2014	611,814	40,045	–	651,859	0.94	0.06	–	1.00
Charge of the year	147,852	12,641	–	160,493	0.25	0.02	–	0.27
Disposals	(21,211)	–	–	(21,211)	(0.04)	–	–	(0.04)
At 31 March 2015	738,455	52,686	-	791,141	1.16	0.08	–	1.24
Net book amount								
At 31 March 2015	54,313	35,485	10,220	100,018	0.09	0.06	0.02	0.17
At 31 March 2014	182,690	48,126	-	230,816	0.30	0.08	–	0.38

7 Investments in subsidiaries

	2015	2014	2015	2014
	AED	**AED**	**Rs. Crore**	**Rs. Crore**
MEL Consumer Care Company	162,016	162,016	0.28	0.26
Egypt American Investment and Industrial Development Company (EAIIDC) – Gross	12,551,836	12,551,836	21.36	20.47
Marico Malaysia SDN. BHD – Gross	19,084,000	19,084,000	32.47	31.12
MBL Industries Limited	53,971	53,971	0.09	0.09
	31,851,823	31,851,823	54.20	51.94
Less: Provision for impairment of investment in EAIIDC	(12,551,836)	(12,551,836)	(21.36)	(20.47)
Less: Provision for impairment of investment in Marico Malaysia SDN. BHD	(18,877,693)	(17,960,663)	(32.12)	(29.29)
Investment in subsidiaries - Net	422,294	1,339,324	0.72	2.18

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
At 1 April	30,512,499	–	51.92	–
Provision during the year	917,030	30,512,499	1.56	49.75
At 31 March	31,429,529	30,512,499	53.48	49.75

Due to continued losses and the decision to reduce the scope of operations of two of the subsidiaries of the company, investments were reviewed for impairment as at 31 March 2014. The recoverable amount was based on fair value less estimated cost to sell, fair value was determined by using the net assets of those entities, replacing material non-monetary assets with their current fair market value determined by either an independent valuer or based on signed agreements to sell those assets. A further provision of AED 917,030 has been recognised in the year ended 31 March 2015 following an impairment review carried out by the company.

Valuation of the non-monetary assets (land and building) of one of the subsidiaries mentioned above falls under Level 2 as it was valued by an independent valuer applying the sales comparison approach. The most significant input into this valuation approach is price per square foot.

8 Trade and other receivables

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Trade receivables	20,646,873	17,136,704	35.13	27.94
Advances to suppliers	353,117	39,636	0.60	0.06
Prepayments	435,929	339,435	0.74	0.53
Other receivables	1,248,669	1,395,159	2.12	2.27
	22,684,588	18,910,934	38.60	30.82

At 31 March 2015, the company faced a concentration of credit risk with four customers (2014: four customers) accounting for 89% (2014: 88%) of trade receivables at that date. There is no history of any material default with any of these customers.

As of 31 March 2015, trade receivables of AED 9,873,695 (2014: AED 10,629,180) were fully performing.

Trade receivables that are less than one year past due are not considered impaired. As of 31 March 2015, trade receivables of AED 10,773,178 (2014: AED 6,507,524) 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:

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
0 - 3 months	10,103,376	6,098,776	17.19	9.94
Above 3 months	669,802	408,748	1.14	0.67
	10,773,178	6,507,524	18.33	10.61

As of 31 March 2015 and 2014 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

9 Advances to subsidiaries

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
MEL Consumer Care Company (Note 9.1)	6,608,250	6,608,250	11.24	10.78
Egypt American Investment and Industrial Development Company (EAIIDC) – Net (Note 9.2)	–	2,542,604	–	4.15
Marico Malaysia SDN. BHD	–	3,688,454	–	6.01
	6,608,250	12,839,308	11.24	20.94

9.1 This represents interest free advances repayable within one year.

9.2 This represents interest free advances that were fully provided in prior year but were fully received in current year. The gross amount is AED Nil (2014: AED 6,421,899) netted of by a provision of AED Nil (2014: AED 3,879,295) (Note 17).

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:

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Purchases of goods from an affiliated company	44,234,409	29,464,643	75.27	48.05
Sale of goods to an affiliated company	76,028,799	15,418,012	129.37	25.14
Royalty expense to parent company (Note 18)	687,343	980,461	1.17	1.60
Interest on short term advances from subsidiaries	53,749	162,121	0.09	0.26
Key management remuneration (including end of service benefits of AED 87,716(2014: AED 223,291)	1,883,893	2,575,872	3.21	4.20
Amount received/advanced - net of repayments to subsidiaries	6,231,058	426,459	10.60	0.70

(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.

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Due from related parties				
Affiliates	5,730,923	3,466,257	9.75	5.65
Due to related parties				
Parent company	11,410,102	10,854,515	19.42	17.70
Affiliates	33,690	259,500	0.06	0.42
	11,443,792	11,114,015	19.47	18.12

11 Cash and bank balances

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Cash at bank	68,536	146,345	0.12	0.24
Cash on hand	18,827	21,014	0.03	0.03
Cash and bank balances	87,363	167,359	0.15	0.27

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

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Cash and bank balances	87,363	167,359	0.15	0.27
Bank overdrafts (Note 15)	(12,663,013)	(17,109,425)	(21.55)	(27.90)
Cash and cash equivalents	(12,575,650)	(16,942,066)	(21.40)	(27.63)

12 Share capital

Share capital comprises twenty-two shares of AED 1 million each (2014: twenty-two shares of AED 1 million each), which is fully paid up.

13 Provision for employees' end of service benefits

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
At 1 April	591,121	668,663	1.01	1.09
Charge for the year (Note 16)	368,956	382,895	0.63	0.62
Payments	(103,013)	(460,437)	(0.18)	(0.75)
At 31 March	857,064	591,121	1.46	0.96

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 2015 and 2014, 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% (2014: 5%). The expected liability at the date of leaving the service has been discounted to its net present value using a discount rate of 3.15% (2014: 4.75%).

14 Trade and other payables

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Trade payables	3,726,380	1,943,907	6.34	3.17
Accruals and other payables	34,241,033	34,637,365	58.26	56.48
	37,967,413	36,581,272	64.61	59.65

15 Bank borrowings

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Term loans	56,931,500	51,422,000	96.87	83.85
Overdrafts (Note 11)	12,663,013	17,109,425	21.55	27.90
	69,594,513	68,531,425	118.42	111.75

Bank borrowings represent term loans and overdrafts availed from the banks for the purchases made by the company and

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

these are repayable within 365 days from the date of issue. During the year, the interest rate on these bank borrowings ranged from LIBOR+0.9% to LIBOR+1.5% per annum (2014: LIBOR+0.9% to LIBOR+1.5% per annum). These bank borrowings are secured by a standby letter of credit issued by the bankers of the parent company.

16 Staff costs

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Salaries and wages	4,427,649	4,103,356	7.53	6.69
End of service benefits (Note 13)	368,956	382,895	0.63	0.62
Other benefits	7,355,509	6,269,155	12.52	10.22
	12,152,114	10,755,406	20.68	17.53

17 Impairment reversals/(expense)

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Impairment of investment in subsidiaries (Note 7) - EAIIDC	–	12,551,836	–	20.47
Impairment of investment in subsidiaries (Note 7) - Marico Malaysia SDN. BHD	917,030	17,960,663	1.56	29.29
(Reversal)/impairment of advances to subsidiaries (Note 9) - EAIIDC	(3,879,295)	3,879,295	(6.60)	6.33
	(2,962,265)	34,391,794	(5.04)	56.09

18 Other expenses

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Selling expenses	22,449,339	23,141,602	38.20	37.73
Charges for professional services	1,421,341	1,619,663	2.42	2.64
Royalty expense (Note 10)	687,343	980,461	1.17	1.60
Rent expense	339,834	496,191	0.58	0.81
Bank charges	467,386	265,905	0.80	0.43
Loss on disposal of equipment	170	5,116	0.01	0.01
Other expenses	2,310,866	4,050,103	3.93	6.60
	27,676,279	30,559,041	47.09	49.82

19 Finance costs

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Interest on bank borrowings	(997,245)	(947,773)	(1.70)	(1.55)
Finance income				
Interest income on advances	53,749	162,121	0.09	0.26
	(943,496)	(785,652)	(1.61)	(1.29)

20 Commitments

(a) Operating lease commitments

The company had contracted to lease office premises for a period of five years until 31 March 2016 under

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

non-cancellable operating lease agreements. Minimum lease payments under the leases are as follows:

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Not later than 1 year	289,180	398,462	0.49	0.65

21 Financial instruments by category

As of 31 March 2015 and 2014, financial assets comprised trade and other receivables (excluding prepayments and advance to suppliers), 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 (excluding advance from customers), bank borrowings and due to related parties. These financial liabilities are classified as other financial liabilities.

	2015 AED	2014 AED	2015 Rs. Crore	2014 Rs. Crore
Financial assets - Loans and receivables				
Trade receivables and other receivables (excluding prepayments and advance to suppliers)	21,895,542	18,531,863	37.26	30.22
Advances to subsidiaries	6,608,250	12,839,308	11.24	20.94
Due from related parties	5,730,923	3,466,257	9.75	5.65
Cash and bank balances	87,363	167,359	0.15	0.27
	34,322,078	35,004,787	58.40	57.08
Financial liabilities - Other financial liabilities				
Trade and other payables (excluding advances from customers)	37,967,413	36,581,272	64.61	59.65
Due to related parties	11,443,792	11,114,015	19.47	18.12
Bank borrowings	69,594,513	68,531,425	118.42	111.75
	119,005,718	116,226,712	202.50	189.52

Board of Directors	Mr. Ashutosh Telang Mr. B. Sridhar Mr. Rohit Jaiswal Mr. Padmanabh Maydeo Mr. Baiju Mohan
Registered Office	5th Floor, 53, Lebanon Street, Mohandseen, Gisa, Egypt
Auditors	Moore Stephens
Bankers	HSBC
Legal Advisors	Yasser Maharem Office for Accounting & Auditing , Nassef Law Firm

INDEPENDENT AUDITORS' REPORT

To: the shareholders of MEL Consumer Care Company SAE

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, 2015 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 standalonefinancial 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, 2015 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) in the standalone financial statements, which indicates that the accumulated losses at balance sheet date with an amount of 12,419,615 EGP on March 31, 2015 exceeded the paid up capital. Also the current liabilities with amount of EGP 79,683,817 also the current assets with an amount of EGP 64,602,175 which caused deficit in working capital with an amount of EGP 15,081,672. This condition indicates the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. In accordance with the company law no. (159) on 1981, the Board of directors should invite to an Extraordinary General Assembly Meeting of Shareholders to decide on continuity of the Company.

- As mentioned in note (17) in the standalone financial statements, contingent liabilities, the Company owns investments in subsidiary company MEL Consumer Care company and its partner company "wind"

(partnership company) amounted to 1,609,640EGP representing 99% of the Company's capital (Main partner), the accumulated losses of the company at 31 December 2014 amounted to 35,244,243 EGP.

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,30 April 2015
Sherin Noureldin
R.A.A 6809
Moore Stephens Egypt

BALANCE SHEET

	Note No.	2015 EGP	2014 EGP	2015 Rs. Crore	2014 Rs. Crore
		As at March 31,			
Long-term assets					
Fixed assets (net)	7	9	9	0.01	0.01
Investments in subsidiares	8	3,116,358	3,116,358	2.57	2.68
Total Long-term Assets		**3,116,367**	**3,116,367**	**2.58**	**2.69**
Current assets					
Due from related parties	9	64,211,490	46,801,691	52.94	40.21
Debtors and other debit balances	10	9,105	19,350	0.01	0.02
Cash & cash equivalent	11	381,550	10,025	0.31	0.01
Total current assets		**64,602,145**	**46,831,066**	**53.26**	**40.24**
Current liabilities					
Bank overdraft		4,878	–	0.01	–
Provision		198,033	198,033	0.16	0.17
Due to related parties	12	79,455,904	60,215,392	65.50	51.74
Accrued expenses		25,002	40,000	0.02	0.03
Total current Liabilities		**79,683,817**	**60,453,425**	**65.69**	**51.94**
(Deficit) in working capital		**(15,081,672)**	**(13,622,359)**	**(12.43)**	**(11.70)**
Total (deficit) in investment		**(11,965,305)**	**(10,505,992)**	**(9.86)**	**(9.03)**
To be financed as follows **Shareholders' equity**					
Issued and paid-up-capital	13	250,000	250,000	0.21	0.21
Legal reserve		204,310	204,310	0.17	0.18
Accumulated (losses)		(12,419,615)	(10,960,302)	(10.24)	(9.42)
Total (Deficit) shareholders' equity		**(11,965,305)**	**(10,505,992)**	**(9.86)**	**(9.03)**
Total finance(deficit) of working capital and long-term assets		**(11,965,305)**	**(10,505,992)**	**(9.86)**	**(9.03)**

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

Auditor's report attached.

Chairman	**Financial Manager**
Rohit Jaiswal	**Baiju Mohan**

Note: The exchange rate use to convert EGP to Rs.8.244 (Previous year EGP to Rs. 8.592)

INCOME STATEMENT

	Note No.	For the year ended March 31, 2015 EGP	2014 EGP	2015 Rs. Crore	2014 Rs. Crore
Expenses					
General and administrative expenses		67,149	61,411	0.06	0.05
Add					
Loss from currency revaluation difference		1,392,164	158,521	1.15	0.14
Capital Loss		–	25	–	0.01
Net (Losses) of the year		**(1,459,313)**	**(219,957)**	**(1.20)**	**(0.20)**
(Losses) per share	6	**(5,837.25)**	**(879.83)**	**–**	**–**

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 Rs.8.244 (Previous year EGP to Rs. 8.592)

STANDALONE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

Description	Issued & paid -up-capital	Legal reserve	Accumulated (losses)	Total
2015	**EGP**	**EGP**	**EGP**	**EGP**
Balance on 1/4/2014	250,000	204,310	(10,960,302)	(10,505,992)
Net(losses)of the year	–	–	(1,459,313)	(1,459,313)
Balance on 31/3/2015	**250,000**	**204,310**	**(12,419,615)**	**(11,965,305)**

Description	Issued & paid -up-capital	Legal reserve	Accumulated (losses)	Total
2015	**Rs.Crore**	**Rs. Crore**	**Rs. Crore**	**Crore**
Balance on 1/4/2014	0.21	0.17	(9.04)	(8.66)
Net(losses)of the year	–	–	(1.20)	(1.20)
Balance on 31/3/2015	**0.21**	**0.17**	**(10.24)**	**(9.86)**

Description	Issued & paid -up-capital	Legal reserve	Accumulated (losses)	Total
2014	**EGP**	**EGP**	**EGP**	**EGP**
Balance on 1/4/2013	250,000	204,310	(10,740,345)	(10,286,035)
Net(losses)of the year	–	–	(219,957)	(219,957)
Balance on 31/3/2014	**250,000**	**204,310**	**(10,960,302)**	**(10,505,992)**

Description	Issued & paid -up-capital	Legal reserve	Accumulated (losses)	Total
2014	**Rs.Crore**	**Rs. Crore**	**Rs. Crore**	**Crore**
Balance on 1/4/2013	0.21	0.18	(9.23)	(8.84)
Net(losses)of the year	–	–	(0.19)	(0.19)
Balance on 31/3/2014	**0.21**	**0.18**	**(9.42)**	**(9.03)**

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 Rs.8.244 (Previous year EGP to Rs. 8.592)

STANDALONE CASH FLOW STATEMENT

	Note No.	2015 EGP	2014 EGP	2015 Rs. Crore	2014 Rs. Crore
Cash flows from operating activities					
Net (losses) of the year		(1,459,313)	(219,957)	(1.20)	(0.19)
Adjustments to reconcile net loss with cash flows in operating activities					
Foreign Exchange Rate		1,392,164	158,521	1.15	0.14
(Used) from provision		–	(5,164)	–	(0.01)
capital losses		–	25	–	0.01
Operating (losses) before change in working capital		**(67,149)**	**(66,575)**	**(0.05)**	**(0.05)**
Change in due from related parties		(16,983,869)	(6,604,554)	(14.00)	(5.67)
Change in debtors and other debit balances		10,245	(10,091)	0.01	(0.01)
Change in due to related parties		17,422,418	6,685,665	14.36	5.74
Change in Accrued Expenses		(14,998)	–	(0.01)	–
Change in Banks overdraft		4,878	–	0.01	–
Cash flows from operating activities		**371,525**	**4,445**	**0.31**	**0.01**
Net change in cash and cash equivalents during the year		**371,525**	**4,445**	**0.31**	**0.01**
cash at bank at the beginning of the year		10,025	5,580	0.01	0.01
cash at bank at the end of the year		**381,550**	**10,025**	**0.31**	**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 Rs.8.244 (Previous year EGP to Rs. 8.592)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the financial year ended March 31, 2015

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.

2.2 Basis of preparation of 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. 17 specified for financial statements , item No. (26.10) ; 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 land. All fixing and other maintenance expenses are recognized in the income statement when realized.

Depreciation starts when the asset is in its place and ready for process by the way that is set by Management. 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the financial year ended March 31, 2015

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the financial year ended March 31, 2015

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 Employees' benefits

- Insurance and pension system

The Company participates in the governmental social insurance of the employees' benefits according to social insurance law no.79 for the year 1975 and its amendments, employees 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the financial year ended March 31, 2015

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.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the financial year ended March 31, 2015

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.

31/3/2015

First : decrease in exchang rate with 10%	Amount	Amount	Decrease in exchange rate	Effect on profit & loss
	USD	EGP	EGP	EGP
Liabilities				
Total current liabilities	1,749,670	13,264,250	11,937,825	1,326,425
Net change in exchange rate difference	**1,749,670**	**13,264,250**	**11,937,825**	**1,326,425**

Second: increase in exchang rate with 10%	Amount	Amount	Decrease in exchange rate	Effect on profit & loss
	USD	Rs. Crore	Rs. Crore	Rs. Crore
Liabilities				
Total current liabilities	1,749,670	13,264,250	14,590,675	(1,326,425)
Net change in exchange rate difference	**1,749,670**	**13,264,250**	**14,590,675**	**(1,326,425)**

31/3/2015

First : decrease in exchang rate with 10%	Amount	Amount	Decrease in exchange rate	Effect on profit & loss
	USD	Rs. Crore	Rs. Crore	Rs. Crore
Liabilities				
Total current liabilities	1,749,670	10.94	9.84	1.09
Net change in exchange rate difference	**1,749,670**	**10.94**	**9.84**	**1.09**

Second: increase in exchang rate with 10%	Amount	Amount	Decrease in exchange rate	Effect on profit & loss
	USD	Rs. Crore	Rs. Crore	Rs. Crore
Liabilities				
Total current liabilities	1,749,670	10.94	12.03	(1.09)
Net change in exchange rate difference	**1,749,670**	**10.94**	**12.03**	**(1.09)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the financial year ended March 31, 2015

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 judgments

5.1 Significant accounting estimates and judgments

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. 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 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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the financial year ended March 31, 2015

5.2 Significant personal judgments 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.

6. Earnings per share

	2015 EGP	2014 EGP	2015 Rs. Crore	2014 Rs. Crore
Net (losses) of the year	(1,459,313)	(219,957)	(1.20)	(0.19)
No. of Shares	250	250	-	-
(Losses) per share (EGP/Share)	**(5,837.25)**	**(879.83)**	**(0.01)**	**(0.01)**

7. fixed assets (Net)

Description	Furniture & office equipment	Computers	Total	Furniture & office equipment	Computers	Total
2015	EGP	EGP	EGP	Rs.Crore	Rs.Crore	Rs.Crore
Cost as of 1/4/2014	–	342,917	342,917	–	0.28	0.28
Disposals during the year	–	–	–	–	–	–
Cost as of 31/3/2015	**–**	**342,917**	**342,917**	**–**	**0.28**	**0.28**
Acc. depreciation at 1/4/2013						
Accumuleted depreciation disposals	–	342,908	342,908	–	0.28	0.28
Acc. depreciation as of 31/3/2015	**–**	**342,908**	**342,908**	**–**	**0.28**	**0.28**
Net fixed assets as of 31/3/2015	–	**9**	**9**	**–**	**0.01**	**0.01**

Description	Furniture & office equipment	Computers	Total	Furniture & office equipment	Computers	Total
2014	EGP	EGP	EGP	Rs.Crore	Rs.Crore	Rs.Crore
Cost as of 1/4/2013	390,388	435,063	825,451	0.35	0.39	0.73
Disposals during the year	(390,388)	(92,146)	(482,534)	(0.35)	(0.08)	(0.43)
Cost as of 31/3/2013	**–**	**342,917**	**342,917**	**–**	**0.31**	**0.31**
Acc. depreciation at 1/4/2013	**390,384**	**435,032**	**825,416**	0.35	0.39	0.73
Accumuleted depreciation disposals	(390,384)	(92,124)	(482,508)	(0.35)	(0.08)	(0.43)
Acc. depreciation as of 31/3/2014	–	**342,908**	**342,908**	**–**	**0.31**	**0.31**
Net fixed assets as of 31/3/2014	–	**9**	**9**	**–**	**0.01**	**0.01**

8. Investments in subsidiaries

	2015 EGP	2014 EGP	2015 Rs. Crore	2014 Rs. Crore
Marico Egypt Industries Company (MEI)	1,506,718	1,506,718	1.24	1.29
MEL Consumer Care & its Partner Company (Wind)	1,609,640	1,609,640	1.33	1.38
	3,116,358	**3,116,358**	**2.57**	**2.68**

- The contribution percentage in Marico Egypt Industries Company(MEI) is 99%.
- The contribution percentage in MEL Consumer Care &its Partner Company (Wind) is 99%.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the financial year ended March 31, 2015

9. Due from related parties

	2015 EGP	2014 EGP	2015 Rs. Crore	2014 Rs. Crore
MEL Consumer Care & its Partner Company (Wind)	51,603,334	41,721,467	42.54	35.85
Egyptian American for investment and Industrial Development Co. (EAIIDC)	12,608,156	5,080,224	10.39	4.36
	64,211,490	**46,801,691**	**52.94**	**40.21**

10. Debtors and other debit balances

	2015 EGP	2014 EGP	2015 Rs. Crore	2014 Rs. Crore
General authority for social insurance	2,846	10,091	0.01	0.01
other depit balances	6,259	9,259	0.01	0.01
	9,105	**19,350**	**0.02**	**0.02**

11. Cash at banks

	2015 EGP	2014 EGP	2015 Rs. Crore	2014 Rs. Crore
Bank - Local currency	--	10,025	--	0.01
Bank - Foreign currency	381,550	--	0.31	--
	381,550	**10,025**	**0.31**	**0.01**

12. Due to related parties

	2015 EGP	2014 EGP	2015 Rs. Crore	2014 Rs. Crore
Marico Middle East Company (MME)	13,645,800	12,435,660	11.25	10.68
Marico Egypt for Industries Company (MEI)	65,810,104	47,779,732	54.25	41.05
	79,455,904	**60,215,392**	**65.50**	**51.74**

13. Capital

The authorized capital was determined by EGP 2,500,000 (Two million five hundred thousand Egyptian pounds) and the issued and paid-up- capital is 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), distributed among shareholders as follows

Name	Nationality	No. of share	Issued & paid up- capital EGP	Issued & paid up- capital Rs. Crore
1- Harshraj Charandas Mariwala	Indian	1	1,000	0.00
2- Milind Shripad Sarwate	Indian	1	1,000	0.00
3- Vijay Subramaniam	Indian	1	1,000	0.00
4- Marico Middle East	Emirates	247	247,000	0.20
		250	250,000	0.21

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the financial year ended March 31, 2015

14. Related parties' transactions

The Related parties' transactions as of March 31, 2015 represents as follows

Party name	Nature of Relation	Nature of transaction	Balance 2015 EGP	Size of transaction EGP	Size of transaction Rs. Crore	Balance 2015 Rs. Crore
MEL Consumer Care & Partner Company (Wind)	Related party	Financing	9,881,867	51,603,334	8.15	42.54
Egyptian American Co. for investment and Industrial Development (EAIIDC)	Related party	Financing	7,527,931	12,608,156	6.21	10.39
Marico Middle East Company (MME)	Related party	Financing	(1,210,140)	(13,645,800)	(1.00)	(11.25)
Marico Egypt for Industries Company (MEI)	Related party	Financing	(18,030,372)	(65,810,104)	(14.86)	(54.25)

15. Tax status

a. corporate tax

- The company wasn't examined till now.
- The company submits its tax return on the legal date.

b. Salaries & wages tax

- The company was examined 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.
- The company pays stamp duty according to taxes system.

d. withholding tax

- The company pays withholding tax regularly.
- The company didn't examine till now.

e. sales tax

- The company was examined from beginning of activity till August 31, 2013.
- The company submits the sales tax reports regularly..

16. Continuity

The accumulated losses of the year at 31/03/2015 amounted as 12,419,615 EGP exceeded the company paid up capital, the current liabilities amounted as 79,683,817 EGP and the current assets amounted as 64,602,145 EGP that leads to the presence of deficit at working capital amounted as 15,081,682 EGP, This condition indicates the existence of a material uncertainty, for the Company's ability to continue as a going concern. In accordance with the article No. (159) of 1981, the Board of directors should invite to an Extraordinary General Assembly Meeting of Shareholders to decide on continuity of the Company.

The company is about to call for an Extraordinary GAM meeting to discuss 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 1,609,640EGP representing 99% of the company's capital(Main partner), the accumulated losses of the company at 31 December 2014 balance amounted to 35,244,243 EGP and there is a plan to restructure the company to cover these losses in the subsequent period.

Board of Directors	Mr. Ashutosh Telang
	Mr. B. Sridhar
	Mr. Rohit Jaiswal
	Mr. Baiju Mohan
	Mr. Padmanabh Maydeo
Registered Office	11B Hegaz Sq. Mohandseen, Gisa , Egypt
Auditors	Moore Stephens
Bankers	HSBC
	QNB Al-Ahly
Legal Advisors	Yasser Maharem Office for Accounting and Auditing
	Nassef Law Firm

INDEPENDENT AUDITOR'S REPORT

To,

The shareholders of Egyptian American Co. For Investment and Industrial Development (SAE)

Report on the financial statements

We have audited the accompanying financial statements of Egyptian American Company For Investment and Industrial Development (SAE) which comprise the balance sheet as

of December 31, 2014 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 Company For Investment and Industrial Development (SAE) as of December 31, 2014 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 note (22) from the notes to the financial statements, the accumulated losses at the balance sheet date exceeded the half of issued capital. 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 companies law No. 159 of 1981, the chairman 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 of the company record to the extent that such information is recorded therein.

Cairo February 11, 2015

Sherin Noureldin
R.A.A. 6809
Moore Stephns Egypt

BALANCE SHEET

	Note No.	As at December 31, 2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Assets					
Long-term assets					
Fixed assets (net)	8	982,310	1,315,865	0.87	1.17
Projects under construction	9	–	33,701	–	0.03
Total long-term assets		**982,310**	**1,349,566**	**0.87**	**1.20**
Current assets					
Inventory (net)	10	–	5,259,549	–	4.68
Receivables	11	–	7,048,816	–	6.27
Debtors and other debit balances	12	92,002	249,762	0.08	0.22
Cash at banks and equivalent	13	**19,056**	**2,708,920**	**0.02**	**2.41**
Total current assets		**111,058**	**15,267,047**	**0.10**	**13.58**
Current liabilities					
Banks overdraft		–	216,862	–	0.19
Due to related parties	14	11,163,668	16,884,620	9.84	15.02
Suppliers and notes payables	15	45,000	7,877,715	0.04	7.01
Creditors and other credit balances	16	462,525	3,003,722	0.41	2.67
Total current liabilities		**11,671,193**	**27,982,919**	**10.29**	**24.89**
Decrease in working capital		**(11,560,135)**	**(12,715,872)**	**(10.19)**	**(11.31)**
Total Investment		**(10,577,825)**	**(11,366,306)**	**(9.32)**	**(10.11)**
To be financed as follows					
Shareholders' Equity					
Issued and paid-in-capital	15	6,892,000	6,892,000	6.07	6.13
Legal reserve		504,666	465,242	0.44	0.41
Other reserves		493	493	0.01	0.01
Accumulated losses		(18,060,085)	(18,809,142)	(15.92)	(16.73)
Total Shareholders' Equity		**(10,662,926)**	**(11,451,407)**	**(9.41)**	**(10.19)**
Long-term liabilities					
Deferred tax liabilities	16	85,101	85,101	0.08	0.08
Total Shareholders' Equity and long-term liabilities		**(10,577,825)**	**(11,366,306)**	**(9.32)**	**(10.11)**

- The accompanying notes from (1) to (22) 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 Rs.8.244 (Previous year EGP to Rs. 8.592)

INCOME STATEMENT

		Year ended December 31,			
	Note No	**2014 EGP**	**2013 EGP**	**2014 Rs.Crore**	**2013 Rs. Crore**
Sales (net)	6	9,231,408	27,269,806	8.14	24.26
Less					
Cost of sales		7,815,832	20,633,101	6.89	18.36
Gross profit		1,415,576	6,636,705	1.25	5.90
Less					
Selling and distribution expenses		56,628	6,810,190	0.05	6.06
General and administrative expenses		448,605	793,505	0.40	0.71
Depreciation of fixed assets	8	119,117	202,238	0.10	0.18
Royalty		6,814	138,703	0.01	0.12
		631,164	**7,944,636**	**0.56**	**7.07**
Operating (loss) income		**784,412**	**(1,307,931)**	**0.69**	**(1.17)**
Add / (Less)					
Capital gains		133,166	49,811	0.12	0.04
(Losses) from currency revaluation differences		(378,198)	(1,044,787)	(0.33)	(0.93)
Revenues from exports subsidies		53,840	90,685	0.05	0.08
Other sales		195,261	173,777	0.17	0.15
Provisions no longer required		–	73,575	–	0.07
Total		**4,069**	**(656,939)**	**0.01**	**(0.59)**
Net (losses) profit for the year		**788,481**	**(1,964,870)**	**0.70**	**(1.76)**
Earnings (losses) per share (EGP/Share)	7	**11.44**	**(28.51)**	**100.83**	**(253.62)**

The accompanying notes from (1) to (22) form an integral part of these financial statements and are to be read therewith.

Note: The exchange rate use to convert EGP to Rs.8.244 (Previous year EGP to Rs. 8.592)

STATEMENT OF CHANGES IN EQUITY

	year ended December 31, 2014				
Description	**Issued & paid capital**	**Legal reserve**	**Other reserves**	**Profit (losses) retained**	**Total**
	EGP	**EGP**	**EGP**	**EGP**	**EGP**
2014					
Balance as of Jan 1.2014	6,892,000	465,242	493	(18,809,142)	(11,451,407)
Net (losses) of the year	–	39,424	–	(39,424)	–
Transferred to legal reserve	–	–	–	788,481	788,481
Balance as of December 31.2014	**6,892,000**	**504,666**	**493**	**(18,060,085)**	**(10,662,926)**
2013					
Balance as of Jan 1.2013	**6,892,000**	**374,360**	**493**	**(16,753,390)**	**(9,486,537)**
Transferred to legal reserve for 2012	–	90,882	–	(90,882)	–
Net (losses) of the year	–	–	–	(1,964,870)	(1,964,870)
Balance as of December 31.2013	**6,892,000**	**465,242**	**493**	**(18,809,142)**	**(11,451,407)**

Description	**Issued & paid capital**	**Legal reserve**	**Other reserves**	**Profit (losses) retained**	**Total**
	Rs. Crore	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**
2014					
Balance as of Jan 1.2014	**6.07**	**0.41**	**0.01**	**(16.58)**	**(10.09)**
Net (losses) of the year	–	0.03	–	(0.04)	(0.01)
Transferred to legal reserve	–	–	–	0.69	0.69
Balance as of December 31.2014	**6.07**	**0.44**	**0.01**	**(15.92)**	**(9.40)**
2013					
Balance as of Jan 1.2013	**6.13**	**0.33**	**0.01**	**(14.90)**	**(8.44)**
Transferred to legal reserve for 2012	–	0.08	–	(0.08)	0.00
Net (losses) of the year	–	–	–	(1.74)	(1.74)
Balance as of December 31.2013	**6.13**	**0.41**	**0.01**	**(16.72)**	**(10.18)**

- The accompanying notes from (1) to (22) form an integral part of these financial statements and are to be read therewith.

Note: The exchange rate use to convert EGP to Rs.8.244 (Previous year EGP to Rs. 8.592)

STATEMENT OF CASH FLOWS

	Note No.	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Cash flows from operating activities					
Net (losses) profit of the year		**788,481**	**(1,964,870)**	**0.69**	**(1.75)**
Adjustments to reconcile net (losses) profit with Cash flows from operating activities					
Depreciation of fixed assets		233,336	341,565	0.21	0.30
Adjustments of fixed assets		-	40	-	0.01
Capital gains		(133,166)	(49,811)	(0.12)	(0.04)
Impairment in the value of inventory			986,213	–	0.88
Net profit (losses) before changing in working capital		**888,651**	**(686,863)**	**0.78**	**(0.61)**
Change in working capital					
Change in inventory		5,259,549	(2,187,795)	4.64	(1.95)
Change in receivable		7,048,816	(4,430,521)	6.21	(3.94)
Change in debtors and other debit balances		157,760	(109,561)	0.14	(0.10)
Change in due to related parties		(5,720,952)	1,890,845	(5.04)	1.68
Change in payables and notes payables		(7,832,715)	4,443,328	(6.90)	3.95
Change in creditors and other credit balances		(2,541,197)	1,597,234	(2.24)	1.42
Net cash flows provided from (used in) operating activities		**(2,740,088)**	**516,667**	**(2.42)**	**0.46**
Cash flows from investment activities					
(Payments) for purchase fixed assets		–	(81,400)	–	(0.07)
Received from sale fixed assets		267,086	52,827	0.24	0.05
Net cash flows (used in) provided from investment activities		**267,086**	**(28,573)**	**0.24**	**(0.03)**
Cash flows from financing activity					
Received from (payment) bank overdraft		(216,862)	48,568	(0.19)	0.04
Net cash flows provided from (used in) finance		**(216,862)**	**48,568**	**(0.19)**	**0.04**
Net change in cash and cash equivalents during the year		**(2,689,864)**	**536,662**	**(2.37)**	**(0.48)**
Cash and cash equivalents at the beginning of the year		**2,708,920**	**2,172,258**	**2.39**	**1.93**
Cash and cash equivalents at the end of the year	**13**	**19,056**	**2,708,920**	**0.02**	**2.41**

The accompanying notes from (1) to (22) form an integral part of these financial statements and are to be read therewith.

- We excluded the impact of non-cash transaction when preparing the statements of cash flows as follows :

	Note No.	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Fixed assets		**(33,701)**	–	(0.03)	–
Projects under construcrion		33,701	–	0.03	–
		–	–	–	–

Note: The exchange rate use to convert EGP to Rs.8.244 (Previous year EGP to Rs. 8.592)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended December 31, 2014

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.

Objective of the company:

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 financial year ended December 31, 2014

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 balance sheet, 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.

The Depreciation

Fixed assets are shown in the balance sheet at historical cost, are depreciated using straight line method and according to estimated useful life of each asset in accordance with the following rates:

	Estimated useful life / year
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.

2.8. Impairment in the value of financial assets

“On the anniversary 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 affect that can be evaluated in a reliable manner

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended December 31, 2014

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 investments 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 bases.

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.

2.15 Employees' 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 profits (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 financial year ended December 31, 2014

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 statement.

First : decrease rates of exchang rate 10%

31/12/2014

	year ended December 34,			
	Amounts	Amounts	Decrease in exchange rate	Effect on profit & loss
	US$	EGP		
Assets				
Total current assets	383	2,741	2,467	(247)
Liabilities				
Total current liabilities	(450,000)	(3,196,156)	(2,876,540)	319,616
Net change in exchange rate difference	**(449,617)**	**(3,193,415)**	**(2,874,073)**	**319,369**

Second : increase rates of exchang rate 10%

	year ended December 34,			
	Amounts	Amounts	Decrease in exchange rate	Effect on profit & loss
	US$	EGP		
Assets				
Total current assets	383	2,741	3,015	274
Liabilities				
Total current liabilities	(450,000)	(3,196,156)	(3,515,772)	(319 616)
Net change in exchange rate difference	**(449,617)**	**(3,193,415)**	**(3,512,757)**	**(319,342)**

31/12/2014

First : decrease rates of exchang rate 10%

	year ended December 34,			
	Amounts	Amounts	Decrease in exchange rate	Effect on profit & loss
	US$	Rs. Crore		
Assets				
Total current assets	383	0.01	0.01	–
Liabilities				
Total current liabilities	(450,000)	(2.82)	(2.54)	0.28
Net change in exchange rate difference	**(449,617)**	**(2.81)**	**(2.53)**	**0.28**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended December 31, 2014

Second : increase rates of exchang rate 10%

	year ended December 34,				
	Amounts	Amounts	Amounts	Decrease in exchange rate	Effect on profit & loss
	US$	EUR	Rs. Crore		
Assets					
Total current assets	383	–	0.01	0.01	–
Liabilities					
Total current liabilities	(450,000)	–	(2.82)	(3.10)	(0.28)
Net change in exchange rate difference	**(449,617)**	**–**	**(2.81)**	**(3.10)**	**(0.28)**

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 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.

4. Significant accounting estimates and personal judgments

4.1 Significant accounting estimates and judgments

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 made 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 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 judgments 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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended December 31, 2014

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.

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. Sales (net)

	year ended December 31,			
	2014	**2013**	**2014**	**2013**
	EGP	**EGP**	**Rs.Crore**	**Rs.Crore**
Activity revenues	10,169,820	50,448,558	8.96	44.88
Less :				
Trade discount	938,412	23,178,752	0.83	20.62
	9,231,408	**27,269,806**	**8.14**	**24.26**

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

	year ended December 31,			
	2014	**2013**	**2014**	**2013**
	EGP	**EGP**	**Rs.Crore**	**Rs.Crore**
Net profits (losses) of the year	788,481	(1,964,870)	0.69	(1.75)
Number of shares	68,920	68,920	0.06	0.06
Earning (losses) profit per share (EGP / share)	**11.44**	**(28.51)**	**100.84**	**(253.62)**

8. 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 1/1/2014	**52,400**	**2,303,830**	**3,549,416**	**156,364**	**616,294**	**343,984**	**7,022,288**
Additions during the year	–	–	33,701	–	–	–	33,701
Disposals during the year	–	–	(1,760,301)	(20,250)	(31,063)	(283,918)	(2,095,532)
Adjustments during the year	–	–				–	
Cost at 31/12/2014	**52,400**	**2,303,830**	**1,822,816**	**136,114**	**585,231**	**60,066**	**4,960,457**
Acc. Depreciation on 1/1/2014	–	1,334,782	3,424,112	154,674	507,265	285,590	5,706,423
Depreciation of the year	–	54,118	60,101	1,624	95,983	21,510	233,336
Acc. Depreciation of disposals	–	–	(1,665,685)	(20,243)	(28,645)	(247,039)	(1,961,612)
Adjustments on Acc. Depreciation	–	–	-	–	-	-	-
Acc. Depreciation as at 31/12/2014	**–**	**1,388,900**	**1,818,528**	**136,055**	**574,603**	**60,061**	**3,978,147**
Net cost of assets as at 31/12/2014	**52,400**	**914,930**	**4,288**	**59**	**10,628**	**5**	**982,310**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended December 31, 2014

Description	Land	Building & constructions	Machines & tools & equipment	Computers	Furniture & office equipment	Vehicles	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost as at 1/1/2013	52,400	2,303,830	3,470,849	156,356	617,920	406,815	7,008,170
Additions during the year	–	–	81,400	–	–	–	81,400
Disposals during the year	–	–	(3,080)	–	(1,698)	(62,831)	(67,609)
Adjustments during the year	–	–	247	8	72	–	327
Cost at 31/12/2013	**52,400**	**2,303,830**	**3,549,416**	**156,364**	**616,294**	**343,984**	**7,022,288**
Acc. Depreciation on 1/1/2013	–	1,280,545	3,336,533	145,395	367,519	299,092	5,429,084
Depreciation of the year	–	54,076	85,251	9,279	146,247	46,712	341,565
Acc. Depreciation of disposals	–	–	(2,637)	–	(1,008)	(60,214)	(63,859)
Adjustments on Acc. Depreciation	–	161	4,965	–	(5,493)	–	(367)
Acc. Depreciation as at 31/12/2013	**–**	**1,334,782**	**3,424,112**	**154,674**	**507,265**	**285,590**	**5,706,423**
Net cost of assets as at 31/12/2013	**52,400**	**969,048**	**125,304**	**1,690**	**109,029**	**58,394**	**1,315,865**

Description	Land	Building	Machines	Computers	Furniture & office equipment	Vehicles	Total
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Cost as at 1/1/2014	**0.05**	2.03	3.13	0.14	0.54	0.30	6.19
Additions during the year	–	–	0.03	–	–	–	0.03
Disposals during the year	–	–	(1.55)	(0.02)	(0.03)	(0.25)	(1.85)
Adjustments during the year	–	–	-	–	–	–	–
Cost at 31/12/2014	**0.05**	**2.03**	**1.61**	**0.12**	**0.52**	**0.05**	**4.37**
Acc. Depreciation on 1/1/2014	–	1.18	3.02	0.14	0.45	0.25	5.03
Depreciation of the year	–	0.05	0.05	0.00	0.08	0.02	0.21
Acc. Depreciation of disposals	–	–	(1.47)	(0.02)	(0.03)	(0.22)	(1.73)
Adjustments on Acc. Depreciation	–	–	–	–	–	–	–
Acc. Depreciation as at 31/12/2014	–	1.22	1.60	0.12	0.51	0.05	3.51
Net cost of assets as at 31/12/2014	**0.05**	**0.81**	**0.01**	**0.01**	**0.01**	**0.01**	**0.87**

Description	Land	Building	Machines	Computers	Furniture & office equipment	Vehicles	Total
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Cost as at 1/1/2013	0.05	2.05	3.09	0.14	0.55	0.36	6.23
Additions during the year	–	–	0.07	–	–	–	0.07
Disposals during the year	–	–	(0.01)	–	(0.01)	(0.06)	(0.06)
Adjustments during the year	–	–	0.01	0.01	0.01	-	0.01
Cost at 31/12/2013	**0.05**	**2.05**	**3.16**	**0.14**	**0.55**	**0.31**	**6.25**
Acc. Depreciation on 1/1/2013	–	1.14	2.97	0.13	0.33	0.27	4.83
Depreciation of the year	–	0.05	0.08	0.01	0.13	0.04	0.30
Acc. Depreciation of disposals	–	–	(0.01)	–	(0.01)	(0.05)	(0.06)
Adjustments on Acc. Depreciation	–	0.01	0.01	–	(0.01)	–	(0.01)
Acc. Depreciation as at 31/12/2013	–	1.19	3.05	0.14	0.45	0.25	5.08
Net cost of assets as at 31/12/2013	**0.05**	**0.86**	**0.11**	**0.01**	**0.10**	**0.05**	**1.17**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended December 31, 2014

- There are no mortgages or restrictions on ownership of assets.
- 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	Rs. Crore	Rs. Crore	Rs. Crore
Building and constructions	54,118	54,118	–	0.05	0.05	–
Machinery, tools & equipment	60,101	60,101		0.05	0.05	–
Computers	1,624	–	1,624	0.01	–	0.01
Furniture & office equipment	95,983		95,9831	0.08	–	0.08
Vehicles	21,510		21,510	0.02	-	0.02
Total	**233,336**	**114,219**	**119,117**	**0.21**	**0.10**	**0.10**

9 Projects under construction

	year ended December 31,			
	2014	2013	2014	2013
	EGP	EGP	Rs. Crore	Rs. Crore
Tools & equipments	–	33,701	–	0.03
	–	33,701	–	0.03

10 Inventory (Net)

	year ended December 31,			
	2014	2013	2014	2013
	EGP	EGP	Rs. Crore	Rs. Crore
Packing & packaging materials	–	2,874,631	–	2.56
Raw materials	–	2,424,898	–	2.16
Finished production	–	1,384,458	–	1.23
Documentary credit	–	15,405	–	0.01
Work in process production	–	46,370	–	0.04
	–	**6,745,762**	**–**	**6.00**
Less				
Impairment in the value of inventory	–	(1,486,213)	–	(1.32)
	–	**5,259,549**	**–**	**4.68**

11 Receivables

	year ended December 31,			
	2014	2013	2014	2013
	EGP	EGP	Rs. Crore	Rs. Crore
Local receivables	–	6,914,069	–	6.15
Foreign receivables	–	134,747	–	0.12
	–	**7,048,816**	**–**	**6.27**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended December 31, 2014

12 Debtors and other debit balances

Debtors and other debit balances represent as of December 31, 2013 amounted to EGP 140, 201 as follows:

	year ended December 31,			
	2014	2013	2014	2013
	EGP	EGP	Rs.Crore	Rs.Crore
Withholding tax	92,002	83,512	0.08	0.07
Suppliers –advanced payments	–	139,619	–	0.12
Social insurance	–	22,099	–	0.02
Prepaid expenses	–	3,835	–	0.01
Deposits with others	–	650	–	0.01
Other debit accounts	–	47	–	0.01
	92,002	**249,762**	**0.08**	**0.24**

13 Cash at banks and equivalent

	year ended December 31,			
	2014	2013	2014	2013
	EGP	EGP	Rs.Crore	Rs.Crore
Banks – local currency	16,315	12,593	0.01	0.01
Banks – foreign currency	2,741	713,833	0.01	0.64
Cheques under collection (less than 3 months)	–	1,982,494	–	1.76
	19,056	**2,708,920**	**0.02**	**2.41**

14 Due to related parties

	year ended December 31,			
	2014	2013	2014	2013
	EGP	EGP	Rs.Crore	Rs.Crore
MEL Consumer Care Company	7,851,790	3,291,324	6.92	2.93
Marico Middle East Company	3,196,156	13,552,500	2.82	12.06
Marico limited Company - India	115,722	40,796	0.10	0.04
	11,163,668	**16,884,620**	**9.84**	**15.02**

15 Suppliers and notes payable

	year ended December 31,			
	2014	2013	2014	2013
	EGP	EGP	Rs.Crore	Rs.Crore
Suppliers	45,000	6,087,421	0.04	5.42
Notes payables	–	1,790,294	–	1.59
	45,000	7,877,715	0.04	7.01

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended December 31 ,2014

16 Creditors and other credit balances

	year ended December 31,			
	2014	**2013**	**2014**	**2013**
	EGP	**EGP**	**Rs.Crore**	**Rs.Crore**
Accrued expenses	441,000	574,389	0.39	0.51
Deposits to others	11,000	–	0.01	–
Advanced revenue	10,000	–	0.01	–
Withholding tax	525	112,822	0.01	0.10
Sales tax	–	1,503,429	–	1.34
Stamp tax	–	661,613	–	0.59
Withholding tax - royalty	–	21,761	–	0.02
Clients - advanced payments	–	79,362	–	0.07
Other credit balances	–	50,346	–	0.04
	462,525	3,003,722	0.42	2.67

17. Capital

Authorized capital

The company's authorized capital amounted to EGP 25 million (twenty five million Egyptian pound) distributed over 250,000 share, the par value of each share is EGP 100 (one hundred Egyptian pound).

A – Issued and paid-in-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 shareholder Mr.Brajesh Bajpai sold all his shares which represented in 50 share with title par value of share EGP 100 to Mr/ Aditya Kumar and this is in accordance to the certificate of title which issued by the Egyptian stock exchange session on January 4, 2010.

The shareholder Mr/ Aditya Kumar sold all of his share to Mr. Sumatra Baht which represent 50 share with a par of value of 100 EGP per share in accordance to the certificate of title with issued by the stock exchange in the session on the 22 of March, 2012.

- The Issued and paid capital is distributed as follows:

Name	**Nationality**	**No. of share**	**Value of each share**	**Issued & paid up-capital**	**Issued & paid up-capital**
			EGP	**EGP**	**Rs.Crore**
Mr. Harshari Charandas mariwala	Indian	320	100	32,000	0.03
Mr. Milined shripad sarwate	Indian	320	100	32,000	0.03
Mr. Sumatra Baht	Indian	50	100	5,000	–
Marico Middle East	Emirates	68,230	100	6,823,000	6.07
		68,920		**6,892,000**	**6.08**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended December 31, 2014

18. Deferred tax liabilities

	year ended December 31,			
	2014	2013	2014	2013
	EGP	EGP	Rs.Crore	Rs.Crore
Fixed assets	85,101	85,101	0.08	0.07
	85,101	**85,101**	**0.08**	**0.07**

19. 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 Rs. Crore
Marico Limited Company India	Related party	Royalty expense	6,814.00	0.01
Marico Limited Company India	Related party	Finance	68,112.00	0.06
Marico Middle Company East	Related party	Finance	(10,356,344.00)	(9.13)
MEL Consumer Care Company	Related party	Finance	4,566,466.00	4.02
MEL Consumer Care & partners Company - wind	Related party	Sales	(8,812,228.00)	(7.77)
Marico Egypt for industries Company	Related party	Sales	(200,772.00)	(0.18)

20. 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.

B. Salaries & wages tax

The company was inspected from the tax authority from the inception till year December 31,2011 and the difference 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.

C. Stamp duty tax:

The company was inspected from the tax authority from the inception till December 31, 2013 and all difference have been settled.

D. Sales tax:

The company was inspected from the tax authority from the inception till December 31, 2013 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended December 31 ,2014

21 Comparative figures

Comparative figures are reclassified to match the current year classification, these item are as follows:

Description	Balance in 31/12/2013 before adjustment	Balance in 31/12/2013 after adjustment	Reclass ification	Balance in 31/12/2013 before adjustment	Balance in 31/12/2013 after adjustment	Reclass ification
	EGP	EGP	EGP	Rs. Crore	Rs. Crore	Rs. Crore
Project under construction	87,903	33,701	(54,202)	0.08	0.03	(0.05)
Debtors & other debit balances (suppliers advanced payments)	195,560	2,479,762	54,202	0.17	2.19	0.05

22 Going concern

The company's accumulated losses amounting EGP 18,060,085 at December 31,2014 and that exceed its half of paid up capital. Also the current liabilities exceeded the current assets of the company with an amount of EGP 11,560,135 these indicate substantial doubt about the company's ability to continue as a going concern. Management believes that the company can continue as a going concern based on the financial support provided by the ultimate parent company. And in consequence the financial adjustments that might result from the outcome of this uncertainty.

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

Board of Directors	Mr. Ashutosh Telang Mr. B. Sridhar Mr. Rohit Jaiswal Mr. Padmanabh Maydeo Mr. Baiju Mohan (MELCC, represented by Mr. Mohamed El Araby)
Registered Office	11B Hegaz Sq. , Mohandseen, Gisa, Egypt
Auditors	Moore Stephens
Bankers	HSBC QNB Al-Ahly Arab Bank Credit Agricole Egypt
Legal Advisors	Yasser Maharem Office for Accounting & Auditing Nassef Law Firm

INDEPENDENT AUDITORS' REPORT

To: the shareholders of Marico Egypt for industries Compony 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, 2014 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 the 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, 2014 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 11, 2015

Sherin Noureldin
R.A.A 6089
Moore Stephens Egypt

BALANCE SHEET

	Notes No.	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Long-term assets					
Fixed assets (net)	7	13,731,534	16,469,263	12.10	14.65
Intangible assets (net)	8	619,532	–	0.55	–
Projects under construction	9	8,800	192,040	0.01	0.17
Total long term assets		**14,359,866**	**16,661,303**	**12.66**	**14.82**
Current assets					
Inventory and letters of credit (net)	10	12,220,402	6,716,231	10.77	5.97
Receivables and notes receivables (net)	11	21,481,014	22,881,557	18.93	20.36
Suppliers advanced payments	12	184,080	641,975	0.16	0.57
Debtors and other debit balances	13	2,648,108	919,076	2.33	0.82
Due from related parties	14	62,807,646	45,619,632	55.36	40.58
Cash and cash equivalent	15	37,710,707	53,162,039	33.24	47.29
Total current assets		**137,051,957**	**129,940,510**	**120.79**	**115.59**
Current liabilities					
Claims provisions	16	2,569,933	774,363	2.27	0.68
Banks overdraft		6,561,364	4,371,742	5.77	3.89
Due to related parties	17	1,651,604	486,008	1.46	0.43
Suppliers and notes payable	18	14,228,444	19,824,844	12.54	17.64
Creditors and other credit balances	19	8,477,405	15,933,215	7.47	14.17
Total current liabilities		**33,488,750**	**41,390,172**	**29.51**	**36.81**
Working Capital		**103,563,207**	**88,550,338**	**91.28**	**78.78**
Total investment		**117,923,073**	**105,211,641**	**103.94**	**93.60**
Shareholders' Equity					
Authorized capital	20	20,000,000	20,000,000	17.63	17.79
Issued &Paid -in-capital	20	12,287,690	12,287,690	10.83	10.93
Legal reserve		4,646,198	3,683,999	4.10	3.28
Retained earnings		100,989,185	89,239,952	89.01	79.39
Total shareholders' Equity		**117,923,073**	**105,211,641**	**103.94**	**93.60**
Total financing of working capital and long-term assets		**117,923,073**	**105,211,641**	**103.94**	**93.60**

-The accompanying notes from (1) to (24) form an integral part of these financial statements.

Auditor's report attached

Chairman **Financial Manager**

Note: The exchange rate use to convert EGP to Rs.8.244 (Previous year EGP to Rs. 8.592)

INCOME STATEMENT

	Notes No.	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Sales (net)		118,452,143	126,856,168	104.40	112.85
Less					
Cost of sales		55,916,043	64,999,400	49.28	57.82
Gross profit of activity		**62,536,100**	**61,856,768**	**55.12**	**55.03**
Less					
Selling & distribution expenses		24,606,521	24,461,246	21.69	21.76
General & administrative expenses		21,429,658	15,343,618	18.89	13.65
Depreciation and amortization	7	1,007,750	770,928	0.89	0.69
Royalty		593,401	659,535	0.52	0.59
Debit interest		296,680	14,166	0.26	0.01
Operating income		**14,602,090**	**20,607,275**	**12.87**	**18.33**
Add / (less)					
Credit interest		2,339,049	197,238	2.06	0.18
Currency revaluation differences		(1,212,784)	(223,096)	(1.07)	(0.20)
Revenues from exports subsidy		11,522	42,616	0.01	0.04
Revenues from sale of scrap		95,039	97,341	0.08	0.09
Bad debts		–	(17,716)	–	(0.02)
Impairment in current assets		–	(495,382)	–	(0.44)
(Losses) of inventory write off		(1,294,656)	–	(1.14)	–
Claims Provision		(1,938,546)	(964,291)	(1.71)	(0.86)
Impairment of fixed assets		(97,625)	–	(0.09)	–
Provisions no longer required		194,382	–	0.17	–
Other revenues		12,961	–	0.01	–
Net Profit of the year		**12,711,432**	**19,243,985**	**11.19**	**17.12**
Earning per share (EGP/Share)	**6**	**10.34**	**15.66**	**91.14**	**139.31**

-The accompanying notes from (1) to (24) form an integral part of these financial statements.

Chairman **Financial Manager**

Note: The exchange rate use to convert EGP to Rs.8.244 (Previous year EGP to Rs. 8.592)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Description	Issued & paid-in- capital EGP	Legal reserve EGP	Retained earnings EGP	Total EGP
2014				
Balance as of 1/1/2014	12,287,690	3,683,999	89,239,952	105,211,641
Transferred to legal reserve	–	962,199	(962,199)	–
Net profit of the year 2014	–	–	12,711,432	12,711,432
Balance as of 31/12/2014	**12,287,690**	**4,646,198**	**100,989,185**	**117,923,073**
2013				
Balance as of 1/1/2013	12,287,690	2,639,567	71,040,399	85,967,656
Transferred to legal reserve	–	1,044,432	(1,044,432)	–
Net profit of the year 2013	–	–	19,243,985	19,243,985
Balance as of 31/12/2013	**12,287,690**	**3,683,999**	**89,239,952**	**105,211,641**

Description	Issued & paid-in- capital	Legal reserve	Retained earnings	Total
2014	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**
Balance as of Jan 1.2014	10.83	3.25	78.66	92.74
Net (losses) of the year	–	0.85	(0.85)	–
Transferred to legal reserve	–	–	11.20	11.20
Balance as of December 31.2014	**10.83**	**4.10**	**89.01**	**103.94**
2013				
Balance as of 1/1/2013	10.93	2.35	63.20	76.48
Transferred to legal reserve	–	0.93	(0.93)	–
Net profit of the year 2013	–	–	17.12	17.12
Balance as of December 31.2013	**10.93**	**3.28**	**79.39**	**93.60**

-The accompanying notes from (1) to (24) form an integral part of these financial statements.

Chairman **Financial Manager**

Note: The exchange rate use to convert EGP to Rs.8.244 (Previous year EGP to Rs. 8.592)

CASH FLOW STATEMENT

	Notes No	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Cash flows from operating activities					
Net profits of the year		12,711,432	19,243,985	11.20	17.12
Adjustments to reconcile net profit with none monetary items in income statement					
Depreciation and amortization	7	3,764,746	3,360,078	3.32	2.99
Adjustments on fixed assets		–	(773)	–	–
Adjustment on projects under construction		32,150	–	0.03	–
Impairment of fixed assets		97,625	–	0.09	–
Additions to Impairment in current assets provision		–	3,226,746	–	2.87
Used from impairment in current assets provision		(1,759,688)	(400,000)	(1.55)	(0.36)
Additions to claims provision	16	1,938,546	964,291	1.71	0.86
Used from claims provision	16	(142,976)	(292,697)	(0.13)	(0.26)
Net profit before change in working capital		**16,641,835**	**26,101,630**	**14.67**	**23.22**
Change in inventory and letters of credit (Net)		(3,938,865)	(1,299,538)	(3.47)	(1.16)
Change in receivables and notes receivables (Net)		1,569,925	(7,780,057)	1.38	(6.92)
Change in suppliers advanced payments		482,895	884,012	0.43	0.79
Change in debtors and other debit balances		(1,729,032)	(324,153)	(1.52)	(0.29)
Change in due from related parties		(17,188,014)	(4,445,461)	(15.15)	(3.95)
Change in due to related parties		1,165,596	164,525	1.03	0.15
Change in suppliers & notes payable		(5,596,400)	5,734,638	(4.93)	5.10
Change in creditors and other credit balances		(7,455,810)	7,676,796	(6.57)	6.83
Net cash provided from operating activities		**(16,047,870)**	**26,712,392**	**(14.13)**	**23.77**
Cash flows from investment activities					
(Payments) for purchase of intangible assets		(969,390)	–	(0.85)	–
(Payments) for purchase fixed assets		(614,894)	(3,997,511)	(0.54)	(3.56)
(Payments) for projects under construction		(8,800)	(192,040)	(0.01)	(0.17)
Net cash (used in) provided from investment activities		**(1,593,084)**	**(4,189,551)**	**(1.40)**	**(3.73)**
Cash flows from financeing activities					
Proceeds from bank overdraft		2,189,622	4,371,742	1.93	3.89
Net cash flows provided from financing activities		**2,189,622**	**4,371,742**	**1.93**	**3.89**
Net Cash resulting during the year		**(15,451,332)**	**26,894,583**	**(13.60)**	**23.93**
Cash and cash equivalent at the beginning of the year		53,162,039	26,267,456	46.86	23.37
Cash and cash equivalent at the end of the year	15	**37,710,707**	**53,162,039**	**33.26**	**47.30**

–The accompanying notes from (1) to (24) form an integral part of these financial statements.

– We excluded the impact of non – cash transactions when preparing the statements of cash flows as follows:

	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Projects under construction	159,890	–	0.14	–
Fixed assets	(159,890)	–	(0.14)	–

Note: The exchange rate use to convert EGP to Rs.8.244 (Previous year EGP to Rs. 8.592)

NOTES TO THE FINANCIAL STATEMENTS

as of 31 December, 2014

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 new 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 standards its refer to the international financial reporting standards .

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 accordance 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

as of 31 December, 2013

2. Significant Accounting Policies (continued)

2.5 Fixed assets (net) (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	-	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 balance sheet 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

as of 31 December, 2014

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 balance sheet 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 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 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

as of 31 December, 2014

- **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 basis.

2.16 Legal reserve

According to Law No. 159 year1981, 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 (losses) 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 directors' allowance from the profits.

2.20 Income tax

Income tax is calculated by using balance sheet liability method, on temporary differences arising between the tax basis 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

NOTES TO THE FINANCIAL STATEMENTS

as of 31 December, 2014

derivatives for hedging specific risks.

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.

3.1 Financial risks items (Continued)

Foreign exchange rate risk (Continued)

31/12/2014

First : decrease rates of exchang rate 10%

	Amounts US$	Amounts EUR	Amounts EGP	Decrease in exchange rate	Effect on profit & loss
Assets					
Total current assets	90,500	–	647,080	582,372	(64,708)
Liabilities					
Total current liabilities	(290,370)	(101,429)	(2,956,879)	(2,661,191)	295,688
Net change in exchange rate difference	**(199,870)**	**(101,429)**	**(2,309,799)**	**(2,078,819)**	**230,980**

Second : increase rates of exchang rate 10%

	Amounts US$	Amounts EUR	Amounts EGP	Increase in exchange rate	Effect on profit & loss
Assets					
Total current assets	90,500	–	647,080	711,788	64,708
Liabilities					
Total current liabilities	(290,370)	(101,429)	(2,956,879)	(3,252,567)	(295 688)
Net change in exchange rate difference	**(199,870)**	**(101,429)**	**(2,309,799)**	**(2,540,779)**	**(230,980)**

31/12/2014

First : decrease rates of exchang rate 10%

	Amounts US$	Amounts EUR	Amounts Rs. Crore	Decrease in exchange rate	Effect on profit & loss
Assets					
Total current assets	90,500	–	3.00	3.00	(0.06)
Liabilities					
Total current liabilities	(290,370)	(101,429)	(2.61)	(2.35)	0.26
Net change in exchange rate difference	**(199,870)**	**(101,429)**	**(2.04)**	**(1.83)**	**0.20**

Second : increase rates of exchang rate 10%

	Amounts US$	Amounts EUR	Amounts Rs. Crore	Decrease in exchange rate	Effect on profit & loss

NOTES TO THE FINANCIAL STATEMENTS

as of 31 December, 2014

Assets					
Total current assets	90,500	–	0.57	0.63	0.06
Liabilities					
Total current liabilities	(290,370)	(101,429)	(2.61)	(2.87)	(0.26)
Net change in exchange rate difference	**(199,870)**	**(101,429)**	**(2.04)**	**(2.24)**	**(0.20)**

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 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.

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as of 31 December, 2014

4. Significant accounting estimates and personal judgments

4.1 Significant accounting estimates and judgments

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 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 judgments 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

NOTES TO THE FINANCIAL STATEMENTS

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account for receivables.

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. Earning per share

Earning per share is determined as follows

	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Net Profit of the year	12,711,432	19,243,985	11.20	17.12
No. of shares	1,228,769	1,228,769	1.08	1.09
Earning per share (EGP/Share)	**10.34**	**15.66**	**91.14**	**139.31**

7. Fixed Assets (Net) :

Description	Land EGP	Building EGP	Machines EGP	Equipment & lab tools EGP	Computers EGP	Furinture and offices Equipment EGP	Vehicles EGP	Total EGP
2014								
Cost as of 1/1/2014	199,530	3,329,678	19,253,071	585,544	304,452	1,509,855	919,500	26,101,630
Additions during the year	–	–	313,949	220,121	163,659	7,055	70,000	774,784
Disposals during the year	–	–	–	–	(19,135)	–	–	(19,135)
Adjustment on the beginning cost	–	–	–	–	–	–	–	–
Cost as of 31/12/2014	**199,530**	**3,329,678**	**19,567,020**	**805,665**	**448,976**	**1,516,910**	**989,500**	**26,857,279**
Acc . Deperciation at 1/1/2014	–	770,062	6,727,120	354,655	247,887	1,071,105	461,538	9,632,367
Depreciation of the year	–	172,525	2,407,216	177,255	82,188	332,407	243,297	3,414,888
Acc. Depreciation of disposals	–	–	–	–	(19,135)	–	–	(19,135)
Adjustment on Acc. Depreciation	–	–	–	–	–	–	–	
Acc . Deperciation at 31/12/2014	**–**	**942,587**	**9,134,336**	**531,910**	**310,940**	**1,403,512**	**704,835**	**13,028,120**
Impairment in fixed assets as of 1/1/2014	–	–	–	–	–	–	–	**–**
Formed during the year	–	–	97,625	–	–	–	–	97,625
Used during the year	–	–	–	–	–	–	–	
Impairment in fixed assets as of 31/12/2014			**97,625**					**97,625**
Fixed assets (Net) as of 31/12/2014	**199,530**	**2,387,091**	**10,335,059**	**273,755**	**138,036**	**113,398**	**284,665**	**13,731,534**

NOTES TO THE FINANCIAL STATEMENTS

as of 31 December, 2014

Description	Land	Building	Machines	Equipment & lab	Computers	Furinture and offices Equipment	Vehicles	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
2013								
Cost as of 1/1/2013	199,530	3,266,638	14,942,538	585,711	249,795	1,463,712	919,500	21,627,424
Additions during the year	–	63,040	4,310,573	–	56,480	72,331	–	4,502,424
Disposals during the year	–	–	–	(242)	(2,165)	(26,143)	–	(28,550)
Adjustment on the beginning cost	–	–	(40)	75	342	(45)	–	332
Cost as of 31/12/2013	**199,530**	**3,329,678**	**19,253,071**	**585,544**	**304,452**	**1,509,855**	**919,500**	**26,101,630**
Acc . Deperciation at 1/1/2013	–	611,650	4,454,938	197,175	168,375	647,120	226,071	6,305,329
Depreciation of the year	–	158,050	2,275,340	155,760	79,005	451,909	235,965	3,356,029
Acc. Depreciation of disposals	–	–	–	(242)	(2,165)	(26,143)	–	(28,550)
Adjustment on Acc. Depreciation	–	362	(3,158)	1,962	2,672	(1,781)	(498)	(441)
Acc . Deperciation at 31/12/2013	**–**	**770,062**	**6,727,120**	**354,655**	**247,887**	**1,071,105**	**461,538**	**9,632,367**
Fixed assets (Net) as of 31/12/2013	**199,530**	**2,559,616**	**12,525,951**	**230,889**	**56,565**	**438,750**	**457,962**	**16,469,263**

Description	Land	Building	Machines	Equipment & lab	Computers	Furinture and offices Equipment	Vehicles	Total
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
2014								
Cost as at 1/1/2014	0.18	2.93	16.97	0.52	0.27	1.33	0.81	23.01
Additions during the year	–	–	0.28	0.19	0.14	0.01	0.06	0.68
Disposals during the year	–	–	–	–	(0.02)	–	–	(0.02)
Adjustments during the year	–	–	–	–	–	–	–	–
Cost at 31/12/2014	**0.18**	**2.93**	**17.25**	**0.71**	**0.40**	**1.34**	**0.87**	**23.67**
Acc. Depreciation on 1/1/2014	–	0.68	5.93	0.31	0.22	0.94	0.41	8.49
Depreciation of the year	–	0.15	2.12	0.16	0.07	0.29	0.21	3.01
Acc. Depreciation of disposals	–	–	–	–	(0.02)	–	–	(0.02)
Adjustments on Acc. Depreciation	–	–	–	–	–	–	–	–
Acc. Depreciation as at 31/12/2014	**–**	**0.83**	**8.05**	**0.47**	**0.27**	**1.24**	**0.62**	**11.48**
Impairment in fixed assets as of 1/1/2014	–	–	–	–	–	–	–	–
Formed during the year	–	–	0.09	–	–	–	–	0.09
Used during the year	–	–	–	–	–	–	–	–
Impairment in fixed assets as of 31/12/2014	**–**	**–**	**0.09**	**–**	**–**	**–**	**–**	**0.09**
Net cost of assets as at 31/12/2014	**0.18**	**2.10**	**9.11**	**0.24**	**0.12**	**0.10**	**0.25**	**12.10**

NOTES TO THE FINANCIAL STATEMENTS

as of 31 December, 2014

Description	Land	Building	Machines	Equipment & lab tools	Computers	Furinture and offices Equipment	Vehicles	Total
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
2013								
Cost as of 1/1/2013	0.18	2.91	13.29	0.52	0.22	1.30	0.82	19.24
Additions during the year	–	0.06	3.83	–	0.05	0.06	–	4.01
Disposals during the year	–	–	–	(0.00)	(0.00)	(0.02)	–	(0.03)
Adjustment on the beginning cost	–	–	(0.00)	0.00	0.00	(0.00)	–	0.00
Cost at 31/12/2013	**0.18**	**2.96**	**17.13**	**0.52**	**0.27**	**1.37**	**0.82**	**23.27**
Acc . Deperciation at 1/1/2013	–	0.54	3.96	0.18	0.15	0.58	0.20	5.61
Depreciation of the year	–	0.15	2.02	0.14	0.07	0.40	0.21	3.00
Acc. Depreciation of disposals	–	–	–	(0.00)	(0.00)	(0.02)	–	(0.03)
Adjustment on Acc. Depreciation	–	0.00	(0.00)	0.00	0.00	(0.00)	(0.00)	(0.00)
Acc . Deperciation at 31/12/2013	**–**	**0.69**	**5.98**	**0.31**	**0.22**	**0.98**	**0.41**	**8.60**
Fixed assets (Net) as of 31/12/2013	**0.18**	**2.27**	**11.14**	**0.21**	**0.05**	**0.39**	**0.41**	**14.65**

- There are no pledge or restrictions on ownership of assets.
- There are no fixed assets unused or not working temporarily.
- The depreciation is 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	Rs. Crore	Rs. Crore	Rs. Crore
Building	172,525	172,525	–	0.15	0.15	–
Machines	2,407,216	2,407,216	–	2.12	2.12	–
Equipment & kab (S.O.E)	177,255	177,255	–	0.16	0.16	–
Computers	82,188	–	82,188	0.07	–	0.07
Furniture and office equipment	332,407	–	332,407	0.29	–	0.29
Vehicles	243,297	–	243,297	0.21	–	0.21
Total	**3,414,888**	**2,756,996**	**657,892**	**3.01**	**2.43**	**0.58**
Amortisation of intangible assets	**349,858**	**–**	**349,858**	**0.32**	**–**	**0.32**
Total	**3,764,746**	**2,756,996**	**1,007,750**	**3.33**	**2.43**	**0.89**

NOTES TO THE FINANCIAL STATEMENTS

as of 31 December, 2014

8. Intangible assets (net)

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

	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Cost as of 1/1/2014	79,043	79,043	0.07	0.07
Additions during the year	969,390	–	0.85	–
Cost as of 31/12/2014	**1,048,433**	**79,043**	**0.92**	**0.07**
ACC. Amortization as of 1/1/2014	79,043	79,043	0.07	0.07
Amortization of the year	349,858	–	0.31	–
ACC. Amortization as of 31/12/2014	**428,901**	**79,043**	**0.38**	**0.07**
Intangible assets (net) as of 31/12/2014	**619,532**	**–**	**0.55**	**–**

9. Projects under construction

	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Industrial waste treatment unit	–	116,000	–	0.10
Advance payments to suppliers - machines	8,800	76,040	0.01	0.07
Total	**8,800**	**192,040**	**0.01**	**0.17**

10. Inventory and letters of credits (net)

	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Raw materials	2,387,018	3,345,011	2.10	2.98
Packing & wreping material	4,009,090	4,340,270	3.53	3.86
Finished goods	6,957,049	1,194,610	6.13	1.06
Work in process goods	30,653	77,034	0.03	0.07
Total inventory	**13,383,810**	**8,956,925**	**11.79**	**7.97**
Letters of credits	2,650	490,670	0.00	0.44
Total	**13,386,460**	**9,447,595**	**11.79**	**8.40**
Impairment in inventory balances	**(1,166,058)**	**(2,731,364)**	**(1.04)**	**(2.43)**
Total	**12,220,402**	**6,716,231**	**10.75**	**5.97**

11. Receivables and Notes receivable (net)

	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Local Receivables	21,707,014	18,695,158	19.13	16.63
Less:	–	–	-	-
Imparment in local recivables balances	(226,000)	(395,382)	(0.20)	(0.35)
	21,481,014	18,299,776	18.93	16.28
Notes Receivable	–	4,581,781	–	4.08
Total	21,481,014	22,881,557	18.93	20.36

NOTES TO THE FINANCIAL STATEMENTS

as of 31 December, 2014

12. Suppliers advanced payments

	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Suppliers advanced payments	259,080	741,975	0.23	0.66
Less				
Imparment in suppliers advanced payments balances	75,000	100,000	0.07	0.09
Total	**184,080**	**641,975**	**0.16**	**0.57**

13. Debtors and other debit balances

	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Imprests	83,003	296,494	0.07	0.26
Prepaid expenses	548,840	168,461	0.48	0.15
Deposits with others	165,817	131,430	0.15	0.12
Accrued interest	1,652,250	–	1.46	–
Withholding tax	2,100	–	–	–
Employees' loans	195,169	63,992	0.17	0.06
Other debit balances	929	258,699	–	0.23
Total	**2,648,108**	**919,076**	**2.33**	**0.82**

14. Due from related parties

	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
MEL company for consumer care	62,807,646	45,619,632	55.36	40.58
Total	**62,807,646**	**45,619,632**	**55.36**	**40.58**

15. Cash and cash equivalent

	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Cheques under collection (less than 3 months)	–	30,872,664	–	27.46
Deposits	36,977,705	19,022,396	32.59	16.92
Banks current accounts – local currency	47,424	1,686,450	0.04	1.50
Banks current accounts – foreign currency	685,578	1,580,529	0.60	1.41
Total	**37,710,707**	**53,162,039**	**33.23**	**47.29**

16. Claims provisions:-

	Beg. Balance at 1/1/2014 EGP	Formed during the year EGP	Used during the year EGP	End Balance at 31/12/2014 EGP
Retirement provision	82,000	715,102	270	796,832
Leave encashment provision	550,625	373,095	103,737	819,983
Other provisions	141,738	850,349	38,969	953,118
	774,363	**1,938,546**	**142,976**	**2,569,933**

NOTES TO THE FINANCIAL STATEMENTS

as of 31 December, 2014

	Beg. Balance at 1/1/2014 Rs. Crore	Formed during the year Rs. Crore	Used during the year Rs. Crore	End Balance at 31/12/2014 Rs. Crore
Retirement provision	0.070	0.630	–	0.700
Leave encashment provision	0.490	0.330	0.090	0.720
Other provisions	0.130	0.750	0.030	0.840
	0.69	**1.71**	**0.12**	**2.26**

17. Due to related parties

	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Marico India company	1,072,172	486,008	0.95	0.45
Marico Middle East company	579,432	–	0.51	–
Total	**1,651,604**	**486,008**	**1.46**	**0.45**

18. Payables and notes payable

	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Suppliers	5,390,357	7,129,047	4.75	6.34
Suppliers under settelment	5,168,568	6,818,907	4.56	6.07
Notes payable	3,669,519	5,876,890	3.23	5.23
Total	**14,228,444**	**19,824,844**	**12.54**	**17.64**

19. Creditors and other credit balances

	2014 EGP	2013 EGP	2014 Rs. Crore	2013 Rs. Crore
Accrued expenses	1,161,106	5,867,962	1.02	5.22
Sales tax authority	3,290,082	5,619,044	2.90	5.00
Creditors of Advertising campaigns	–	1,733,585	–	1.54
Salaries & bonuses of foreigners	2,243,293	1,524,346	1.98	1.36
Withholding tax	48,610	457,860	0.04	0.41
Withholding tax royalty	–	16,472	–	0.01
Stamp tax	30,923	362,571	0.03	0.32
Clients – advance payments	15,047	74,922	0.01	0.07
Salaries tax	126,586	194,107	0.11	0.17
Social insurance authority	61,758	73,695	0.05	0.07
Deposit to others	1,500,000	**–**	1.32	–
Other credit balances	–	**8,651**	–	0.01
Total	**8,477,405**	**15,933,215**	**7.46**	**14.18**

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 the issued and paid capital is distributed as follows:

NOTES TO THE FINANCIAL STATEMENTS

as of 31 December, 2014

Name	Nationality	Contribution rate	Amount of Share	Share EGP	Amount of Share (RsCrore)	Share Rs. Crore
MEL CO. for Consumer Care Products SAE (according to law No159/1981) represented by Mr/ Ravinmody	SAE	99%	1,216,481	12,164,810	1.07	10.72
Mr.Saumitra Bhat	Indian	0.5%	6,144	61,440	0.01	0.05
Mr.Debashish Neogi	Indian	0.5%	6,144	61,440	0.01	0.05
Total		**100%**	**1,228,769**	**12,287,690**	**1.08**	**10.83**

21. Contingent liabilities

	L/C Value EGP	L/C Cover EGP	L/C Non cover EGP	L/C Value Rs. Crore	L/C Cover Rs. Crore	L/C Non cover Rs. Crore
L/C - Raw material	813,766		813,766	0.72	–	0.72
Total	**813,766**		**813,766**	**0.72**	**–**	**0.72**

22. Impairment in current assets balances

	Balance as of 1/1/2014 EGP	Formed during the year EGP	Used during the year EGP	Balance as of 31/12/2014 EGP	Balance as of 1/1/2014 Rs. Crore	Formed during the year Rs. Crore	Used during the year Rs. Crore	Balance as of 31/12/2014 Rs. Crore
Inventory	2,731,364	–	(1,565,306)	1,166,058	2.41	–	(1.38)	1.03
Receivables	395,382	–	(169,382)	226,000	0.35	–	(0.15)	0.20
Suppliers advances payment	100,000	–	(25,000)	75,000	0.09	–	(0.02)	0.07
Total	**3,226,746**	**–**	**(1,759,688)**	**1,467,058**	**2.84**	**–**	**(1.55)**	**1.29**

23. Related parties transactions

Party name	Nature of relationship	Nature of Transaction	Size of Transaction EGP	Size of Transaction Rs. Crore
MEL Consumer Care	Related party	Financing	17,188,015	15.15
Marico Limited India	Related party	Royalty expense	586,165	0.52
Marico Limited Middle east (Dubai)	Related party	Financing	579,432	0.51

24. Tax status

24.1 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.

NOTES TO THE FINANCIAL STATEMENTS

as of 31 December, 2014

24.2 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.

24.3 Salary and wages 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

24.4 Stamp tax

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

24.5 Withholding tax

- The company was inspected till the period ending December31.2013, and the tax differences were fully paid.

Board of Directors	Mr. Harsh Mariwala	Chairman
	Mr. Saugata Gupta	Managing Director
	Mr. Vivek Karve	Director & Chief Financial Officer
	Mr. Atul Choksey	Independent Director
	Ms. Hema Ravichandar	Independent Director
Company Secretary	Mr. Surender Sharma	
Registered Office	7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai 400098	
Auditors	M/s. Price Waterhouse, Chartered Accountants	
Bankers	HSBC Bank, Mumbai	

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

1. We have audited the accompanying financial statements of Marico Consumer Care Limited ("the Company"), which comprise the Balance Sheet as at March 31,2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements to 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 the Companies (Accounts) Rules, 2014. 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, 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these 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 standards and matters which are required to be included in the audit report.

5. We conducted our audit 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 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 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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 financial statements.

Opinion

8. 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 March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub–section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such

INDEPENDENT AUDITORS' REPORT (Contd.)

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 a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. 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, and the 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) 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 31,2015 which would impact its financial position.

        ii. The Company did not have any long–term contracts including derivative contracts as at March 31, 2015.

        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, 2015.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 46061

Place: Mumbai

Date: April 30, 2015

ANNEXURE TO AUDITORS' REPORT

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. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(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 or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

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, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess 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, wealth-tax, service-tax, custom duty, duty of excise, value added tax or cess which have not been deposited on account of any dispute.

c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

ix. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company

xi. The Company has not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

xii. 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 on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Uday Shah
Partner
Membership Number: 46061

Place: Mumbai
Date: April 30, 2015

BALANCE SHEET
As At 31 March 2015

Amount in Rs.

	Note No.	As at 31 March 2015	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	206,608,300	206,608,300
Reserves and surplus	4	123,491,682	68,233,687
		330,099,982	**274,841,987**
Current liabilities			
Trade payables	5	2,330,590	359,630
Other current liabilities	6	849,751	549,313
		3,180,341	908,942
Total		**333,280,323**	**275,750,929**
ASSETS			
Non–current assets			
Fixed assets			
Tangible assets	7A	1,600,829	2,786,715
Intangible assets	7B	–	–
		1,600,829	2,786,715
Long–term loans and advances	8	591,463	749,419
Other non–current assets	9	400,673	400,674
		2,592,965	3,936,808
Current assets			
Current investments	10	318,641,204	268,533,421
Cash and bank balances	11	815,148	793,261
Other current assets	12	11,231,006	2,487,439
		330,687,358	**271,814,120**
Total		**333,280,323**	**275,750,929**

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

Uday Shah
Partner
Membership No.: 46061

Place: Mumbai
Date: April 29, 2015

For and on behalf of
Marico Consumer Care Limited

Harsh Mariwala **Director**

Saugata Gupta **Director**

Vivek Karve **Director**

Surender Sharma **Company Secretory**

Place: Mumbai
Date: April 29, 2015

PROFIT AND LOSS
For the year ended 31 March 2015

Amount in Rs.

	Note No.	For the year ended March 31,2015	For the period April 20, 2012 to March 31, 2014
Other income	13	85,125,562	60,472,466
Total revenue		**85,125,562**	**60,472,466**
Expenses :			
Finance cost	14	14,076	15,524
Depreciation and amortisation and impairment loss	15	1,185,886	4,430,177
Other expenses	16	4,668,926	3,376,551
Total expenses		**5,868,888**	**7,822,251**
Profit / (loss) before exceptional items and tax		**79,256,674**	**52,650,215**
Exceptional items		–	–
Profit before tax		**79,256,674**	**52,650,215**
Tax expense:			
Current tax		23,998,679	17,322,633
Profit for the period		**55,257,995**	**35,327,582**
"Basic and diluted earnings per equity share (nominal value of share Rs. 10)"	25	2.67	1.04

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

Uday Shah
Partner
Membership No.: 46061

Place: Mumbai
Date: April 29, 2015

For and on behalf of
Marico Consumer Care Limited

Harsh Mariwala **Director**

Saugata Gupta **Director**

Vivek Karve **Director**

Surender Sharma **Company Secretory**

Place: Mumbai
Date: April 29, 2015

CASH FLOW STATEMENT

For the year ended 31 March 2015

		For the year ended March 31,2015 Rs.	For the period April 20, 2012 to March 31, 2014 Rs.
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	PROFIT BEFORE TAXATION AND AFTER EXCEPTIONAL ITEMS	**79,256,674**	**52,650,215**
	Adjustments for:		
	Depreciation, amortisation and impairment loss	1,185,886	4,430,177
	Finance cost	14,076	15,524
	(Profit) / Loss on sale of investments (net)	(22,080,340)	(807,190)
	Dividend income	(9,706,766)	(5,338,908)
	Miscellaneous Income	–	(4,866,759)
	Intangible assets written off	–	28,520
	Interest Income	(34,511)	(6,962)
		(30,621,655)	**(6,545,598)**
	Operating profit before working capital changes	**48,635,019**	**46,104,617**
	Adjustments for:		
	(Increase)/ Decrease in other receivable		(1,691,154)
	(Increase)/ Decrease in loans and advances and other assets	(19,561)	(393,712)
	Increase in assets on liquidation of subsidiary (Refer note 19)		262,982
	Increase/(Decrease) in current liabilities and provisions	2,271,399	648,461
	Changes in Working Capital	2,251,838	(1,173,423)
	Cash generated from Operations	50,886,857	44,931,194
	Taxes paid	(23,840,723)	(17,732,825)
	NET CASH FLOW FROM OPERATING ACTIVITIES	**27,046,134**	**27,198,368**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	(Purchase) / Sale of current investments (net)	(28,027,443)	(22,478,695)
	Cash received on liquidation of subsidiary (Refer Note 19)	–	4,547,597
	Interest Received	2,941	–
	Investment in a Subsidiary	–	–
	Loans and advances given to subsidiaries (net off repayments)	(8,692,435)	–
	Dividend income received	9,706,766	5,338,908
	NET CASH FLOW FROM INVESTING ACTIVITIES	**(27,010,171)**	**(12,592,190)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from issuance of Share Capital	–	–
	Borrowings (repaid) / taken from holding company (net)	–	(13,919,843)
	Finance charges paid	(14,076)	(15,524)
	NET CASH FLOW FROM FINANCING ACTIVITIES	**(14,076)**	**(13,935,367)**

CASH FLOW STATEMENT(Contd.)

For the year ended 31 March 2015

D	**NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)**	**21,887**	**670,812**
E	**Cash and cash equivalents – opening balance**	**793,262**	**122,450**
F	**Cash and cash equivalents – closing balance (D+E) (Refer note 11)**	**815,149**	**793,262**

For Significant non–cash transactions, Refer Notes 19 and 20

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.

As per our report of even date attached.

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

Uday Shah
Partner
Membership No.: 46061

Place: Mumbai
Date: April 29, 2015

For and on behalf of
Marico Consumer Care Limited

Harsh Mariwala **Director**

Saugata Gupta **Director**

Vivek Karve **Director**

Surender Sharma **Company Secretory**

Place: Mumbai
Date: April 29, 2015

NOTES TO THE FINANCIAL STATEMENTS 31 March 2015

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.

2. Summary of significant accounting policies:

(a) Basis of preparation of financial statements:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis. Pursuant to section 133 of Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 till the standards of accounting or any addendum thereto are prescribed by the central government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non–current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013. Based on the nature of the product and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

(b) Use of estimates:

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. Examples of such estimates include provisions for income taxes, the useful lives and provision for impairment of fixed assets and intangible assets.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

(c) Tangible assets, intangible assets and capital work–in–progress:

Tangible assets and intangible assets are stated at cost of acquisition, less accumulated depreciation/amortisation and impairments, if any. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Borrowing costs attributable to acquisition, construction of qualifying asset are capitalized until such time as the assets are substantially ready for their intended use. Other pre–operative expenses for major projects are also capitalised, where appropriate.

(d) Depreciation and amortization:

I. Tangible assets:

Depreciation is provided on a straight line basis, based on useful life of the assets disclosed in Schedule II to the Companies Act, 2013. The useful life considered for the following items are lower than the life stipulated in Schedule III to the Companies Act, 2013:

NOTES TO THE FINANCIAL STATEMENTS
31 March 2015

Asset	Useful Life
Motor Vehicle – Motor Car, Bus and Lorries, Motor Cycle, Scooter	5
Office equipment – Mobile and Communication tools	2
Computer – Server and Network	3
Plant & Machinery – Moulds	6

(i) Assets individually costing Rs.25,000 or less are fully depreciated during the year of acquisition.

(ii) 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.

II. Intangible assets:

Intangible assets are amortised on a straight line basis at the rates based on estimated useful lives of respective assets, but not exceeding the rates given here under:

Asset	Useful Life (Year)
Trademarks, copyrights and business and commercial rights	10

A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. (Refer Note No.20)

(e) Investments:

(i) Long term investments are valued at cost. Provision for diminution, if any, in the value of investments is made to recognize a decline in value, other than temporary.

(ii) Current investments are valued at lower of cost and fair value, computed individually for each investment. In case of investments in mutual funds which are unquoted, net asset value is taken as fair value.

(f) Accounting for taxes on income:

Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961.

(g) Impairment:

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at appropriate discount rates. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

(h) 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.

A Provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year end date. Contingent Assets are not recognized or disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2015

(i) Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognized:

(i) Interest and other income are recognized on accrual basis.

(ii) Dividend income is recognized when right to receive dividend is established.

(iii) Revenue from royalty income is recognized on accrual basis.

(j) Foreign Currency Transaction:

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

(k) Utilization of security premium:

The Securities Premium Reserve is utilized for writing off expenses on issue of shares of the Company (Refer note 20).

(l) Cash and Cash Equivalents:

Cash and cash equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including demand deposit with original maturity period of 3 months or less and short term highly liquid investment with an original maturity of three months or less.

(m) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, which have changed the number of equity shares outstanding, without a corresponding change in resources.

3 Share capital

	As at 31 March 2015 Rupees	As at 31 March 2014 Rupees
Authorised share capital		
80,000,000 (80,000,000) equity shares of Rs. 10 each	800,000,000	800,000,000
	800,000,000	800,000,000
Issued, subscribed and paid–up		
20,660,830 (20,660,830) equity shares of Rs. 10 each fully paid–up	206,608,300	206,608,300
	206,608,300	**206,608,300**

NOTES TO THE FINANCIAL STATEMENTS
31 March 2015

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31 March 2015		As at 31 March 2014	
	No. of shares	Rupees	No. of shares	Rupees
At beginning of the year	20,660,830	206,608,300	74,615,000	746,150,000
Issued during the period		–	–	–
Less: Adjusted as per Capital Reduction Scheme (Refer note 20)		–	53,954,170	539,541,700
As at the end of the period	20,660,830	206,608,300	20,660,830	206,608,300

b. Rights of equity shareholders

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion of the number of equity shares held.

c. Shares held by holding company

Equity Shares	As at 31 March 2015		As at 31 March 2014	
	No. of shares	Rupees	No. of shares	Rupees
Equity shares of Rs.10 each fully paid up held by Marico Limited and its nominees	20,660,830	206,608,300	20,660,830	206,608,300
	20,660,830	206,608,300	20,660,830	206,608,300

d. Particulars of shareholders holding more than 5% shares of a class of shares

Equity Shares	As at 31 March 2015		As at 31 March 2014	
	No. of shares	Rupees	No. of shares	Rupees
Equity shares of Rs.10 each fully paid–up held by Marico Limited and its nominees	20,660,830	100	20,660,830	100

4 Reserves and surplus

	As at 31 March 2015 Rupees	As at 31 March 2014 Rupees
Securities Premium Reserve		
At the commencement of the year	–	6,697,627,962
Add: Addition during the year	–	–
Less: Amount adjusted towrads share issue expenses	–	–
Less: Amount adjusted as per capital reduction schedume (Refer note 20)	–	(6,697,627,962)
At the end of the year	–	–
Surplus in the Statement of Profit and Loss		
At the commencement of the year	68,233,687	32,906,105
Add: Profit for the period	55,257,995	35,327,582
At the end of the year	**123,491,682**	**68,233,687**
Total	**123,491,682**	**68,233,687**

NOTES TO THE FINANCIAL STATEMENTS
31 March 2015

5 Trade payables

	As at 31 March 2015 Rupees	As at 31 March 2014 Rupees
Trade payables		
– due to micro and small enterprises		–
– due to others	2,330,590	359,630
Total	**2,330,590**	**359,630**

Note: There are no micro and small enterprises to whom the company owes dues which are outstanding for more than 45 days as at March 31, 2015.

6 Other current liabilities

	As at 31 March 2015 Rupees	As at 31 March 2014 Rupees
Amount payable – Statutory / Government Authorities	849,751	549,313
Total	**849,751**	**549,313**

NOTES TO THE FINANCIAL STATEMENTS
31 March 2015

7(A) TANGIBLE ASSETS 2015

In Rupees

Particulars	Gross block					Depreciation/ amortisation/impaiment							Net block	
	As at 01 April 2014	Acquisition	Additions (Refer note 21)	Deletion	As at 31 Mar 2015	As at 01 April 2014	For the Year	Deductions / Adjustments	As at 31 Mar 2015	Impairment as at 01 April 2014	Charge / (Reversal) for the year (Refer note 21)	Impairment as at 31 Mar 2015 (See note b below)	As at 31 Mar 2015	As at 01 April 2014
Tangible Assets														
Plant and machinery	7,319,199	–	–	–	7,319,199	1,288,184	1,185,886	–	2,474,070	3,244,300	–	3,244,300	1,600,829	2,786,715
TOTAL – A	**7,319,199**	**–**	**–**	**–**	**7,319,199**	**1,288,184**	**1,185,886**	**–**	**2,474,070**	**3,244,300**	**–**	**3,244,300**	**1,600,829**	**2,786,715**
Previous year	7,319,199	–	–	–	7,319,199	102,307	1,185,877	–	1,288,184	–	3,244,300	3,244,300	2,786,715	–

7(B) Intangible assets

Particulars	Gross block					Depreciation/ amortisation/impaiment							Net block	
	As at 01 April 2014	Acquisition	Additions (Refer note 21)	Deletion	As at 31 Mar 2015	As at 01 April 2014	For the Year	Deductions / Adjustments	As at 31 Mar 2015	Impairment as at 01 April 2014	Charge / (Reversal) for the year (Refer note 21)	Impairment as at 31 Mar 2015 (See note b below)	As at 31 Mar 2015	As at 01 April 2014
Intangible assets														
Intellectual property rights (Refer Note below and 22)	–	–	–	–	–	–	–	–	–	–	–	–	–	–
TOTAL – B	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Previous year	**7,298,014,973**	**–**	**–**	**7,298,014,973**	**–**	**60,816,791**	**–**	**60,816,791**	**–**					
TOTAL – (A+B)	**7,319,199**	**–**	**–**	**–**	**7,319,199**	**1,288,184**	**1,185,886**	**–**	**2,474,070**	**3,244,300**	**–**	**3,244,300**	**1,600,829**	**2,786,715**
Previous year	**7,305,334,172**	**–**	**–**	**7,298,014,973**	**7,319,199**	**60,919,098**	**1,185,877**	**60,816,791**	**1,288,184**	**–**	**3,244,300**	**3,244,300**	**2,786,715**	**–**

NOTES TO THE FINANCIAL STATEMENTS
31 March 2015

7(A) TANGIBLE ASSETS 2014

In Rupees

Particulars	Gross block					Depreciation/ amortisation/impaiment							Net block	
	As at 01 April 2014	Acquisition	Additions (Refer note 21)	Deletion	As at 31 Mar 2015	As at 01 April 2014	For the Year	Deductions / Adjustments	As at 31 Mar 2015	Impairment as at 01 April 2014	Charge / (Reversal) for the year (Refer note 21)	Impairment as at 31 Mar 2015 (See note b below)	As at 31 Mar 2015	As at 01 April 2014
Tangible Assets														
Plant and machinery	7,319,199	–	–	–	7,319,199	1,288,184	–	–	1,288,184	3,244,300	–	3,244,300	2,786,715	2,786,715
TOTAL – A											–	3,244,300	2,786,715	2,786,715
Previous year	7,319,199	–	–	–	7,319,199	1,288,184	–	–	1,288,184	3,244,300	3,244,300	3,244,300	2,786,715	–

7(B) Intangible assets

Particulars	Gross block					Depreciation/ amortisation/impaiment							Net block	
	As at 01 April 2014	Acquisition	Additions (Refer note 21)	Deletion	As at 31 Mar 2015	As at 01 April 2014	For the Year	Deductions / Adjustments	As at 31 Mar 2015	Impairment as at 01 April 2014	Charge / (Reversal) for the year (Refer note 21)	Impairment as at 31 Mar 2015 (See note b below)	As at 31 Mar 2015	As at 01 April 2014
Intangible assets														
Intellectual property rights (Refer Note bellow and 22)														
TOTAL – B	–		–	–	–	–	–	–	–	–	–	–	–	–
Previous year	7,298,014,973		–	7,298,014,973	–	60,816,791	–	60,816,791	–	–	–	–	–	7,237,198,182
TOTAL – (A+B)	7,319,199	–	–	–	7,319,199	1,288,184	–	–	1,288,184	3,244,300.0	–	3,244,300	2,786,715	2,786,715
Previous year	**7,305,334,172**	–	–	7,298,014,973	7,319,199	60,919,098.2	1,185,877	60,816,791.4	1,288,184	–	3,244,300.0	3,244,300.0	2,786,715	7,237,198,181.6

NOTES TO THE FINANCIAL STATEMENTS
31 March 2015

8 Long term loans and advances

	As at 31 March 2015 Rupees	As at 31 March 2014 Rupees
Advance income tax (Net of provision of income tax of Rs. 100,600,134 (Rs. 17,322,633) and net provision of Rs. 153,527 transferred from Halite on liquidation	591,463	749,419
Total	**591,463**	**749,419**

9 Other non current assets

	As at 31 March 2015 Rupees	As at 31 March 2014 Rupees
Long term deposits with banks with maturity period of more than twelve months (Includes accrued interest Rs. 55,674 (Rs. 55,674))	400,673	400,674
Total	**400,673**	**400,674**

10 Current investments
(valued at lower of cost and fair value)

	As at 31 March 2015 Rupees	As at 31 March 2014 Rupees
Quoted		
Investments in Mutual Funds		
Birla Sun Life Fixed Term Plan–Series HS (366 Days) –Gr.Regular Nil (5,000,000) units of Rs. 10 each fully paid	–	50,000,000
HDFC FMP 371D July 2013 Series 26–Regular–Growth Nil (10,000,000) units of Rs. 10 each fully paid	–	100,000,000
LIC Nomura MF Fixed Matuirity Plan Series 73 – 366 Days – Growth Plan Nil (2,500,000) units of Rs. 10 each fully paid	–	25,000,000
Reliance Interval Fund I–Half Yearly Interval Fund–Series 2–Growth Plan Nil (5,000,000) units of Rs. 10 each fully paid	–	50,000,000
Reliance Fixed Horizon Fund–XXVI–Series 2–Growth Plan 1,000,000 (10,00,000) units of Rs. 10 each fully paid	10,000,000	10,000,000 –
Unquoted		
Investments in Mutual Funds		
Birla Sun Life Floating Rate Fund–Short Term Plan–Growth 551,505 (Nil) units of Rs.100 each fully paid	102,551,220	–
HDFC Liquid Fund–Growth 3,683,665 (Nil) units of Rs.10 each fully paid	101,534,328	–
LIC Nomura MF Liquid Fund – Growth 9,550 (Nil) units of Rs.1000 each fully paid	24,177,363	–

NOTES TO THE FINANCIAL STATEMENTS
31 March 2015

Reliance Liquid Fund–Treasury Plan–Growth 17,605 (Nil) units of Rs.1000 each fully paid	59,925,532	–
JP Morgan India Liquid Fund–SIP–Growth 1,269,009 (20,80,609) units of Rs. 10 each fully paid	20,452,761	33,533,421
Total	**318,641,204**	**268,533,421**
Aggregate amount of quoted investments	10,000,000	235,000,000
Net asset value of quoted investments	10,979,800	248,266,400
Aggregate amount of unquoted investments	308,641,204	33,533,421
Net asset value of unquoted investments	311,337,402	34,587,006

11 Cash and Bank Balance

	As at 31 March 2015 Rupees	As at 31 March 2014 Rupees
Cash and cash equivalents:		
Cash on hand	130	1,740
Bank balance in current account	815,018	791,521
Total	**815,148**	**793,261**

12 Other Current Assets

	As at 31 March 2015 Rupees	As at 31 March 2014 Rupees
Other Receviable	11,231,006	2,487,439
(Receivable from Holding & Fellow subsidiary Rs.11,179,874 (Rs.2,487,438))		
Total	**11,231,006**	**2,487,439**

13 Other income

	For the year ended March 31,2015 Rupees	For the year ended March 31,2014 Rupees
Interest income on fixed deposits	34,511	6,962
Dividend Income		
On current investments	9,706,766	5,338,908
From subsidiary	–	–
Net Gain on sale of current investments	22,080,340	807,190
Royalty income	53,303,945	49,432,645
Net gain on foreign currency transactions and translation	–	20,002
Miscellaneous income	–	4,866,759
Total	**85,125,562**	**60,472,466**

NOTES TO THE FINANCIAL STATEMENTS
31 March 2015

14 Finance cost

	For the year ended March 31,2015 Rupees	For the year ended March 31,2014 Rupees
Interest cost	5,312	9,604
Bank and other financial charges	8,764	5,920
Total	**14,076**	**15,524**

15 Depreciation, amortisation and impairment loss

	For the year ended March 31,2015 Rupees	For the year ended March 31,2014 Rupees
Depreciation on tangible assets	1,185,886	1,185,877
Impairment loss	–	3,244,300
Total	**1,185,886**	**4,430,177**

16 Other expenses

	For the year ended March 31,2015 Rupees	For the year ended March 31,2014 Rupees
Legal and professional charges	4,352,565	3,067,094
Payments to the auditor		
as Statutory Audit fees	168,540	168,540
Rates and taxes	49,864	30,819
Advertisement and sales promotion expenses	–	21,950
Foreign Exchange Loss.		550
Net gain or loss on foreign currency translation (other than finance cost)	26,621	–
Subscriptions charges	28,090	57,385
Miscellaneous expenses	43,246	30,213
Total	**4,668,926**	**3,376,551**

17 There are no contingent liabilities as at 31st March, 2015

18 Capital / Other Commitments :

There are no contracts remaining to be executed on capital / other account and not provided for as at March 31, 2015

19 Halite Personal Care Private Limited ("Halite") a company under voluntary liquidation is 100% subsidiary of the Company. In view of the liquidation, during the previous year ended March 31, 2014, a final meeting of the shareholders of Halite was held on January 15, 2014 to approve the Statement of Accounts (stating the manner in which liquidation was conducted) prepared by the Liquidator. Assets distributed on the said date are listed below. The liquidation proceedings are now pending with the Official Liquidator.

Particulars	As at March 31, 2014
Cash and bank balance	4,547,597
Distribution of other assets and liabilities (net)	262,982
Total assets distributed (classified as miscellaneous income)	**4,810,579**

NOTES TO THE FINANCIAL STATEMENTS 31 March 2015

20 During the prevoius year ended March 31, 2014, the Honourable High Court of Bombay vide its order dated June 21, 2013 has approved the Scheme of Capital Reduction pertaining to the Company. Accordingly intangible assets aggregating Rs. 723,71,69,662 were adjusted against the Share Capital to the extend of Rs. 539,541,700 and Securities Premium Reserve Rs. 6,697,627,962 in accordance with the provisions of Section 78 (read with sections 100 to 103) of the Companies Act, 1956 (Refer Note 3, 4 and 7B).

21 There is no reportable segment in terms of Accounting Standard 17 'Segment reporting' mandated by Rule 3 of the Companies (Accounting Standard) Rules 2006.

22 Earnings in foreign currency

Amount in Rs.

Particulars	For the Year ended As at March 31, 2015	For the Year ended As at March 31, 2014
Royalty Income	563,156	256,408
Total	**563,156**	**256,408**

23 Expenditure in foreign currency

Amount in Rs.

Particulars	For the Year ended As at March 31, 2015	For the Year ended As at March 31, 2014
Professional Fees	411,743	512,540
Others	–	25,971
Total	**411,743**	**538,511**

24 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) (Refer note 19)

Fellow Subsidiary with whom the Company has transactions:

Marico Middle East FZE (MME)

b) Transactions with related parties

Particulars	As at March 31, 2015	As at March 31, 2014
Marico Limited		
Royalty income	52,740,789	49,176,237
Loan and advances repaid	–	13,919,843
Expenses incurred by Holding Company	–	1,413,401
Halite Personal Care Private India Limited		
Distribution of other assets and liabilities (net)	–	262,982
Cash and bank balance	–	4,547,597
Marico Middle East FZE		
Royalty Income	563,156	256,408

NOTES TO THE FINANCIAL STATEMENTS
31 March 2015

C) Outstanding balances as at the period end

Particulars	As at March 31, 2015	As at March 31, 2014
Other Receivable		
Marico Limited	10,616,720	2,220,838
Marico Middle East FZE	**563,156**	**266,600**

25 Earnings per share :

Particulars	As at March 31, 2015	As at March 31, 2014
Net profit after tax (A)	**55,257,995**	**35,327,582**
Number of equity shares as at year / period ended	20,666,830	20,666,830
Weighted average number of equity shares used as denominator for calculating basic / diluted earnings per share. (B)	**20,666,830**	**34,112,418**
Nominal value of equity share	10	10
Basic / Diluted Earnings per share (A)/(B)	**2.67**	**1.04**

26 Previous year Figures :

Previous year figures have been re–grouped and reclassified wherever necessary to confirm to this year's classification.

The notes referred to above form an integral part of the financial statements.

As per our attached report of even date.

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 301112E

Uday Shah
Partner
Membership No.: 46061

Place: Mumbai
Date: April 29, 2015

For and on behalf of
Marico Consumer Care Limited

Harsh Mariwala **Director**

Saugata Gupta **Director**

Vivek Karve **Director**

Surender Sharma **Company Secretary**

Place: Mumbai
Date: April 29, 2015

Board of Directors	Mr. Saugata Gupta Mr. Pawan Agrawal Mr. Jacques Nieuwenhuys Mr. John Richard Mason
Registered Office	1474 South Coast Road, Mobeni 4051
Postal Address	P.O.Box 72625, Durban, 4060
Registration No	2007 / 025470 / 07
Auditors	Price Waterhouse Cooper Inc.
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

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2015

We have audited the consolidated and separate financial statements of Marico South Africa Consumer Care Proprietary Limited and its subsidiary set out on pages 6 to 34, which comprise the statements of financial position and the consolidated statement of financial position as at 31 March 2015, the statement of comprehensive income and the consolidated statement of comprehensive income, the statement of changes in equity and the consolidated statement of changes in equity, the statement of cash flows and the consolidated statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate 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 judgement, 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 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 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 and it's subsidiary as at 31 March 2015, 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.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 31 March 2015, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited consolidated and separate financial statements. This report is the responsibility of the respective preparers. Based on reading this report we have not identified material inconsistencies between this report and the audited consolidated and separate financial statements. However, we have not audit ed this report and accordingly do not express an opinion on this report.

PricewaterhouseCoopers Inc.
Director: N Ramlagan
Registered Auditor

Durban
Date :19 th May 2015

BALANCE SHEET

for the year ended 31 March 2015

	Notes	Group		Company		Group		Company	
		2015	2014	2015	2014	2015	2014	2015	2014
		R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
ASSETS									
Non-current assets									
Property, plant and equipment	6	1,001,256	1,477,975	-	-	0.52	0.84	-	-
Intangible assets	7	47,980,722	47,993,319	-	-	24.71	27.29	-	-
Investment in subsidiary	8	-	-	100,326,055	100,326,055	-	-	51.68	57.06
Deferred income tax assets	13	2,079,449	4,340,259	-	-	1.07	2.47	-	-
Goodwill	14	37,686,823	37,686,823	-	-	19.41	21.43	-	-
Amount due from related party	18	-	-	2,272,599	12,037,600	-	-	1.17	6.85
		88,748,250	91,498,376	102,598,654	112,363,655	45.71	52.04	52.85	63.90
Current assets									
Trade and other receivables	10	22,219,965	18,980,658	-	-	11.45	10.79	-	-
Inventories	9	17,171,286	16,175,394	-	-	8.84	9.20	-	-
Cash and cash equivalents	11	13,951,053	13,325,312	417,489	412,549	7.19	7.58	0.22	0.23
Amounts due from related party	18	-	-	7,823,834	3,952,353	-	-	4.03	2.25
		53,342,304	48,481,364	8,241,323	4,364,902	27.48	27.57	4.25	2.48
Total assets		**142,090,554**	**139,979,740**	**110,839,977**	**116,728,557**	**73.19**	**79.61**	**57.09**	**66.38**
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	30.95	34.17	30.95	34.17
Share premium	12	43,799,900	43,799,900	43,799,900	43,799,900	22.57	24.91	22.56	24.91
Accumulated loss		4,182,486	(2,243,172)	(3,843,566)	(3,848,505)	2.15	(1.28)	(1.98)	(2.19)
Total equity		**108,042,695**	**101,617,037**	**100,016,643**	**100,011,704**	**55.67**	**57.80**	**51.53**	**56.89**
LIABILITIES									
Non-current liabilities									
Borrowings	16	2,999,500	12,764,500	2,999,500	12,764,500	1.55	7.26	1.55	7.26
Share-based payment liability	17	447,155	107	-	-	0.23	-	-	-
		3,446,655	**12,764,607**	**2,999,500**	**12,764,500**	**1.78**	**7.26**	**1.55**	**7.26**
Current liabilities									
Trade and other payables	15	21,750,342	21,434,434	-	-	11.21	12.19	-	-
Borrowings	16	7,823,834	3,952,353	7,823,834	3,952,353	4.02	2.24	4.02	2.24
Share-based payment liability	17	992,670	211,309	-	-	0.51	0.12	-	-
Tax Liability		**34,358**	**-**	**-**	**-**	**0.01**	**-**	**-**	**-**
		30,601,204	**25,598,096**	**7,823,834**	**3,952,353**	**15.74**	**14.55**	**4.02**	**2.24**
Total liabilities		**34,047,859**	**38,362,703**	**10,823,334**	**16,716,853**	**17.52**	**21.81**	**5.57**	**9.50**
Total equity and liabilities		**142,090,554**	**139,979,740**	**110,839,977**	**116,728,557**	**73.19**	**79.61**	**57.09**	**66.38**

Note: The exchange rate use to convert ZAR to Rs.8.244 (Previous year ZAR to Rs. 5.687)

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2015

		Group		Company		Group		Company	
	Notes	2015	2014	2015	2014	2015	2014	2015	2014
		R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Revenue		**186,399,190**	**171,427,736**	**–**	**–**	**96.01**	**97.49**	**-**	**-**
Cost of sales		(112,927,620)	(105,760,622)	–	–	(58.17)	(60.15)	-	-
Gross profit		**73,471,570**	**65,667,114**	**–**	**–**	**37.85**	**37.34**	**-**	**–**
Operating expenses		(63,310,939)	(57,358,582)	(14,013)	(10,043)	(32.61)	(32.62)	(0.01)	**(0.01)**
Other income		(320,549)	1,518,994	-	-	(0.17)	0.86	-	-
Operating profit/(loss)		**9,840,082**	**9,827,526**	**(14,013)**	**(10,043)**	**5.07**	**5.59**	**-0.01**	**(0.01)**
Finance income	4.1	450,110	518,747	1,308,319	2,833,712	0.23	0.30	0.67	1.61
Finance costs	4.2	(1,286,924)	(2,533,853)	(1,286,925)	(2,533,853)	(0.66)	(1.44)	(0.66)	(1.44)
(Loss)/profit before income tax		**9,003,268**	**7,812,420**	**7,381**	**289,816**	**4.64**	**4.44**	**0.01**	**0.16**
Income tax expense	5	(2,577,610)	(2,386,969)	(2,442)	(80,686)	(1.33)	(1.36)	(0.01)	(0.05)
Total comprehensive (loss)/profit for the year		**6,425,658**	**5,425,451**	**4,939**	**209,130**	**3.31**	**3.09**	**(0.01)**	**0.12**

Note: The exchange rate use to convert ZAR to Rs.8.244 (Previous year ZAR to Rs. 5.687)

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2015

	Share capital	Share premium	Accumu lated loss	Total	Share capital	Share premium	Accumu lated loss	Total
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Group								
Year ended 31 March 2015								
Balance at 1 April 2014	**60,060,309**	**43,799,900**	**-2,243,172**	**101,617,037**	**30.95**	**22.56**	**(1.16)**	**52.35**
Total comprehensive profit for the year	-	-	6,425,658	6,425,658	0.00	0.00	3.31	3.31
Balance at 31 March 2015	**60,060,309**	**43,799,900**	**4,182,486**	**108,042,695**	**30.95**	**22.56**	**2.15**	**55.66**
Year ended 31 March 2014								
Balance at 1 April 2013	**800**	**43,799,900**	**(7,668,623)**	**36,132,077**	**0.01**	**24.91**	**(4.36)**	**20.56**
Proceeds from sahres issued	60,059,509	-	-	60,059,509	34.17	0.00	0.00	34.17
Total comprehensive profit for the year	-	-	5,425,451	5,425,451	0.00	0.00	3.09	3.09
Balance at 31 March 2014	**60,060,309**	**43,799,900**	**(2,243,172)**	**101,617,037**	**34.18**	**24.91**	**(1.28)**	**57.81**
Company								
Year ended 31 March 2015								
Balance at 1 April 2014	**60,060,309**	**43,799,900**	**(3,848,505)**	**100,011,704**	**30.95**	**22.56**	**(1.98)**	**51.53**
Total comprehensive profit for the year	-	-	4,940	4,940	0.00	0.00	(0.01)	(0.01)
Balance at 31 March 2015	**60,060,309**	**43,799,900**	**(3,843,565)**	**100,016,644**	**30.95**	**22.56**	**(1.98)**	**51.53**
Year ended 31 March 2014								
Balance at 1 April 2013	**800**	**43,799,900**	**(4,057,635)**	**39,743,065**	**0.01**	**24.91**	**(2.31)**	**22.61**
Proceeds on shares issued	60,059,509	-	-	60,059,509	34.17	0.00	0.00	34.17
Total comprehensive profit for the year	-	-	209,130	209,130	0.00	0.00	0.12	0.12
Balance at 31 March 2014	**60,060,309**	**43,799,900**	**(3,848,505)**	**100,011,704**	**34.18**	**24.91**	**(2.19)**	**56.90**

Note: The exchange rate use to convert ZAR to Rs.8.244 (Previous year ZAR to Rs. 5.687)

STATEMENT OF CASH FLOWS

for the year ended 31 March 2015

	Notes	Group			Group		Company	
		2015	2014	2014	2015	2014	2015	2014
		R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Cash flow from operating activities								
Cash flow from operations	20	7,893,046	12,807,125	(10,043)	4.07	7.28	(0.01)	(0.01)
Finance income	4.1	450,112	518,747	2,833,712	0.23	0.30	0.67	1.61
Finance costs	4.2	(1,286,924)	(2,533,853)	(2,533,853)	(0.66)	(1.44)	(0.66)	(1.44)
Tax Paid		(282,442)	(80,686)	(80,686)	(0.01)	(0.01)	(0.01)	(0.01)
Net cash used in operating activities		**6,773,792**	**10,711,333**	**209,130**	**3.63**	**6.14**	**0.00**	**0.17**
Cash flow from investing activities								
Increase ininvestment in subsidiary		-	-	(54,840,500)	-	-	-	(31.20)
Additions to property, plant and equipment		(387,850)	(350,971)	-	(0.20)	(0.20)	-	-
Proceeds on disposal of property, plant and equipment		133,318	2,786,432	0.00	0.07	1.58	-	0.00
Net cash from/(used in) investing activities		**(254,532)**	**2,435,461**	**(54,840,500)**	**(0.13)**	**1.39**	**-**	**(31.20)**
Cash flow from financing activities								
(Repayment)/advance of borrowings		(5,893,519)	(64,545,847)	58,414,158	(3.04)	(36.71)	-	33.22
proceeds from issuance of ordinary shares		-	60,059,509	60,059,509	-	-	-	-
Long Term loans repaid		-	-	(63,620,885)	-	-	-	-
Net cash generated from financing activities		**(5,893,519)**	**(4,486,338)**	**(54,852,782)**	**(3.04)**	**(36.71)**	**-**	**33.22**
Net increase/(decrease) in cash and cash equivalents		625,741	8,660,456	221,412	0.47	29.18	0.01	2.20
Cash and cash equivalents at beginning of year	11	13,325,312	4,664,856	191,137	6.86	2.65	0.21	0.11
Cash and cash equivalents at end of year	**11**	**13,951,053**	**13,325,312**	**412,549**	**7.33**	**26.53**	**0.22**	**2.31**

Note: The exchange rate use to convert ZAR to Rs.8.244 (Previous year ZAR to Rs. 5.687)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

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 under the historical cost convention.

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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, have been disclosed in note 1.24.

1.2 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 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.

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:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

Leasehold improvements	10 years
Plant and machinery	5 – 15 years
Motor vehicles	3,33 years
Office equipment	5 years
Furniture and fittings	10 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 least 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 estimate 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 amortized, but are tested for impairment at least annually or whenever any indication of impairment exists.

The following intangible assets currently have an indefinite useful life:

- product registrations; and
- brands

Subsequent expenditure

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

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 lesser 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 lesser by ways 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 31 March 2015

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 in 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 31 March 2015

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 employees as consideration for equity based instruments (options and rights) of Marico Limited. 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.

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

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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.

No foreign currency denominated balances were outstanding or receivable at year-end.

(b) Interst rate risk

The group'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 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.

No foreign currency balances were outstanding on receivables at year-end.

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 group's/ company's profit after tax would decrease by:

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Effect on profit after tax	54,117	83,585	3,635	3,635	0.03	0.05	0.01	0.01

(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

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flexibility by monitoring 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.

	Average interest rate	Within 1 period R	Greater than 2 periods R	Total R	Within 1 period Rs. Crore	Greater than 2 periods Rs. Crore	Total Rs. Crore
Group 2015							
Trade and other payables		18,207,545	-	18,207,545	9.38	0.00	9.38
Interest bearing shareholders loan from Marico Limited							
- Non-current portion	9.25%	-	2,999,500	2,999,500	0.00	1.55	1.55
- Current portion	9.25%	7,823,834	-	7,823,834	4.03	0.00	4.03
		26,031,379	**2,999,500**	**29,030,879**	**13.41**	**1.55**	**14.95**
Group 2014							
Trade and other payables		18,014,720		18,014,720	10.24	0.00	10.24
Interest bearing shareholders loan from Marico Limited							
- Non-current portion	7.45%	-	12,037,600	12,037,600	0.00	6.85	6.85
- Current portion	**7.45%**	**3,952,353**		**3,952,353**	**2.25**	**0.00**	**2.25**
		21,967,073	**12,037,600**	**34,004,673**	**12.49**	**6.85**	**19.34**

	Average interest rate	Within 1 period R	Greater than 2 periods R	Total R	Within 1 period Rs. Crore	Greater than 2 periods Rs. Crore	Total Rs. Crore
Company 2015							
Trade and other payables							
Interest bearing shareholders loan from Marico Limited							
- Non-current portion	7.45%	-	2,999,500	2,999,500	0.00	1.55	1.55
- Current portion	7.45%	7,823,834	-	7,823,834	4.03	0.00	4.03
		7,823,834	**2,999,500**	**10,823,334**	**4.03**	**1.55**	**5.58**
Company 2014							
Trade and other payables							
Interest bearing shareholders loan from Marico Limited							
- Non-current portion	7.45%	-	12,037,600	12,037,600	0.00	6.85	6.85
- Current portion	7.45%	3,952,353	-	3,952,353	2.25	0.00	2.25
		3,952,353	**12,037,600**	**15,989,953**	**2.25**	**6.85**	**9.09**

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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.

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 two retirement benefit schemes. These are both defined contribution funds. 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

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.

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 Changes in accounting policy and disclosures

a) Standards, amendments and interpretations effective in 2015 but not relevant

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
IAS 32 Financial Instruments: Presentation on asset and liability offsetting	1-Jan-14	Immaterial
IAS 36 Impairment of assets on recoverable amount disclosures	1-Jan-14	Immaterial
IAS 39 Financial Instruments: Recognition and measurement on novation of derivatives	1-Jan-14	Immaterial
IFRS 10, 12 and IAS 27 on consolidation for investment entities	1-Jan-14	Immaterial

b) Standards and interpretation not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 March 2013 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
IAS 27 Separate financial statements' regarding the equity method	1-Jan-16	Immaterial
IAS 16 Property, plant and equipment and IAS 38 Intangible assets regarding depreciation and amortisation	1-Jan-16	Immaterial
IFRS 9 Financial Instruments	1-Jan-18	Immaterial
IFRS 15 Revenue from contracts with customers	1-Jan-17	Immaterial

1.23 Critical accounting estimates and judgements

Estimates and judgments 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.

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for the year ended 31 March 2015

(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).

If the revised estimated discounting rate applied was 1% lower/higher than management's estimates, the company will not have to recognise an impairment against intangible assets.

2 Operating profit/(loss)

2.1 The following items have been charged/(credited) in arriving at operating profit/(loss):

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Depreciation on property, plant and equipment	650,620	629,761	-	-	0.34	0.36	-	-
(A detailed breakdown of the depreciation expense is presented in note 6)								
Profit on disposal of property, plant and equipment	80,631	(1,606,014)	-	-	0.04	(0.91)	-	-
Impairment of intangible assets	-	-	-	-	-	-	-	-
Loss on disposal of intangible asset	-	-	-	-	-	-	-	-
Auditor's remuneration:								
Audit fees								
current year provision	424,742	387,351	-	-	0.22	0.22	-	-
prior year under/(over) provision	-	-	-	-	-	-	-	-
	424,742	387,351	-	-	0.22	0.22	-	-
Lease rentals								
Buildings	3,015,737	2,619,887	-	-	1.55	1.49	-	-
Computers	370,978	382,103	-	-	0.19	0.22	-	-
	3,386,715	3,001,990	-	-	1.74	1.71	-	-
Directors' emoluments								
Salaries	2,699,368	2,568,400	-	-	1.39	1.46	-	-
Other	2,361,592	2,310,834	-	-	1.22	1.31	-	-
	5,060,960	4,879,234	-	-	2.61	2.77	-	-
Staff costs (see note 3)	17,692,183	14,648,242	-	-	9.11	8.33	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

2.2 Expenses by nature

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Depreciation	**650,620**	629,761	-	**-**	0.34	0.36	-	-
Directors' emoluments	**5,060,960**	4,879,234	-	**-**	2.61	2.77	-	-
Operating lease rentals	**3,386,715**	3,001,990	-	**-**	1.74	1.71	-	-
Staff costs	**17,692,183**	14,648,242	-	**-**	9.11	8.33	-	-
Cost of sales	**112,927,620**	105,760,622	-	**-**	58.17	60.15	-	-
Commission	**6,095,954**	5,724,433	-	**-**	3.14	3.26	-	-
Advertising	**14,020,214**	11,935,618	-	**-**	7.22	6.79	-	-
Freight	**9,458,264**	9,719,890	-	**-**	4.87	5.53	-	-
Other	**6,946,029**	6,819,414	14,013	10,043	3.58	3.88	0.02	0.02
Total cost of sales and operating expenses	**176,238,559**	**163,119,204**	**14,013**	**10,043**	**90.78**	**92.77**	**0.02**	**0.02**

3 Staff costs

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Salaries and wages	14,744,143	11,850,830	-	-	7.59	7.08	-	-
Other	2,948,040	2,797,412	-	-	1.52	1.67	-	-
	17,692,183	14,648,242	-	-	9.11	8.75	-	-
Average number of persons employed:								
- Full time	79	82						

4 Finance (costs)/income

4.1 Finance income

Bank	450,110	518,747	231,515	231,515	0.23	0.31	0.12	0.14
Related party (refer note 22)			2,602,197	2,602,197	–	–	1.34	1.55
	450,110	518,747	2,833,712	2,833,712	0.23	0.31	1.46	1.69

4.2 Finance cost

Related party (refer note 22)	(1,286,924)	(2,533,853)	(2,533,853)	(2,533,853)	(0.66)	(1.51)	(1.31)	(1.51)
Net finance costs	(836,814)	(2,015,106)	299,859	299,859	(0.43)	(1.20)	0.15	0.18

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

5 Income tax expense

Current tax								
- current year	316,800	80,686	2,442	80,686	0.16	0.01	0.01	0.05
Deferred tax								
- current year	2,257,658	2,190,967	-	-	1.16	1.31	-	-
prior year underprovision	3,152	196,002	-	-	0.01	0.12	-	-
	2,577,610	2,386,969	2,442	80,686	1.33	1.44	0.01	0.05

The tax on the company (loss)/profit before tax differs from the theoretical amount that would arise using basic rates as follows:

profit before tax	9,003,268	7,812,420	7,382	289,816	4.64	4.67	0.01	0.17
Tax calculated at a rate of 28%	2,521,290	2,187,013	2,067	80,686	1.30	1.31	0.01	0.05
Deferred tax – prior year underprovision	3,152	196,002	-	-	-	0.12	-	-
Permanent differences	53,168	(15,000)	375	-	0.03	(0.01)	0.01	-
Prior year unutilized capital assessed loss	-	18,954	-	-	-	0.01	-	-
Tax charge	2,577,610	2,386,969	2,442	80,686	1.33	1.43	0.02	0.05

No provision has been made for current taxation as the group has a computed/estimated tax loss of R nil (2014: R 11 157 508) . 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.

Management has assessed recoverability of the deferred tax asset based on company budgets and forecasted earnings and the assessed loss is considered recoverable against future taxable profits.

6 Property, plant and equipment

	Leasehold improvements	Plant and machinery	Motor vehicles	Office furniture and computer equipment	Capital work-in-progress	Total
	R	R	R	R	R	R
Year ended 31 March 2015						
Opening net carrying amount	1,002,592	130,333	15,046	330,004	-	1,477,975
Additions	-	63,225	154,660	169,965	-	387,850
Transfer	-	-	-	-	-	-
Depreciation	(300,114)	(54,550)	(58,886)	(237,070)	-	(650,620)
Disposals	(181,253)	(28,485)	-	(4,211)	-	(213,949)
Transfer to non-current assets held for sale	-	-	-	-	-	-
Closing net carrying amount	521,225	110,523	110,820	258,688	-	1,001,256
Cost	2,752,023	860,513	434,324	2,451,665		6,498,525
Accumulated depreciation and impairment	(2,230,798)	(749,990)	(323,504)	(2,192,977)		(5,497,269)
Closing net carrying amount	521,225	110,523	110,820	258,688	-	1,001,256

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

Depreciation charge of R 650,620 (2014: R 629,761) has been charged to operating expenses.

Group	Leasehold improvements R	Plant and machinery R	Motor vehicles R	Office furniture and computer equipment R	Capital work-in-progress R	Total R
Year ended 31 March 2014						
Opening net carrying amount	1,214,505	301,611	51,157	292,124	-	1,859,397
Additions	88,717	21,370	-	240,884		350,971
Transfer	-	-	-	-	-	
Depreciation	(300,630)	(102,437)	(36,111)	(190,583)	-	-629,761
Disposals	-	(90,211)	-	(12,421)	-	(102,632)
Transfer to non-current assets held for sale	-	-	-	-	-	-
Closing net carrying amount	1,002,592	130,333	15,046	330,004	-	1,477,975
Cost	3,059,073	1,558,626	279,664	1,934,775	-	6,832,138
Accumulated depreciation and impairment	(2,056,481)	(1,428,293)	(264,618)	(1,604,771)	-	(5,354,163)
Closing net carrying amount	1,002,592	130,333	15,046	330,004	-	1,477,975

Company: No items of property, plant and equipment are held at company level.

	Leasehold improvements Rs. Crore	Plant and machinery Rs. Crore	Motor vehicles Rs. Crore	Office furniture and computer equipment Rs. Crore	Capital work-in-progress Rs. Crore	Total Rs. Crore
Year ended 31 March 2015						
Opening net carrying amount	0.52	0.07	0.01	0.17	-	0.76
Additions	-	0.03	0.08	0.09	-	0.20
Transfer	-	-	-	-	-	-
Depreciation	(0.15)	(0.03)	(0.03)	(0.12)	-	(0.34)
Disposals	(0.09)	(0.01)	-	-	-	(0.11)
Transfer to non-current assets held for sale						
Closing net carrying amount	**0.27**	**0.06**	**0.06**	**0.13**	**-**	**0.52**
Cost	1.42	0.44	0.22	1.26	-	3.35
Accumulated depreciation and impairment	(1.15)	(0.39)	(0.17)	(1.13)	-	(2.83)
Closing net carrying amount	**0.27**	**0.06**	**0.06**	**0.13**	**-**	**0.52**

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for the year ended 31 March 2015

	Leasehold improvements	Plant and machinery	Motor vehicles	Office furniture and computer equipment	Capital work-in-progress	Total
Group	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**
Year ended 31 March 2014						
Opening net carrying amount	0.69	0.17	0.03	0.17	-	1.06
Additions	0.05	0.01	-	0.14	-	0.20
Transfer	-	-	-	-	-	-
Depreciation	(0.17)	(0.06)	(0.02)	(0.11)	-	(0.36)
Disposals	-	(0.05)	-	(0.01)	-	(0.06)
Transfer to non-current assets held for sale						
Closing net carrying amount	0.57	0.07	0.01	0.19	-	0.84
Cost	1.74	0.89	0.16	1.10	-	3.89
Accumulated depreciation and impairment	(1.17)	(0.81)	(0.15)	(0.91)	-	(3.04)
Closing net carrying amount	0.57	0.07	0.01	0.19	-	0.84

7 Intangible assets

	Brands R	Total R	Brands Rs. Crore	Total Rs. Crore
Group				
Year ended 31 March 2015				
Opening carrying amount	47,993,319	47,993,319	24.72	24.72
Impairment	(12,597)	(12,597)	(0.01)	(0.01)
Closing carrying amount	47,980,722	47,980,722	24.71	24.71
Cost	50,062,924	50,062,924	25.79	25.79
Accumulated impairment	(2,082,202)	(2,082,202)	(1.07)	(1.07)
Closing carrying amount	47,980,722	47,980,722	24.71	24.71
Year ended 31 March 2014				
Opening carrying amount	47,993,319	48,062,924	27.29	27.33
Disposals		(69,605)	-	(0.04)
Closing carrying amount	47,993,319	47,993,319	27.29	27.29
Cost	50,062,924	50,062,924	28.47	28.47
Accumulated amortisation	(2,069,605)	(2,069,605)	(1.18)	(1.18)
Closing carrying amount	47,993,319	47,993,319	27.29	27.29

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8 Investment in subsidiary

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Marico South Africa Proprietary Limited								
Investment in shares at cost	-	-	100,326,054	100,326,054	-	-	51.68	57.06

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 Rs. Crore			
2015						
-Marico South Africa Proprietary Limited	South Africa	6,421,597	0.13	-	-	-
2014						
Marico South Africa Proprietary Limited	South Africa	5,216,321	0.69	-	-	-

The following information relates to the company's financial interest in its subsidiary:

8.1 Investment in subsidiary (Continued)

Name	Country of incorporation	Profit/(Loss) after tax R	Profit/(Loss) after tax Rs. Crore
Subsidiary			
Marico South Africa Proprietary Limited	5,000	100%	Manufacturing and distributing of wide range of personal care and affordable complementary health care products

9 Inventories

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Raw materials	9,350,766	7,308,491	-	-	4.82	4.16	-	-
Work in progress	197,486	142,757	-	-	0.10	0.08	-	-
Finished goods	7,623,034	8,724,146	-	-	3.93	4.96	-	-
	17,171,286	16,175,394	-	-	8.84	9.20	-	-
The above balances have been derived after deducting a write down to net realisable value of:	(1,894,598)	(2,173,284)	-	-	(0.98)	(1.24)	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

The cost of inventories recognised as an expense and included in cost of sales amounted to R 112 927 620 (2014: R105 760 622).

10 Trade and other receivables

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Trade receivables	21,806,831	18,722,298	-	-	11.23	10.65	-	-
Provision for doubtful debts	(38,055)	(10,739)	-	-	(0.02)	(0.01)	-	-
Net trade receivables	21,768,776	18,711,559	-	-	11.21	10.64	-	-
Other receivables	451,189	269,100	-	-	0.23	0.15	-	-
	22,219,965	18,980,659	-	-	11.45	10.79	-	-

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	7,831,454	6,606,878			4.03	3.76	-	-
Past due by 60 days	2,028,393	2,498,443			1.04	1.42	-	-
Past due by 90 days	1,150,446	435,939			0.59	0.25	-	-
	11,010,293	9,541,260			5.67	5.43	-	-

The carrying value of the trade and other receivables approximates their fair value.

11 Cash and cash equivalents

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the following:

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Bank balances	13,951,053	13,325,312	417,489	412,549	7.19	7.58	0.22	0.23

Credit quality of cash at bank: BBB+

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

12 Share capital and share premium

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Authorised								
1,247 Ordinary shares of R1 each	1,247	1,247	1,000	1,000	0.01	0.01	0.01	0.01
Issued								
800 Ordinary shares of R1 each	800	800	800	800	0.01	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	30.95	34.16	30.95	34.16
Share premium	43,799,900	43,799,900	43,799,900	43,799,900	22.56	24.91	22.56	24.91

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% (2014: 28%).

The movement on the deferred income tax asset account is as follows:

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
At beginning of year	4,340,259	6,646,542	-	-	2.25	3.79	-	-
Current year	(2,257,658)	(2,110,281)	-	-	(1.15)	(1.19)	-	-
Prior year underprovision	(3,152)	(196,002)	-	-	-	(0.10)	-	-
At end of year	2,079,449	4,340,259	-	-	1.10	2.50	-	-

Deferred tax assets may be analysed as follows:

Property, plant and equipment	213,114	154,104	-	-	0.12	0.10	-	-
Other provisions	1,866,335	1,615,643	-	-	0.97	0.93	-	-
Tax losses carried forward	-	2,570,512	-	-	0.01	1.47	-	-
	2,079,449	**4,340,259**	**-**	**-**	**1.10**	**2.50**	**-**	**-**

No deferred tax asset has been recognised at company level as it is not probable that future taxable profits will be

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

available against which temporary differences can be utilised.

14 Goodwill

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Carrying value at the end of the year	37,686,823	37,686,823	-	-	19.41	21.43	-	-

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.

15 Trade and other payables

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Trade payables	14,340,229	14,538,633	-	-	7.39	8.27	-	-
Amount due to related party (refer note 22)	902,953	594,310	-	-	0.47	0.34	-	-
Accruals	2,472,121	2,673,926	-	-	1.27	1.52	-	-
Audit fee provision	492,242	207,852	-	-	0.25	0.12	-	-
Bonus provision	2,153,820	2,204,034	-	-	1.11	1.25	-	-
Leave pay provision	946,050	847,152	-	-	0.49	0.48	-	-
Other payables	442,927	368,527	-	-	0.23	0.21	-	-
	21,750,342	**21,434,434**	**-**	**-**	**11.20**	**12.19**	**-**	**-**

The carrying value of the trade and other payables approximates their fair value.

16 Borrowings

Related party (refer note 22)

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Non-current portion	2,999,500	12,764,500	2,999,500	12,764,500	1.55	7.25	1.55	7.25
Current portion	7,823,834	3,952,353	7,823,834	3,952,353	4.03	2.25	4.03	2.25
	10,823,334	16,716,853	10,823,334	16,716,853	5.58	9.50	5.58	9.50

The loan is unsecured. The non-current portion of the loan is repayable in three years and bears interest at the 6 month London Interbank Offered Rate + 7%. The current portion of the loan is repayable within 12 months and bears interest at a rate of 9.25% (2014: 7.45%).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

16.1 Borrowings

Maturity of borrowings

Due within 1 year	7,823,834	3,952,353	7,823,834	3,952,353	4.03	2.25	4.03	2.25
Due within 2 - 5 years	2,999,500	12,764,500	2,999,500	12,764,500	1.55	7.26	1.55	7.26
	10,823,334	16,716,853	10,823,334	16,716,853	5.58	9.50	5.58	9.50

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 at 31 March 2015
149	01-Dec-11	25,500	30/11/2014	-
214	01-Dec-12	38,000	30/11/2015	-
209	01-Dec-13	29200	30/11/2016	-

The share price at 31 March 2015 used to compute the share option liability in INR 386. No options were exercised or forfeited during the year.

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Current portion	992,670	211,309	-	-	0.51	0.12	-	-
Non-current portion	447,155	107	-	-	0.23	0.01	-	-
	1,439,825	211,416	-	-	0.74	0.13	-	-

18 Amount due from related party

Related party (refer note 22)

	Group		Company		Group		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
- Non-current portion	-	-	2,272,599	12,037,600	-	-	1.17	6.85
- Current portion	-	-	7,823,834	3,952,353	-	-	4.03	2.25
			10,096,433	15,989,953	-	-	5.20	9.09

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

The loan is unsecured. The non-current portion of the loan is repayable in three years and bears interest at the 6 month London Interbank Offered Rate + 7%. The current portion of the loan is repayable within 12 months and bears interest at a rate of 9.25% (2014: 7.45%).

Maturity of borrowings

Due within 1 year	-	-	7,823,834	3,952,353	-	-	4.03	2.25
Due within 2 – 5 years	-	-	2,272,599	12,037,600	-	-	1.17	6.85
	-	-	10,096,433	15,989,953	-	-	5.20	9.09

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 instruments are carried at fair value or amounts that approximate fair value.

Financial assets

Loans and receivables:

	Group		Company		Group		Company	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
	R	**R**	**R**	**R**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**
Assets as per the statement of financial position								
Trade and other receivables	22,219,965	18,980,658	-	-	11.45	10.79	-	-
Cash and cash equivalents	13,533,564	13,325,311	417,489	412,549	6.97	7.58	0.22	0.23
Amount due from related party	-	-	10,096,433	15,989,953	-	-	5.20	9.09
	35,753,529	32,305,969	10,513,922	16,402,502	18.42	18.37	5.42	9.33

Financial liabilities

Financial liabilities at amortised cost:

Liabilities as per the statement of financial position

Interest bearing liabilities	10,823,334	16,716,853	10,823,334	16,716,853	5.58	9.51	5.58	9.51
Trade and other payables	18,207,545	18,014,721	0	0	9.38	10.24	-	-
	29,030,879	34,731,574	10,823,334	16,716,853	14.95	19.75	5.58	9.51

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

20 Cash flow from operating activities

	Group		Company		Group		Company	
	2014	2013	2014	2013	2014	2013	2014	2013
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Operating profit/(loss)	9,840,082	9,827,526	(14,013)	(10,043)	5.07	5.59	(0.01)	0.01
Adjusted for:								
Non-cash items								
Depreciation	650,620	629,761	-	-	0.34	0.36	-	-
Profit on sale of assets	80,629	(1,606,014)	-	-	0.04	(0.91)	-	-
Loss on disposal of intangible asset	-	-	-	-	-	-	-	-
Impairment of intangible asset	12,597	-	-	-	0.01	-	-	-
Share-based payment expense	1,228,409	149,021	-	-	0.63	0.08	-	-
Operating profit before working								
capital changes:								
Decrease/(increase) in trade and other receivables	(3,239,307)	8,723,360	-	-	(1.67)	4.96	-	-
Decrease/(increase) in inventories	(995,892)	1,452,591	-	-	(0.51)	0.83	-	-
(Decrease)/increase in trade and other payables	315,908	(6,369,120)	-	-	0.16	(3.62)	-	-
	7,893,046	12,807,125	(14,013)	(10,043)	4.07	7.28	(0.01)	0.01

21 Related party transactions

At 31 March 2015, 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.

Transactions with related parties:

The following transactions were carried out by the company with related parties:

Interest income earned (refer note 4.2)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

	Group		Company		Group		Company	
	2014	2013	2014	2013	2014	2013	2014	2013
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Marico South Africa Proprietary Limited	-	-	1,286,924	2,602,197	-	-	0.66	1.48
Technical Support								
- Marico Limited	902,953	594,310	-	-	0.47	0.34	-	-
Interest expense incurred (refer note 4.1)								
Marico Limited	1,286,924	2,533,853	1,286,924	2,533,853	0.66	1.44	0.66	1.44
Directors emoluments								
J Mason	3,454,645	3,407,274	-	-	1.78	1.94	-	-
J Nieuwenhuys	1,606,315	1,471,960	-	-	0.83	0.84	-	-
	5,060,960	4,879,234	-	-	2.61	2.77	-	-
Investment in subsidiary (refer note 8):								
Marico South Africa Proprietary Limited	-	-	100,326,054	100,326,054	-	-	51.68	57.06
Amounts due from related parties								
Amounts due from subsidiary (refer note 17):								
Marico South Africa Proprietary Limited	0	0	10,096,433	15,989,953	-	-	5.20	9.09
Amounts due to related parties								
Amounts due to holding company (refer note 17):								
Marico Limited	10,823,334	16,716,853	10,823,334	16,716,853	5.58	9.51	5.58	9.51

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

Included in trade and other payables (refer note 16):

	Group		Company		Group		Company	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
	R	**R**	**R**	**R**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**
Marico Limited	902,953	594,310	-	-	0.47	0.34	-	-

22 Commitments

Operating lease commitments

The future minimum lease payments payable under non-cancellable operating leases are as follows:

	Group		Company		Group		Company	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
	R	**R**	**R**	**R**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**
Within 1 year	2,930,298	2,345,417	-	-	1.51	1.33	-	-
Between 2 and 5 years	560,062	2,728,604	-	-	0.29	1.55	-	-
Over 5 years	-	-	-	-	-	-	-	-
	3,490,360	5,074,021			1.80	2.89		

The group leases certain factory facilities under sub-operating leases. The leases run for a period of up to 10 years, with an option to renew the lease after that date.

Board of Directors	Mr. Saugata Gupta Mr. Pawan Agrawal Mr. Jacques Nieuwenhuys Mr. John Richard Mason
Registered Office	1474 South Coast Road, Mobeni 4051
Postal Address	P.O.Box 72625 , Mobeni, 4060
Registration No	2007 / 025470 / 07
Auditors	M/S.Price Waterhouse Cooper Inc.
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

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Marico South Africa Proprietary Limited set out on pages 5 to 27, which comprise the statement of financial position as at 31 March 2015, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these 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 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 International Standards on Auditing. 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 the auditor's judgement, 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 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 South Africa Proprietary Limited as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2015, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the preparers. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

PricewaterhouseCoopers Inc.
Director: N Ramlagan
Registered Auditor

Durban

Date : 19 May 2015

STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Notes	2015 R	2014 R	2015 Rs. Crore	2014 Rs. Crore
ASSETS					
Non-current assets					
Property, plant and equipment	6	1,001,256	1,477,975	0.52	0.84
Intangible assets	7	47,980,722	47,993,319	24.71	27.29
Deferred income tax asset	12	2,079,449	4,340,259	1.08	2.47
		51,061,427	53,811,553	26.31	30.60
Current assets					
Trade and other receivables	9	22,219,965	18,980,658	11.45	10.79
Inventories	8	17,171,286	16,175,394	8.84	9.20
Cash and cash equivalents	10	13,533,564	12,912,763	6.97	7.34
		52,924,815	48,068,815	27.26	27.34
Total Assets		**103,986,242**	**101,880,368**	**53.57**	**57.94**
EQUITY					
Capital and reserves attributable to equity holders of the company					
Share capital	11	54,845,500	54,845,500	28.25	31.19
Share premium	11	22,863,735	22,863,735	11.78	13.00
Accumulated loss		(7,043,951)	(13,464,670)	(3.63)	(7.66)
Total equity		**70,665,284**	**64,244,565**	**36.40**	**36.54**
LIABILITIES					
Non-current liabilities					
Borrowings	**14**	2,272,599	12,037,600	1.17	6.85
Share-based payment liability	**15**	447,155	107	0.24	0.01
		2,719,754	12,037,707	1.41	6.86
Current liabilities					
Trade and other payables	13	21,750,342	21,434,434	11.21	12.19
Borrowings	14	7,823,834	3,952,353	4.03	2.25
Share-based payment liability	15	992,670	211,309	0.51	0.12
Tax Liability		34,358	–	0.02	–
		30,601,204	25,598,096	15.75	14.56
Total liabilities		**33,320,958**	**37,635,803**	**17.17**	**21.40**
Total equity and liabilities		**103,986,242**	**101,880,368**	**53.57**	**57.94**

Note: The exchange rate use to convert ZAR to Rs.8.244 (Previous year ZAR to Rs. 5.687)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Note	2015 R	2014 R	2015 Rs. Crore	2014 Rs. Crore
Revenue		**186,399,191**	**171,427,736**	96.01	97.49
Cost of sales		(112,927,620)	(105,760,622)	(58.17)	(60.15)
Gross profit		**73,471,571**	**65,667,114**	**37.85**	**37.34**
Operating expenses		(63,296,926)	(57,348,539)	(32.60)	(32.61)
Other income		(-320,549)	(1,518,994)	(-0.17)	0.86
Operating profit	**2**	**9,854,096**	**9,837,569**	**5.08**	**5.59**
Finance income	4.1	428,715	287,232	0.22	0.16
Finance costs	4.2	(1,286,924)	(2,602,197)	(0.66)	(1.48)
Profit before income tax		**8,995,887**	**7,522,604**	**4.63**	**4.28**
Income tax expense	5	(2,575,168)	(2,306,283)	(1.33)	(1.31)
Total comprehensive (loss)/profit for the year		**6,420,719**	**5,216,321**	**3.31**	**2.97**

Note: The exchange rate use to convert ZAR to Rs.8.244 (Previous year ZAR to Rs. 5.687)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

Year ended 31 March 2015

	Share capital	Share premium	Accumu lated loss	Total	Share capital	Share premium	Accumu lated loss	Total
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Year ended 31 March 2015								
Balance at 1 April 2014	54,845,500	22,863,735	(13,464,670)	64,244,565	28.26	11.78	(6.94)	33.09
Total comprehensive loss for the year	-	-	6,420,719	6,420,719	–	–	3.31	3.31
Balance at 31 March 2015	**54,845,500**	**22,863,735**	**(7,043,951)**	**70,665,284**	**28.26**	**11.78**	**(3.63)**	**36.40**

Year ended 31 March 2014

	Share capital	Share premium	Accumu lated loss	Total	Share capital	Share premium	Accumu lated loss	Total
	R	R	R	R	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Year ended 31 March 2014								
Balance at 1 April 2013	5,000	22,863,735	(18,680,103)	4,188,632	0.01	11.78	(9.62)	2.16
Total comprehensive loss for the year	54,840,500	–	5,215,433	60,055,933	28.25	–	2.69	30.93
Balance at 31 March 2014	**54,845,500**	**22,863,735**	**(13,464,670)**	**64,244,565**	**28.26**	**11.78**	**(6.94)**	**33.09**

Note: The exchange rate use to convert ZAR to Rs.8.244 (Previous year ZAR to Rs. 5.687)

STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	Notes	2015 R	2014 R	2015 Rs. Crore	2014 Rs. Crore
Cash flow from operating activities					
Cash flow from operations	16	7,907,062	12,817,168	4.07	7.29
Finance income	4.1	428,715	287,232	0.22	0.16
Finance costs	4.2	(1,286,924)	(2,602,197)	(0.66)	(1.48)
Income Tax		(280,000)	–	(0.14)	–
Net cash used in operating activities		**6,768,853**	**10,502,203**	**3.63**	**5.97**
Cash flow from investing activities					
Additions to property, plant and equipment		(387,850)	(350,971)	(0.20)	(0.20)
Proceeds on disposal of property, plant and equipment		133,318	2,786,432	0.07	1.58
Net cash used in investing activities		**(254,532)**	**2,435,461**	**(0.13)**	**1.39**
Cash flow from financing activities					
(Repayment)/receipt of borrowings		(5,893,520)	(59,339,120)	(3.04)	(33.75)
Proceeds from issuance of ordinary shares		–	54,840,500	–	0.01
		(5,893,520)	**(4,498,620)**	**(3.04)**	**(33.74)**
Net increase in cash and cash equivalents		**620,801**	**8,439,044**	**0.32**	**4.80**
Cash and cash equivalents at beginning of year		12,912,763	4,473,719	6.65	2.54
Cash and cash equivalents at end of year	**10**	**13,533,564**	**12,912,763**	6.97	7.34

Note: The exchange rate use to convert ZAR to Rs.8.244 (Previous year ZAR to Rs. 5.687)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

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 under the historical cost convention.

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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.23.

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	10 years
Plant and machinery	5-15 years
Motor vehicles	3.33years
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.

1.3 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 least 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 estimate 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 at least annually or whenever any indication of impairment exists.

The following intangible assets currently have an indefinite useful life:

- product registrations; and
- 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 ways 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 31 March 2015

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

(a) Assets carried at amortised cost

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 31 March 2015

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 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 in 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 31 March 2015

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 employees as consideration for equity based instruments (options and rights) of Marico Limited. 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.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

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.

No foreign currency denominated balances were outstanding or receivable at year-end.

(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.

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 has been 50 basis points higher/lower and all other variables held constant, the company's profit after tax would decrease by:

	2015	2014	2015	2014
	R	R	Rs. Crore	Rs. Crore
Effect on profit after tax	50,482	79,950	0.03	0.05

(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 company aims to maintain flexibility by monitoring cash flow forecast, good working capital management and ensuring adequate borrowing facilities are maintained.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

The following table details the company and company's remaining contractual maturity of its non-derivative financial liabilities.

	Average interest rate	Within 1 period	Greater than 2 periods	Total	Within 1 period	Greater than 2 periods	Total
		R	R	R	Rs. Crore	Rs. Crore	Rs. Crore
2015							
Trade and other payables		18,207,545	-	18,207,545	9.38	-	9.38
Interest bearing shareholder loan	9.25%	7,823,834	2,272,599	10,096,433	4.03	1.17	5.20
		26,031,379	**2,272,599**	**28,303,978**	**13.41**	**1.17**	**14.58**
2014							
Trade and other payables		18,014,721	-	18,014,721	10.24	-	10.24
Interest bearing shareholder loan	7.45%	3,952,353	12,037,600	15,989,953	2.25	6.85	9.09
		21,967,074	**12,037,600**	**34,004,674**	**12.49**	**6.85**	**19.34**

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

1.19 Employee benefits

The company operates two retirement benefit schemes. These are both 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 Changes in accounting policy and disclosures

a) Standards, amendments and interpretations effective in 2014 but not relevant

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IAS 32 Financial Instruments: Presentation on asset and liability offsetting	1-Jan-14	Immaterial
• IAS 36 Impairment of assets on recoverable amount disclosures	1-Jan-14	Immaterial
• IAS 39 Financial Instruments: Recognition and measurement on novation of derivatives	1-Jan-14	Immaterial

b) Standards and interpretation not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 March 2013 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
IAS 16 Property, plant and equipment and IAS 38 Intangible assets regarding depreciation and amortisation	1-Jan-16	Immaterial
• IFRS 15 Revenue from contracts with customers	1-Jan-17	Immaterial
• IFRS 9 Financial instruments	1-Jan-18	Immaterial

1.22 Critical accounting estimates and judgements

Estimates and judgments 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

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).If the revised estimated discounting rate applied was 1% lower/higher than management's estimates, the company will not have to recognise an impairment against intangible assets.

2 Operating profit

2.1 The following items have been charged/(credited) in arriving at operating profit:

For the year ended March 31,

	2015	2014	2015	2014
	R	R	Rs. Crore	Rs. Crore
Depreciation on property, plant and equipment	650,620	629,761	0.34	0.36
(A detailed breakdown of the depreciation expense is presented in note 6)				
Profit on disposal of property, plant and equipment	80,631	(1,606,014)	0.04	(0.91)
Impairment of intangible assets	-	-	-	-
Auditor's remuneration:	-	-	-	-
Audit fees				
- current year provision	424,742	387,351	0.22	0.22
	424,742	387,351	0.22	0.22
Lease rentals				
- Buildings	3,015,737	2,619,887	1.55	1.49
- Computers	370,978	382,103	0.19	0.22
	3,386,715	3,001,990	1.74	1.71
Directors' emoluments (refer note 18)				
Salaries	2,699,368	2,568,400	1.39	1.46
Other	2,361,592	2,310,834	1.22	1.31
	5,060,960	4,879,234	2.61	2.77
Staff costs (see note 3)	17,692,183	14,648,242	9.11	8.33

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

2.2 Expenses by nature

	2015	2014	2015	2014
	R	R	Rs. Crore	Rs. Crore
Depreciation	650,620	629,761	0.34	0.36
Directors' emoluments	5,060,960	4,879,234	2.61	2.77
Operating lease rentals	3,386,715	3,001,990	1.74	1.71
Staff costs	17,692,183	14,648,242	9.11	8.33
Cost of sales	112,927,620	105,760,622	58.17	60.15
Commission	6,095,954	5,724,433	3.14	3.26
Advertising	14,020,214	11,935,618	7.22	6.79
Freight	9,458,264	9,719,890	4.87	5.53
Other	6,932,016	6,809,371	3.57	3.87
Total cost of sales and operating expenses	**176,224,546**	**163,109,161**	**90.77**	**92.76**

3 Staff costs

	2015	2014	2015	2014
	R	R	Rs. Crore	Rs. Crore
Salaries and wages	14,744,143	11,850,830	7.59	6.74
Other	2,948,040	2,797,412	1.52	1.59
	17,692,183	14,648,242	9.11	8.33
Average number of persons employed:				
- Full time	79	82		

4 Finance (costs)/income

	2014	2013	2014	2013
	R	R	Rs. Crore	Rs. Crore
4.1 Finance income – Bank	428,715	287,232	0.22	0.16
4.2 Finance costs **Related party (refer note 18)**	**(1,286,924)**	**(2,602,197)**	**(0.66)**	**(1.48)**
Net finance costs	**(-858,209)**	**(-2,314,965)**	**(-0.44)**	**(-1.32)**

5 Income tax expense

	2014	2013	2014	2013
	R	R	Rs. Crore	Rs. Crore
Deferred tax				
- current year	2,572,016	2,110,281	1.32	1.20
- prior year underprovision	3,152	196,002	0.01	0.11
	2,575,168	2,306,283	1.33	1.31

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

The tax on the company profit before tax differs from the theoretical amount that would arise using basic rates as follows:

	2014 R	2013 R	2014 Rs. Crore	2013 Rs. Crore
Profit before tax	8,995,887	7,522,604	4.63	4.28
Tax calculated at a rate of 28%	2,518,848	2,106,327	1.30	1.20
Deferred tax – prior year underprovision	3,152	196,002	0.01	0.11
Prior year unutilised capital assessed loss	–	18,954	-	0.01
Permanent differences	53,168	(15,000)	0.03	(0.01)
Tax charge	**2,575,168**	**2,306,283**	**1.34**	**1.31**

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.

Management has assessed recoverability of the deferred tax asset based on company budgets and forecasted earnings and the assessed loss is considered recoverable against future taxable profits.

6 Property, plant and equipment

	Leasehold improvements R	Plant and machinery R	Motor vehicles R	Office furniture and computer equipment R	Capital work-in-progress R	Total R
Year ended 31 March 2015						
Opening net carrying amount	1,002,592	130,333	15,046	330,004	-	**1,477,975**
Additions	-	63,225	154,660	169,965		**387,850**
Transfer	-	-	-	-	-	**–**
Depreciation	(300,114)	(54,550)	(58,886)	(237,070)	-	**(650,620)**
Disposals	(181,253)	(28,485)	-	(4,211)	-	**(213,949)**
Transfer to non-current assets held for sale	-	-	-	-	-	**–**
Closing net carrying amount	**521,225**	**110,523**	**110,820**	**258,688**	**-**	**1,001,256**
Cost	2,752,023	860,513	434,324	2,451,665	-	6,498,525
Accumulated depreciation and impairment	(2,230,798)	(749,990)	(323,504)	(2,192,977)	-	(5,497,269)
Closing net carrying amount	**521,225**	**110,523**	**110,820**	**258,688**	**–**	**1,001,256**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

	Leasehold improvements	Plant and machinery	Motor vehicles	Office furniture and computer equipment	Capital work-in-progress	Total
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Year ended 31 March 2015						
Opening net carrying amount	0.52	0.07	0.01	0.17	-	**0.76**
Additions	–	0.03	0.08	0.09	-	**0.20**
Transfer	–	–	–	–	-	**-**
Depreciation	(0.15)	(0.03)	(0.03)	(0.12)	-	**(0.34)**
Disposals	(0.09)	(0.01)	-	(0.01)	-	**(0.11)**
Transfer to non-current assets held for sale	-	-	-	-	-	**-**
Closing net carrying amount	**0.27**	**0.06**	**0.06**	**0.13**	**-**	**0.52**
Cost	1.42	0.44	0.22	1.26	-	**3.35**
Accumulated depreciation and impairment	(1.15)	(0.39)	(0.17)	(1.13)	-	**(2.83)**
Closing net carrying amount	**0.27**	**0.06**	**0.06**	**0.13**	**0.00**	**0.52**

Depreciation charge of R 650,620 (Rs. 0.360 Crore) (2014: R629,761 (Rs. 0.413 Crore)) has been charged to operating expenses.

	Leasehold improvements	Plant and machinery	Motor vehicles	Office furniture and computer equipment	Capital work-in-progress	Total
	R	R	R	R	R	R
Year ended 31 March 2014						
Opening net carrying amount	1,214,505	301,611	51,157	292,124	-	1,859,397
Additions	88,717	21,370	-	240,884	-	350,971
Transfer	-	-	-	-	-	
Depreciation	(300,630)	(102,437)	(36,111)	(190,583)	-	(629,761)
Disposals	-	(90,211)	-	(12,421)	-	(102,632)
Transfer to non-current assets held for sale	-	-	-	-	-	-
Closing net carrying amount	**1,002,592**	**130,333**	**15,046**	**330,004**	**-**	**1,477,975**
Cost	3,059,073	1,558,626	279,664	1,934,775	-	6,832,138
Accumulated depreciation and impairment	(2,056,481)	(1,428,293)	(264,618)	(1,604,771)	-	(5,354,163)
Closing net carrying amount	**1,002,592**	**130,333**	**15,046**	**330,004**	**-**	**1,477,975**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Leasehold improvements	Plant and machinery	Motor vehicles	Office furniture and computer equipment	Capital work-in-progress	Total
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Year ended 31 March 2014						
Opening net carrying amount	0.69	0.17	0.03	0.17	-	1.06
Additions	0.05	0.01	0.00	0.14	0.00	0.20
Transfer	-	-	-	-	-	-
Depreciation	(0.17)	(0.06)	(0.02)	(0.11)	-	(0.36)
Disposals	-	(0.05)	-	(0.01)	-	(0.06)
Transfer to non-current assets held for sale	-	-	-	-	-	-
Closing net carrying amount	**0.57**	**0.07**	**0.01**	**0.19**	**0.00**	**0.84**
Cost	1.74	0.89	0.16	1.10	-	3.89
Accumulated depreciation and impairment	(1.17)	(0.81)	(0.15)	(0.91)	-	(3.04)
Closing net carrying amount	**0.57**	**0.07**	**0.01**	**0.19**	**-**	**0.84**

7 Intangible assets

	Brands	Total	Brands	Total
	R	R	Rs. Crore	Rs. Crore
Year ended 31 March 2015				
Opening carrying amount	47,993,319	47,993,319	24.72	24.72
Impairment	(12,597)	(12,597)	(0.01)	(0.01)
Closing carrying amount	**47,980,722**	**47,980,722**	**24.71**	**24.71**
Cost	50,062,924	50,062,924	25.79	25.79
Accumulated impairment	(2,082,202)	(2,082,202)	(1.07)	(1.07)
Closing carrying amount	**47,980,722**	**47,980,722**	**24.71**	**24.71**
Year ended 31 March 2014				
Opening carrying amount	47,993,319	47,993,319	27.29	27.29
Additions	-	-	-	-
Closing carrying amount	**47,993,319**	**47,993,319**	**27.29**	**27.29**
Cost	50,062,924	50,062,924	28.47	28.47
Accumulated amortisation	(2,069,605)	(2,069,605)	(1.18)	(1.18)
Closing carrying amount	**47,993,319**	**47,993,319**	**27.29**	**27.29**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

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 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:

	2015	2014
Growth rate *1	2.50%	2.50%
Discount rate *2	14.10%	12.20%

*1 Weighted average growth rate used to extrapolate cash flows beyond the budget period.

*2 Post-tax discount rate applied to the cash flow projections.

8 Inventories

	2015 R	2014 R	2015 Rs. Crore	2014 Rs. Crore
Raw materials	9,350,766	7,308,491	4.82	4.16
Work in progress	197,486	142,757	0.10	0.08
Finished goods	7,623,034	8,724,146	3.93	4.96
	17,171,286	**16,175,394**	**8.84**	**9.20**
The above balances have been derived after deducting write down to net realisable value of	(1,894,598)	(2,173,284)	(0.98)	(1.24)

The cost of inventories recognised as an expense and included in cost of sales amounted to R 112,927,620 (Rs. 62.48 Crore) (2014: R 105,760,622 (Rs. 63.17 Crore)).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

9 Trade and other receivables

	2015 R	2014 R	2015 Rs. Crore	2014 Rs. Crore
Trade receivables	21,806,831	18,722,297	11.23	10.65
Provision for doubtful debts	(38,055)	(10,739)	(0.01)	(0.01)
Net trade receivables	21,768,776	18,711,558	11.22	10.64
Other receivables	451,189	269,100	0.23	0.15
	22,219,965	**18,980,658**	**11.46**	**10.79**

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:

	2015 R	2014 R	2015 Rs. Crore	2014 Rs. Crore
Past due by 30 days	7,831,454	6,606,878	4.03	3.76
Past due by 60 days	2,028,393	2,498,443	1.04	1.42
Past due by 90 days	1,150,446	435,939	0.59	0.25
	11,010,293	**9,541,260**	**5.67**	**5.43**

The carrying value of the trade and other receivables approximates their fair value.

10 Cash and cash equivalents

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the following:

	2015 R	2014 R	2015 Rs. Crore	2014 Rs. Crore
Bank balances	13,533,564	12,912,763	6.97	7.34

Credit quality of cash at bank: BBB+

11 Share capital and share premium

	2015 R	2014 R	2015 Rs. Crore	2014 Rs. Crore
Authorised				
754958 no par value shares	754,958	754,958	0.40	0.44
Issued				
500,000 Ordinary shares of R0.01 each	**5,000**	**5,000**	**0.01**	**0.01**
254,958 Ordinary shares of R215.0962 each	**54,840,500**	**54,840,500**	**28.25**	**28.25**
Share premium	**22,863,735**	22,863,735	11.78	13.00

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

12 Deferred income tax assets

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 28% (2014: 28%).

The movement on the deferred income tax asset account is as follows:

	2015	2014	2015	2014
	R	R	Rs. Crore	Rs. Crore
At beginning of year	4,340,259	6,646,542	2.24	3.78
Current year	(2,257,658)	(2,110,281)	(1.16)	(1.20)
Prior year underprovision	(3,152)	(196,002)	(0.01)	(0.11)
At end of year	**2,079,449**	**4,340,259**	**1.07**	**2.47**

Deferred tax assets may be analysed as follows:

	2015	2014	2015	2014
	R	R	Rs. Crore	Rs. Crore
Property, plant and equipment	213,114	154,104	0.11	0.09
Other provisions	1,866,335	1,615,643	0.96	0.92
Tax losses carried forward	-	2,570,512	-	1.46
	2,079,449	**4,340,259**	**1.07**	**2.47**

13 Trade and other payables

	2015	2014	2015	2014
	R	R	Rs. Crore	Rs. Crore
Trade payables	14,340,229	14,538,633	7.39	8.27
Amount due to related party (refer note 18)	902,953	594,310	0.47	0.34
Accruals	2,472,121	2,673,926	1.27	1.52
Audit fee provision	492,242	207,852	0.25	0.12
Bonus provision	2,153,820	2,204,034	1.11	1.25
Leave pay provision	946,050	847,152	0.49	0.48
Other payables	442,927	368,527	0.23	0.21
	21,750,342	**21,434,434**	**11.20**	**12.19**

The carrying value of the trade and other payables approximates their fair value.

14 Borrowings

Related party (refer note 17)

	2015	2014	2015	2014
	R	R	Rs. Crore	Rs. Crore
- Non-current portion	2,272,599	12,037,600	1.17	6.85
- Current portion	7,823,834	3,952,353	4.03	2.25
	10,096,433	15,989,953	5.20	9.09

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

The loan is unsecured. The non-current portion of the loan is repayable in four years and bears interest 9.25%. The current portion of the loan is repayable within 12 months and bears interest at a rate of 9.25% (2014: 7.45%).

Maturity of borrowings

	2015 R	2014 R	2015 Rs. Crore	2014 Rs. Crore
Due within 1 year	7,823,834	3,952,353	4.03	2.25
Due within 2 – 5 years	2,272,599	12,037,600	1.17	6.85
	10,096,433	15,989,953	5.20	9.09

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	Rights Exercisable at 31 March 2014
149	01-Dec-11	25,500	30-Nov-14	-
214	01-Dec-12	38,000	30-Nov-15	-
209	01-Dec-13	29200	30-Nov-16	-

The share price at 31 March 2015 used to compute the share option liability in INR 386. No options were exercised or forfeited during the year.

	2015 R	2014 R	2015 Rs. Crore	2014 Rs. Crore
Current portion	992,670	211,309	0.51	0.12
Non-current portion	447,155	107	0.23	0.00
	1,439,825	**211,416**	**0.74**	**0.13**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

16 Cash flow from operating activities

	2015 R	2014 R	2015 Rs. Crore	2014 Rs. Crore
Operating profit	9,854,096	9,837,569	5.08	5.59
Adjusted for:				
Non-cash items				
Depreciation	650,620	629,761	0.34	0.36
Impairment of intangible asset	12,597	-	0.01	0.00
Share-based payment expense	1,228,409	149,021	0.63	0.08
Profit on disposal of property, plant and equipment	80,631	(1,606,014)	0.04	-0.91
Operating profit before working capital changes:				
Decrease/(increase) in trade and other receivables	(3,239,307)	(8,723,360)	(1.67)	4.96
Decrease/(increase) in inventories	(995,892)	1,452,591	(0.51)	0.83
(Decrease)/increase in trade and other payables	315,908	(6,369,120)	0.16	(3.62)
	7,907,062	**12,817,168**	**4.07**	**7.29**

17 Related party transactions

Transactions with related parties:

The following transactions were carried out by the company with related parties:

Finance costs (refer note 4.2):

	2015 R	2014 R	2015 Rs. Crore	2014 Rs. Crore
Marico South Africa Consumer Care Proprietary Limited	1,286,924	2,602,197	0.66	1.48
Directors'emoluments (refer note 2)				
J Mason	3,454,645	3,407,724	1.78	1.94
J Nieuwenhuys	1,606,315	1,471,960	0.83	0.84
	5,060,960	4,879,684	2.61	2.51
Technical support				
-MaricoLimited	**902,953**	**594,310**	**0.47**	**0.34**

Amounts due to related parties

Amounts due to holding company(refer note 14):

	2015 R	2014 R	2015 Rs. Crore	2014 Rs. Crore
Marico South Africa Consumer Care Proprietary Limited	10,096,433	15,989,953	5.20	9.09
Included in trade payables (refer note13):				
MaricoLimited	**902,953**	**594,310**	**0.47**	**0.34**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

18 Commitments

Operating lease commitments

The future minimum lease payments payable under non-cancellable operating leases are as follows:

	2015	2014	2015	2014
	R	R	Rs. Crore	Rs. Crore
- Within 1 year	2,930,298	2,345,417	1.51	1.33
- Between 2 and 5 years	560,062	2,728,604	0.29	1.55
- Over 5 years	-	-	-	-
	3,490,360	**5,074,021**	**1.80**	**2.89**

The company leases certain factory facilities under sub-operating leases. The leases run for a period of up to 10 years, with an option to renew the lease after that date.

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

	2015	2014	2015	2014
	R	R	Rs. Crore	Rs. Crore
Trade and other receivables	22,219,965	18,980,658	11.45	10.79
Cash and cash equivalents	13,533,564	12,912,763	6.97	7.34
	35,753,529	**31,893,421**	**18.42**	**18.14**

Financial liabilities

Financial liabilities at amortised cost:

Liabilities as per the statement of financial position

Interest bearing liabilities (refer note 14)	10,096,433	15,989,953	5.20	9.09
Trade and other payables	18,207,545	18,014,721	9.38	10.24
	28,303,978	**34,004,674**	**14.58**	**19.34**

Board of Directors	Mr. Pawan Agrawal Mr. Rohit Saraogi Mr. Vivek Karve Mr. Datuk Chin Chee Kee Mr. Poh Shiow Mei
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 Public Bank

INDEPENDENT AUDITORS' REPORT

To the Members of

Independent Auditors' Report to the Members of

MARICO MALAYSIA SDN. BHD. (881499-V)

Report on the Financial Statements

We have audited the financial statements of MARICO MALAYSIA SDN. BHD. which comprise the balance sheet as at 31 March 2015, and the income statement, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 21.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. 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 judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 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.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2015 and of its financial performance and cash flows for the period then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 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

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 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 ARUMUGAM 1876/02/16(J/PH)
Chartered Accountant (M)

Petaling Jaya
Date :

BALANCE SHEET
As at 31 March 2015

	Notes	2015 RM	2014 RM	2015 Rs.Crore	2014 Rs.Crore
Non–current assets					
Plant and equipment	7	–	42,162	–	0.08
Intangible asset	8	–	9,435,637	–	17.31
		–	**9,477,799**	**–**	**17.39**
Current assets					
Inventories	3 (iv)/9	–	206,677	–	0.38
Trade receivables		–	1,620,909	–	2.97
Other receivables and deposits	10	175,000	208,070	0.30	0.38
Cash and bank balances		155,172	957	0.26	0.01
		330,172	**2,036,613**	**0.56**	**3.73**
Current liabilities					
Trade payables		140,575	61,040	0.24	0.11
Bills payable	11	–	368,000	–	0.68
Other payables and accrued liabilities	12	10,000	1,880,602	0.02	3.45
Amount due to holding company	13	–	3,280,368	–	6.02
Amount due to ultimate holding company	13	–	581,871	–	1.07
Short–term borrowings	14	–	3,272,487	–	6.00
Bank overdraft	11	–	795,822	–	1.46
		150,575	**10,240,190**	**0.26**	**18.79**
Net current liabilities		179,597	(8,203,577)	0.30	(15.06)
		179,597	**1,274,222**	**0.30**	**2.33**
Financed by :					
Share capital	15	**17,660,240**	**17,660,240**	**29.80**	**32.40**
Accumulated losses		**(17,480,643)**	**(16,386,018)**	**(29.50)**	**(30.06)**
		179,597	**1,274,222**	**0.30**	**2.34**

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

Note: The exchange rate use to convert MYR to Rs.16.875 (Previous year MYR to Rs. 18.346)

INCOME STATEMENT
For the year ended 31 March 2015

	Notes	2015 RM	2014 RM	2015 Rs.Crore	2014 Rs.Crore
Revenue	3(i)	1,039,081	6,601,667	1.75	12.11
Cost of sales		(1,331,918)	(4,435,058)	(2.25)	(8.14)
Gross (loss) / profit		**(292,837)**	**2,166,609**	**(0.50)**	**3.97**
Other income		277,378	538,974	0.47	0.99
Staff costs	4	(65,554)	(873,739)	(0.11)	(1.60)
Depreciation		(2,518)	(25,929)	(0.01)	(0.05)
Other operating expenses		(930,733)	(11,549,004)	(1.57)	(21.19)
Operating loss		**(1,014,264)**	**(9,743,089)**	**(1.71)**	**(17.88)**
Finance cost		(80,361)	(319,138)	(0.14)	(0.59)
Loss before taxation	5	**(1,094,625)**	**(10,062,227)**	**(1.85)**	**(18.47)**
Taxation	6	–	–	–	–
Loss after taxation		**(1,094,625)**	**(10,062,227)**	**(1.85)**	**(18.47)**

Note: The exchange rate use to convert MYR to Rs.16.875 (Previous year MYR to Rs. 18.346)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	Share capital RM	Accumulated loss RM	Total RM	Share capital Rs.Crore	Accumulated loss Rs.Crore	Total Rs.Crore
Balance as at 01 April 2014	17,660,240	(16,386,018)	1,274,222	32.40	(30.06)	2.34
Loss after taxation	–	(1,094,625)	(1,094,625)	––	(1.85)	(1.85)
Balance as at 31 March 2015	**17,660,240**	**(17,480,643)**	**179,597**	**32.40**	**(31.91)**	**0.49**
Balance as at 01 April 2013	17,660,240	(6,323,791)	11,336,449	30.97	(11.09)	19.88
Loss after taxation	–	(10,062,227)	(10,062,227)	–	(18.46)	(18.46)
Balance as at 31 March 2014	**17,660,240**	**(16,386,018)**	**1,274,222**	**30.97**	**(29.55)**	**1.42**

Note: The exchange rate use to convert MYR to Rs.16.875 (Previous year MYR to Rs. 18.346)

CASH FLOW STATEMENT

For the year ended 31 March 2015

	2015 RM	2014 RM	2015 Rs.Crore	2014 Rs.Crore
Cash flows from operating activities				
Loss before taxation	(1,094,625)	(10,062,227)	(1.85)	(18.46)
Adjustments for:				
Loss on disposal of intangible asset, plant and equipment	244,275	–	0.41	–
Depreciation on plant and equipment	2,518	25,929	–	0.05
Plant and equipment written off	5	–	0.01	–
Allowance for obsolete inventories	–	158,279	–	0.29
Impairment loss recognised of intangible asset	–	6,946,663	–	12.74
Loan interest	80,361	319,138	0.14	0.59
Operating loss before working capital changes	(767,466)	(2,612,218)	(1.30)	(4.79)
Working capital :				
Inventories	206,677	469,659	0.35	0.86
Trade receivables	1,620,909	648,879	2.74	1.19
Other receivables and deposits	33,070	256,228	0.06	0.47
Trade payables	79,535	(132,534)	0.13	(0.24)
Other payables and accrued liabilities	(1,870,602)	(604,060)	(3.16)	(1.11)
Amount due to ultimate holding company	(581,871)	(262,669)	(0.98)	(0.48)
Amount due to holding company	(3,280,368)	1,114,744	(5.54)	2.05
Cash absorbed by operations	(4,560,116)	(1,121,971)	(7.70)	(2.05)
Loan interest	(80,361)	(319,138)	(0.14)	(0.59)
Net cash flows from operating activities	**(4,640,477)**	**(1,441,109)**	**(7.84)**	**(2.64)**
Cash flow from investing activities				
Purchase of plant and equipment	–	(5,200)	–	(0.01)
Proceed from disposal of intangible asset, plant and equipment	9,231,001	–	15.58	–
Net cash flow from investing activities	**9,231,001**	**(5,200)**	**15.58**	**(0.01)**
Cash flows from financing activities				
Proceeds from bills payable	–	5,346,639	–	9.81
Repayment of bills payable	(368,000)	(6,529,127)	(0.62)	(11.98)
Short–term borrowings	**(3,272,487)**	**1,696,703**	**(5.52)**	**3.11**
Net cash flow from financing activities	**(3,640,487)**	**514,215**	**(6.14)**	**0.94**
Net increase / (decrease) in cash and cash equivalents	**950,037**	**(932,094)**	**1.60**	**(1.71)**
Cash and cash equivalents brought forward	**(794,865)**	**137,229**	**(1.34)**	**0.25**
Cash and cash equivalents carried forward	**155,172**	**(794,865)**	**0.26**	**(1.46)**
Breakdown of cash and cash equivalents carried forward				
Cash and bank balances	**155,172**	**957**	**0.26**	**0.01**
Bank overdraft	**–**	**(795,822)**	**–**	**(1.46)**
	155,172	(794,865)	0.26	(1.46)

The annexed notes form an integral part of these financial statements

Note: The exchange rate use to convert MYR to Rs.16.875 (Previous year MYR to Rs. 18.346)

NOTES TO THE FINANCIAL STATEMENTS 31 March 2015

1. Corporate information

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Room A, Ground Floor, Lot 7, Block F, Saguking Commercial Building, Jalan Patau-Patau, 87000 Labuan Ft.

The principal activity of the Company is as distributor of perfumery, cosmetics, toiletries and related beauty products. The Company has temporarily ceased its business operation during the year.

The Company has no employee at the end of the financial year (2014:13).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 02 June 2015

2. Basic of preparation

The financial statements comply with the provisions of the Companies Act 1965 and the applicable Private Entity Reporting Standards issued by the Malaysian Accounting Standards Board.

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies (Note 3).

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and the applicable Private Entity Reporting Standards issued by the Malaysian Accounting Standards Board requires the Directors to make 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 revenue and expenses during the reported period. Actual results could differ from those estimates.

The financial statements are presented in Ringgit Malaysia (RM).

3. Significant accounting policies

(i) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Sale of goods

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(ii) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment loss.

Depreciation on plant and equipment is calculated on a straight – line method based on the estimated useful lives of the assets.

The principal annual rates of depreciation used are as follows:

Computer	33.33%
Furniture and fittings	33.33%
Office equipment	33.33%
Motor vehicles	27%

Plant and equipment is written down to recoverable amount if, the recoverable amount is less than their carrying value. Recoverable amount is the higher of an asset's net selling price and its value in use.

NOTES TO THE FINANCIAL STATEMENTS 31 March 2015

(iii) Inventories

Inventories comprises of trading merchandise which are valued at the lower of cost and net realisable value. Cost is determined on weighted average method. Costs of trading merchandise comprise the cost of purchase plus the cost of bringing the inventories to their present location and condition.

(iv) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity.

(v) Provisions

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

(vi) Cash and cash equivalents

Cash comprises of cash and bank balances. Cash equivalents comprises of investments maturing within three months from the date of acquisition and which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value.

(vii) Receivables

Trade and other receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on review of all outstanding amounts at the year end.

(viii) Payables

Payables are stated at cost which is the consideration to be paid in the future for products and services received.

(ix) Intangible assets

Trademarks acquired are measured at cost less any accumulated impairment losses. Trademarks with indefinite useful lives are not amortised but is tested for impairment annually and whenever there is an indication that the asset may be impaired.

The carrying values of assets excluding inventories, deferred tax assets, assets arising from employee benefits and financial assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it not possible, for the cash-generating unit.

NOTES TO THE FINANCIAL STATEMENTS 31 March 2015

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(x) Currency conversion

Transactions in foreign currencies are translated to Malaysian Ringgit at rates of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Foreign exchange differences arising on translation are recognised in the income statement.

The principal closing rates used in translation of foreign currency amount are as follows:

	2015 RM	2014 RM
United States Dollar	3.7165	3.2645
Singapore Dollar	2.6997	2.5927

(xi) Borrowings

Borrowings are reported at their face value.

All borrowing costs are charged to the income statement in the period in which they are incurred.

(xii) Employment benefit

a. Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occurred.

b. Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employee Provident Fund (EPF). Such contributions are recognised as an expense in the income statement as incurred

4. Staff cost

	2015 RM	**2014 RM**	**2015 Rs. Crore**	**2014 Rs. Crore**
Salaries, bonuses and allowance	62,647	858,461	0.11	1.57
Contribution to defined contribution plan	2,700	7,233	0.01	0.01
Other employees benefits	207	8,045	0.01	0.01
	65,554	**873,739**	**0.11**	**1.60**

NOTES TO THE FINANCIAL STATEMENTS 31 March 2015

5. Loss before taxation

Loss before taxation is stated after charging:-

	2015 RM	2014 RM	2015 Rs. Crore	2014 Rs. Crore
Loss on foreign exchange – realised	259,601	769,322	0.44	1.41
Loss on disposal of intangible asset, plant and equipment	244,275	-	0.41	-
Loan interest	80,361	319,138	0.14	0.59
Directors' remuneration	41,874	530,830	0.07	0.97
Rental of office	14,000	42,000	0.02	0.08
Auditors' remuneration	4,000	8,000	0.01	0.01
Plant and equipment written off	5	–	–	–
Allowance for obsolete inventories	–	158,279	–	0.29
Loss on foreign exchange - unrealised	–	58,000	–	0.11
Impairment loss recognised of intangible asset	–	6,946,663	–	12.74
and crediting :-				
Gain on foreign exchange – realised	277,229	449,574	0.47	0.82
Interest income	149	32	–	–
Gain on foreign exchange – unrealised	–	89,368	–	0.16

6. Taxation

Tax charge for the year is as follows:

	2015 RM	2014 RM	2015 Rs. Crore	2014 Rs. Crore
Provision for the year	–	–	–	–

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	2015 RM	2014 RM	2015 Rs. Crore	2014 Rs. Crore
Loss before taxation	(1,094,625)	(10,062,227)	(1.85)	(18.46)
Tax at Malaysian statutory tax rate of 25%	(273,656)	(2,515,557)	(0.46)	(4.62)
Non-taxable income	-	(101,051)	–	(0.19)
Expenses not deductible for tax purposes	2,040	1,888,589	–	3.46
Deferred tax assets not recognised	271,616	728,019	0.46	1.34
Tax expense for the year	–	–	–	–

Subject to agreement of the Inland Revenue Board, the Company has the following available for set-off against future taxable income.

	2015 RM	2014 RM	2015 Rs. Crore	2014 Rs. Crore
Unutilised tax losses	9,818,893	8,983,219	16.57	16.48
Unutilised capital allowances	7,294,877	16,492,319	12.31	30.26
	17,113,770	**25,475,538**	**28.88**	**46.74**

7. Plant and equipment

The movement on plant and equipment is detailed on page 21.

a) Cost of fully depreciated assets which are still in use is as follows:

Cost	**Furniture and fittings**	**Computer**	**Office equipment**	**Motor vehicles**	**Total**	**Furniture and fittings**	**Computer**	**Office equipment**	**Motor vehicles**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**
Balance brought forward	3,768	17,328	43,200	91,252	155,548	0.01	0.03	0.07	0.15	0.26
Addition	–	–	–	–	–	-	-	-	-	-
Disposal	3,768	17,328	43,200	91,252	155,548	0.01	0.03	0.07	0.15	0.26
Balance carried forward	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	**Furniture and fittings**	**Computer**	**Office equipment**	**Motor vehicles**	**Total**	**Furniture and fittings**	**Computer**	**Office equipment**	**Motor vehicles**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Balance brought forward	3,767	12,159	43,197	54,263	113,386	0.01	0.02	0.08	0.10	0.21
Current charge	–	839	–	1,679	2,518	-	-	-	-	-
Depreciation on disposal	3,767	12,998	43,197	55,942	115,904	0.01	0.02	0.08	0.10	0.21
Balance carried forward	-	-	-	-	-	-	-	-	-	-
Net book value	**Furniture and fittings**	**Computer**	**Office equipment**	**Motor vehicles**	**Total**	**Furniture and fittings**	**Computer**	**Office equipment**	**Motor vehicles**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**	**Rs. Crore**
2015	-	-	-	-	-	-	-	-	-	-
2014	1	5,169	3	36,989	42,162	0.01	0.01	0.01	0.07	0.08

NOTES TO THE FINANCIAL STATEMENTS 31 March 2015

8. Intangible assets

	Trademark		Trademark	
	2015	2014	2015	2014
	RM	RM	Rs. Crore	Rs. Crore
Cost				
At 1 April	9,435,637	16,382,300	15.92	30.05
Less : Impairment loss recognised	–	(6,946,663)	–	(12.74)
Less : Disposal of intangible assets	(9,435,637)	–	(15.92)	–
At 31 March	–	9,435,637	–	17.31

Trademarks related to the “Code 10” brand name were acquired by way of an assignment of full and absolute rights thereto from the registered proprietor. As those rights were assigned without a specified time frame and management believes that is no foreseeable limit to the period over which the brand is expected to generate cash inflows for the Company, the trademarks were assessed as having an indefinite useful life subject to use in good faith.

During the year, the directors of the Company disposed off of the trademarks related to the “Code 10” to its ultimate holding company.

9. Inventories

	2015	2014	2015	2014
	RM	RM	Rs. Crore	Rs. Crore
At costs :				
Trading merchandise	–	322,625	–	0.59
Less : Allowance of obsolete inventories	–	(158,279)	–	(0.29)
	–	164,346	–	0.30
Add : Goods in transit	–	42,331	–	0.08
	–	**206,677**	**–**	**0.38**

10. Other receivables and deposits

	2015	2014	2015	2014
	RM	RM	Rs. Crore	Rs. Crore
Deposits	175,000	208,070	0.30	0.38

11. Credit facility

The credit facility consists of the following :

	2015	2014	2015	2014
	RM	RM	Rs. Crore	Rs. Crore
Trade bills	–	1,500,000	–	2.75
Bank overdraft	–	900,000	–	1.65
	–	**2,400,000**	**–**	**4.40**

12. Other payables and accrued liabilities

	2015	2014	2015	2014
	RM	RM	Rs. Crore	Rs. Crore
Accrued expenses	10,000	1,880,602	0.02	3.45

13. Holding company

The Company's immediate holding company is Marico Middle East FZE, a company incorporated in Dubai, United Arab Emirates which holds 100 % interest in the shares of the Company.

The ultimate holding company is Marico Limited a company incorporated in India.

14. Share capital

	2015	2014	2015	2014	2015	2014
	Number of shares		RM	RM	Rs Crores	Rs Crores
Authorised :						
Ordinary shares of RM 1/- each	24,000,000	24,000,000	24,000,000	24,000,000	40.50	44.03
Redeemable Preference shares of RM 1/- each	1,000,000	1,000,000	1,000,000	1,000,000	1.69	1.83
	25,000,000	**25,000,000**	**25,000,000**	**25,000,000**	**42.19**	**45.87**
Issued and fully paid :						
Ordinary shares of RM1/- each	**17,660,240**	**17,660,240**	**17,660,240**	**17,660,240**	**29.80**	**32.40**

15. Deferred tax assets

	Plant and equipment			
	2014	2013	2014	2013
	RM	RM	Rs. Crore	Rs. Crore
At 1 April	–	–	–	–
Recognised in income statement				
- Deferred tax liabilities	–	4,094,733	–	7.51
- Deferred tax assets	–	(4,094,733)	–	(7.51)
	–	**–**	**–**	**–**
No deferred tax asset is recognised for the following items:				
Unabsorbed tax capital allowances	9,818,893	113,386	16.57	0.21
Unutilised tax losses	7,294,877	8,983,219	12.31	16.48
	17,113,770	**9,096,605**	**28.88**	**16.69**

Business Registration Certificate No.	46002001139 dated 13 July 2004. Issued by the Department of Planning and Investment of Binh Duong Province The third amended Investment Certificate No. 462035000802 dated 15 May 2015 was issued by the Board of Management of Industrial Park of Binh Duong Province for a period of 34 years from the date of the first Investment Certificate No. 462035000802 dated 11 February 2011.	
Board of Management	Mr. Saugata Gupta	Chairman
	Mr. Ashutosh Telang	Member
	Mr. Nikhil P. Narkhede	Member
	Mr. Madan Mohan Pandey	Member (from July 25, 2014)
	Mr. Ashish Joshi	Member (From January 29, 2015)
	Mr. Luong Huu Khanh	Member (From January 29, 2015)
	Mr. Chaitanya Deshpande	Member (Until May 7, 2015)
	Mr. Phan Quoc Cong	Member (Until May 15, 2015)
	Mr. Le Quang Hanh	Member (Until October 28, 2014)
Board of Directors	Mr. Luong Huu Khanh	General Director (from May 15, 2015)
	Mr. Ashish Joshi	Managing Director (from January 16, 2015)
	Mr. Phan Quoc Cong	General Director (Until May 15, 2015)
	Mr. Le Quang Hanh	Deputy General Director (Until October 28, 2014)
	Mr. Nguyen Ngoc Anh Tuan	Deputy General Director
	M. Vu Hoang Quoc Tuan	Deputy General Director
	Mr. Phung Ngoc Trang	Deputy General Director
	Mr. Pham Hoang Ngan	Deputy General Director
Legal representative	Mr. Phan Quoc Cong	General Director (Until May 15, 2015)
	Mr. Luong Huu Khanh	General Director (from May 15, 2015)
Registered office	No. 3, 5th Street, Song Than 1 Industrial Zone, Di An Town, Binh Duong Province, SR Vietnam	
Representative Office	8th Floor, Hai Au Building, 39B Truong Son Street, Ward 4, Tan Binh District, Ho Chi Minh City	
Auditor	PricewaterhouseCoopers (Vietnam) Limited	

INDEPENDENT AUDITOR'S REPORT TO SHAREHOLDERS OF INTERNATIONAL CONSUMER PRODUCTS CORPORATION

We have audited the accompanying single-entity financial statements of International Consumer Products Corporation ("the Company") which were prepared on 31 March 2015 and approved by the Board of Directors on 27 May 2015. The single-entity financial statements comprise the balance sheet as at 31 March 2015, the income statement and cash flow statement for the year then ended, and explanatory notes to the single-entity financial statements including significant accounting policies, as set out on pages 5 to 30.

The Board of Directors' Responsibility for the Single entity Financial Statements

The Board of Directors of the Company is responsible for the preparation and the true and fair presentation of these single-entity financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of single-entity financial statements and for such internal controls which the Board of Directors determines are necessary to enable the preparation and fair presentation of single-entity 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 single-entity 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 requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the single-entity financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the single-entity financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the single-entity financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the single-entity 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 controls. 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 single-entity 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 single-entity financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2015, 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 single-entity financial statements

Richard Peters
Audit Practising Licence No. 0561-2013-006-1
Authorised signatory

Cao Thi Ngoc Loan
Audit Practising Licence No. 3030-2014-006-1

Report reference number: HCM4828
Ho Chi Minh City, 27 May 2015

As indicated in Note 2.1 to the single-entity financial statements, the accompanying single-entity 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 31 March 2015

		As at 31 March 2015		As at 31 March 2015	
		2015	2014	2015	2014
ASSETS	**Note**	**VND**	**VND**	**Rs. Crore**	**Rs. Crore**
CURRENT ASSETS		**136,166,221,431**	**509,738,134,748**	**39.48**	**144.76**
Cash and cash equivalents	**3**	**2,746,828,903**	**314,495,994,766**	**0.80**	**89.32**
Cash		2,746,828,903	2,095,994,766	0.80	0.60
Cash equivalents		-	312,400,000,000	-	88.72
Short-term investments		**-**	**63,650,000,000**	**-**	**18.08**
Short-term investments		-	63,650,000,000	-	18.08
Accounts receivable		**36,183,399,108**	**37,998,014,818**	**10.49**	**10.79**
Trade accounts receivable	4	26,284,256,528	22,583,125,282	7.62	6.41
Prepayments to suppliers	5	9,899,142,580	7,894,038,263	2.87	2.24
Other receivables		-	7,520,851,273	-	2.14
Inventories	**6**	**95,586,777,141**	**87,711,355,490**	**27.72**	**24.91**
Inventories		100,714,600,648	93,696,080,227	29.21	26.61
Provision for decline in value of inventories		(5,127,823,507)	(5,984,724,737)	(1.49)	(1.70)
Other current assets		**1,649,216,279**	**5,882,769,674**	**0.47**	**1.66**
Short-term prepayments		836,955,500	1,069,661,852	0.24	0.30
Other taxes receivable		384,852,052	157,949,649	0.11	0.04
Other current assets		427,408,727	4,655,158,173	0.12	1.32
NON-CURRENT ASSETS		**168,343,979,237**	**164,041,033,208**	**48.82**	**46.60**
Fixed assets		**25,891,962,866**	**19,302,515,031**	**7.52**	**5.49**
Tangible fixed assets	7(a)	18,014,528,776	14,605,356,406	5.23	4.15
Cost		47,402,639,310	39,150,348,784	13.75	11.12
Accumulated depreciation		(29,388,110,534)	(24,544,992,378)	(8.52)	(6.97)
Intangible fixed assets	7(b)	4,714,494,111	2,550,273,973	1.37	0.73
Cost		16,580,258,459	13,869,060,607	4.81	3.94
Accumulated amortisation		(11,865,764,348)	(11,318,786,634)	(3.44)	(3.21)
Construction in progress	7(c)	3,162,939,979	2,146,884,652	0.92	0.61
Investment properties	**8**	**22,058,852,272**	**22,653,697,732**	**6.39**	**6.43**
Cost		23,843,388,652	23,843,388,652	6.91	6.77
Accumulated depreciation		(1,784,536,380)	(1,189,690,920)	(0.52)	(0.34)
Long-term investments		**116,430,297,308**	**116,432,297,308**	**33.76**	**33.07**
Investments in subsidiaries	9	116,430,297,308	116,432,297,308	33.76	33.07
Other long-term assets		**3,962,866,791**	**5,652,523,137**	**1.15**	**1.61**
Long-term prepayments	10	795,871,959	3,161,657,753	0.23	0.90
Deferred income tax assets	24	1,605,333,420	972,603,972	0.47	0.28
Other long-term assets		1,561,661,412	1,518,261,412	0.45	0.43
TOTAL ASSETS		**304,510,200,668**	**673,779,167,956**	**88.30**	**191.36**

Note: The notes on pages 9 to 30 are an integral part of these financial statements.

BALANCE SHEET

As at 31 March 2015

RESOURCES	Note	As at 31 March 2015 2015 VND	 2014 VND	As at 31 March 2015 2015 Rs. Crore	 2014 Rs. Crore
LIABILITIES		**227,921,297,740**	**97,488,012,763**	**66.08**	**27.68**
Current liabilities		**225,856,168,740**	**95,218,656,013**	**65.48**	**27.04**
Short-term borrowings	11	140,428,396,085	-	40.72	-
Trade accounts payable	12	33,590,367,021	44,592,936,617	9.74	12.66
Advances from customers		1,907,478,379	1,164,568,374	0.53	0.34
Taxes and other payables to the State Budget	13	7,023,826,533	8,845,136,502	2.04	2.51
Payable to employees		29,217,080	67,757,254	0.01	0.02
Accrued expenses	14	39,439,995,576	37,689,613,179	11.44	10.70
Other payables		3,436,888,066	2,858,644,087	1.00	0.81
Long-term liabilities		**2,065,129,000**	**2,269,356,750**	**0.60**	**0.64**
Provision for severance allowances		2,065,129,000	2,269,356,750	0.60	0.64
OWNERS' EQUITY		**76,588,902,928**	**576,291,155,193**	**22.20**	**163.67**
Capital and reserves		76,588,902,928	576,291,155,193	22.20	163.67
Owners' capital	15,16	112,177,600,000	112,177,600,000	32.53	31.86
Share premium	16	112,213,880,000	112,213,880,000	32.54	31.87
Treasury shares	16	(654,025,036,149)		(189.67)	-
Undistributed earnings	19	506,222,459,077	351,899,675,193	146.80	99.94
TOTAL RESOURCES		**304,510,200,668**	**673,779,167,956**	**88.28**	**191.35**

OFF BALANCE SHEET ITEMS

Included in cash and cash equivalents are balances held in foreign currencies of US $ 764.13 (as at 31st March 2014:US $ 37,510.05)

Note: The notes on pages 9 to 30 are an integral part of these financial statements.

Do Thi Thuy Hang	**Tran Le Kim Loan**	**Luong Huu Khanh**
Prepaper	Chief accountant	General Director
		27-May-15

Note: The exchange rate use to convert VND to Rs.0.00290 (Previous year VND to Rs. 0.00293)

INCOME STATEMENT
As at 31 March 2015

RESOURCES	Note	Year ended 31.3.2015 VND	Period from 1.1.2014 to 31.3.2014 VND	Year ended 31.3.2015 Rs. Crore	Period from 1.1.2014 to 31.3.2014 Rs. Crore
Sales		**989,779,511,904**	**180,832,182,817**	**287.05**	**51.36**
Less deductions		(13,096,916,160)	(1,689,650,951)	(3.80)	(0.48)
Net sales	17	**976,682,595,744**	**179,142,531,866**	**283.25**	**50.88**
Cost of sales	18	**(376,784,241,117)**	**(80,323,681,283)**	**(109.27)**	**(22.81)**
Gross profit		**599,898,354,627**	**98,818,850,583**	**173.98**	**28.07**
Financial income	19	4,004,376,386	6,179,394,835	1.16	1.75
Financial expenses	20	(6,611,549,274)	(15,590,152)	(1.92)	(0.01)
Including Interest Expenses		(6,159,432,613)	-	(0.01)	-
Selling expenses	21	(355,264,601,236)	(65,680,331,233)	(103.03)	(18.65)
General and administration expenses	22	(53,725,197,978)	(22,083,369,790)	(15.58)	(6.27)
Operating profit		**188,301,382,525**	**17,218,954,243**	**54.61**	**4.90**
Other income		515,539,541	23,951,801	0.15	0.01
Other expenses		(256,396,914)	-	(0.07)	-
Net other income		**259,142,627**	**23,951,801**	**0.08**	**0.01**
Net accounting profit before tax		**188,560,525,152**	**17,242,906,044**	**54.69**	**4.93**
Business income tax - current	25	**(32,306,124,414)**	**(8,172,854,102)**	**(9.27)**	**(2.34)**
Business income tax - deferred	24, 25	**632,729,448.00**	**700,100,917**	**0.18**	**0.20**
Net profit after tax		**156,887,130,186**	**9,770,152,859**	**45.60**	**2.77**

Do Thi Thuy Hang
Prepaper

Tran Le Kim Loan
Chief accountant

Luong Huu Khanh
General Director
27-May-15

The notes on pages 9 to 30 are an integral part of these financial statements.

Note: The exchange rate use to convert VND to Rs.0.00290 (Previous year VND to Rs. 0.00293)

CASH FLOW STATEMENT (INDIRECT METHOD)

As at 31 March 2015

	Note	Year ended 31.3.2015 2012 VND	Period from 1.1.2014 to 31.3.2014 2011 VND	Year ended 31.3.2015 2012 Rs. Crore	Period from 1.1.2014 to 31.3.2014 2011 Rs. Crore
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit before tax		**188,560,525,152**	**17,242,906,044**	**54.68**	**4.90**
Adjustments for:					
Depreciation and amortisation		6,240,070,980	1,415,587,082	1.81	0.40
Provisions		(856,901,230)	2,188,754,293	(0.25)	0.62
Unrealised foreign exchange losses		11,970,400	11,139,653	0.01	0.01
(Gains) from investing activities		(3,729,846,316)	(6,160,524,781)	(1.08)	(1.75)
Interest expense		6,159,432,613	-	1.79	-
Operating profit/(loss) before changes in working capital		**196,385,251,599**	**14,697,862,291**	**56.95**	**4.17**
(increase)/Decrease in receivables		(5,693,674,875)	21,920,340,671	(1.65)	6.23
Increase in inventories		(7,018,520,421)	(2,112,228,898)	(2.04)	(0.60)
Increase in payables		(7,030,929,630)	(22,449,562,291)	(2.04)	(6.38)
Decrease in prepaid expenses		586,690,331	113,856,450	0.17	0.03
Interest paid		(6,134,126,612)	-	(1.78)	-
Business income tax paid		(36,199,094,821)	(8,358,473,398)	(10.50)	(2.37)
Other receipts on operating activities		7,184,349,446	-	2.08	-
Other payments on operating activities		(2,564,346,302)	(3,656,780,171)	(0.74)	(1.04)
Net cash inflows from operating activities		**139,515,598,715**	**155,014,654**	**40.45**	**0.04**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of fixed assets and other long term assets		(9,320,082,380)	(2,357,580,317)	(2.70)	(0.67)
Collection of term deposits at banks		63,650,000,000	143,900,000,000	18.46	40.87
Proceeds from divestment in other entities		2,000,000	-	(0.01)	-
Interest income received		7,999,889,577	1,890,481,527	2.32	0.54
Net cash outflows from investing activities		**62,331,807,197**	**143,432,901,210**	**18.07**	**40.74**
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments for shares returns and repurchases		(654,025,036,149)	-	(-189.67)	-
Proceeds from borrowings		244,375,949,262	-	70.87	-
Repayments of borrowings		(103,947,553,177)	-	(30.14)	-
Net cash outflows from financing activities		**(513,596,640,064)**	**-**	**40.73**	**-**
Net (decrease)/ increase in cash and cash equivalents		**(311,749,234,152)**	**143,587,915,864**	**(99.25)**	**40.78**
Cash and cash equivalents at beginning of year	3	**314,495,994,766**	**170,908,078,902**	**91.20**	**48.54**
Effect of foreign exchange differences		68,289	-	0.01	-
Cash and cash equivalents at end of year/period	3	**2,746,828,903**	**314,495,994,766**	**190.45**	**89.32**

Do Thi Thuy Hang	**Tran Le Kim Loan**	**Luong Huu Khanh**
Prepaper	Chief accountant	General Director
		27-May-15

The notes on pages 9 to 30 are an integral part of these financial statements.

Note: The exchange rate use to convert VND to Rs.0.00290 (Previous year VND to Rs. 0.00293)

NOTES TO THE SINGLE ENTITY FINANCIAL STATEMENTS
For the year ended 31 March 2015

1 GENERAL INFORMATION

International Consumer Products Corporation ("the Company") was established in SR Vietnam pursuant to Business Registration Certificate No. 4602001139 issued by the Department of Planning and Investment of Binh Duong Province on 13 July 2004 and the following amended Business Registration Certificates and Investment Certificates, presented as below:

Business Registration Certificate No.	***Date***
4603000346 - Initial registration	9 May 2007
4603000346 – 1st amendment	22 June 2007
4603000346 – 2nd amendment	5 October 2007
4603000346 – 3rd amendment	13 November 2007
4603000346 – 4th amendment	25 March 2008
4603000346 – 5th amendment	4 July 2008
3700579324 – 6th amendment	28 December 2009
3700579324 – 7th amendment	7 April 2010
Investment Certificate No.	**Date**
462035000802 - Initial registration	11 February 2011
462035000802 – 1st amendment	29 September 2011
462035000802 – 2nd amendment	7 April 2014
462035000802 – 3rd amendment	15 May 2015

According to Letter No. 3609/UBCK-QLPH dated 3 July 2013 issued by State Securities Commission of Vietnam ("SSC"), the Company was approved to become a public company. Then, the Company decided to cancel the registration as a public company and submitted Letter No. 016/CV-ICP-2013 to SSC dated 25 October 2013. The Company received feedback under Letter No.1222/UBCK-QLPH on 1 November 2013, which stated that after 1 year since the date the Company is not qualified as a public entity, the matter would be considered by SSC. Pursuant to Official Letter No. 6306/UBCK-QLPH dated 10 November 2014 from SSC, the Company is no longer a public company since 25 October 2014.

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.

As at 31 March 2015, the Company had 421 employees (As at 31 March 2014: 410 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of single entity financial statements

The single-entity financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of single-entity financial statements. The single-entity financial statements have been prepared under the historical cost convention.

The accompanying single-entity 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.

Users of these single-entity financial statements should read them together with the consolidated financial statements of the Company and its subsidiaries ("the Group") as at and for the year ended 31 March 2015 in order to obtain full information of the financial position, results of operations and cash flows of the Group as a whole.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

2.2 Fiscal year

The Company's fiscal year is from 1 April to 31 March.

The Company has changed the fiscal year from 1 January to 31 December to from 1 April to 31 March. The first accounting period is from 1 January 2014 to 31 March 2014.

2.3 Currency

The single-entity financial statements are measured in Vietnamese Dong and presented using 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 translated at the rates of exchange ruling at the balance sheet date. Foreign exchange differences arising from these translations are recognised in the income statement.

2.4 Form of records applied

The Company uses accounting software to record its transactions.

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 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

(a) Short-term investments

Short-term investments are investments with maturities less than 12 months from the balance sheet date.

(b) Investments in subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Investments in subsidiaries are accounted for at cost less provision for diminution in value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

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

Fixed assets are depreciated using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The depreciation year applied for major fixed assets as follows:

Buildings	25 years
Machinery	5 - 10 years
Motor vehicles	3 - 6 years
Office equipment	4 - 5 years
Patent/Copyright	30 - 75 years
Copyright	4 - 6 years
Computer Software	4 - 6 years
Other intangible fixed assets	4 - 8 years

Disposals

Gains and losses of fixed assets disposals are determined by comparing net disposal proceeds with the carrying amount of fixed assets. The net disposal proceeds are recognised as income in the income statement. The carrying amount is recognised as expenses in the income statement.

2.10 Investment properties

Investment properties are stated at historical cost less accumulated amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the investment properties.

Depreciation

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

Disposals

Gains and losses of investment properties disposals are determined by comparing net disposal proceeds with the carrying amount of investment properties. The net disposal proceeds are recognised as income in the income statement. The carrying amount is recognised as expenses in the income statement.

2.11 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the balance sheet and are mainly prepaid office rental, tools and equipment put to use.put to use.

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

2.13 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.

(b) Interest income

Interest income is recognised on an earned basis.

2.14 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 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.

2.15 Dividend distribution

Dividend of the Company is recognised as a liability in the Company's single-entity financial statements in the period in which the dividends are approved by the Company's Annual General Meeting of shareholders.

2.16 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 officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.17 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provisions will be measured at their 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.

2.18 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company are entitled to a severance allowance based on their years of service. This will be paid as a lump sum when the employee leaves the Company. A provision for severance allowance is made for the estimated liability for employment termination as a result of services rendered by employees. Pursuant to Law on Social Insurance, effective from 1 January 2009, the Company is required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. With the implementation of the unemployment scheme, the Company is no longer required to provide for the service period after 1 January 2009. However, provision for severance allowance as of 31 March 2015 is determined based on the employees' number of years of service up to 31 December 2008 and their average salary for the six-month period prior to the balance sheet date

2.19 Share capital

Ordinary shares in issue are classified as equity. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the proceeds.

Where the Company purchase the Company's equity share capital (treasury shares), the consideration paid, including directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received less any directly attributable incremental transaction costs is included in equity attributable to the Company's equity holders.

3 CASH AND CASH EQUIVALENTS

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Cash on hand	192,302,634	35,005,295	0.06	0.01
Cash at bank	2,554,526,269	2,060,989,471	0.74	0.59
Cash equivalents (*)	-	312,400,000,000	-	88.72
	2,746,828,903	**314,495,994,766**	**0.80**	**89.32**

(*) Cash equipvalents comprised of short term bank deposits with maturity of within 3 months and earned interest at a short term deposit rates of 5.0%-6.3% per annum.

4 TRADE ACCOUNTS RECEIVABLE

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Third parties	18,328,664,484	5,226,061	5.31	0.01
Related parties (Note 27(b))	7,955,592,044	22,577,899,221	2.32	6.41
	26,284,256,528	**22,583,125,282**	**7.63**	**6.41**

5 PREPAYMENTS TO SUPPLIERS

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Third parties	2,937,303,665	6,735,616,226	0.85	1.91
Related parties (Note 27(b))	6,961,838,915	1,158,422,037	2.02	0.33
	9,899,142,580	**7,894,038,263**	**2.87**	**2.24**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

6 INVENTORIES

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Goods in transit	3,213,152,350	6,032,405,335	0.93	1.71
Raw materials	27,677,234,094	21,845,362,434	8.03	6.20
Tools and equipments	18,483,088,659	15,174,164,650	5.36	4.31
Work in progress	837,559,878	712,577,392	0.24	0.20
Finished goods	39,122,141,306	36,033,688,817	11.35	10.23
Merchandises	11,381,424,361	13,897,881,599	3.30	3.95
	100,714,600,648	93,696,080,227	29.21	26.61
Provision for decline in value of inventory	(5,127,823,507)	(5,984,724,737)	(1.49)	(1.70)
	95,586,777,141	87,711,355,490	27.72	24.91

Movements in the provision for inventories during the year were as follows:

	Year ended 31.03 2015 VND	Period from 1.1.2014 to 31.03.2014 VND	2015 31.03.2015 VND	2014 1.1.2014 to 31.03.2014 VND
Opening balance	5,984,724,737	(3,795,970,444)	1.74	(1.08)
Increase	-	(2,188,754,293)	-	(0.62)
Reversal	856,901,230	-	(0.25)	-
Closing balance	5,127,823,507	(-5,984,724,737)	1.49	(1.70)

7 FIXED ASSETS

(a) Tangible fixed assets

	Buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
At 1 April 2014	4,767,728,182	27,876,496,419	3,418,805,717	3,087,318,466	**39,150,348,784**
New purchases	-	1,715,195,892	-	1,636,132,175	**3,351,328,067**
Transferred from CIP	-	4,763,293,459	-	137,669,000	**4,900,962,459**
Transferred to 242 (Cir 45) (*)	-		-	-	**-**
Disposals	-		-	-	**-**
At 31 March 2015	4,767,728,182	34,354,985,770	3,418,805,717	4,861,119,641	**47,402,639,310**
Accumulated depreciation					
At 1 April 2014	(1,736,696,104)	(18,260,883,035)	(3,293,279,224)	(1,254,134,015)	**(24,544,992,378)**
Charge for the year	(194,106,172)	(3,914,363,540)	(118,858,375)	(615,790,069)	**(4,843,118,156)**
Disposals	-	-	-	-	**-**
At 31 March 2014	(1,930,802,276)	(22,175,246,575)	(3,412,137,599)	(1,869,924,084)	**(29,388,110,534)**
Net book value					
At 1 April 2014	3,031,032,074	9,615,613,385	125,526,493	1,833,184,454	**14,605,356,406**
At 31 March 2015	2,836,925,906	12,179,739,195	6,668,118	2,991,195,557	**18,014,528,776**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

	Buildings	Machinery	Motor vehicles	Office equipment	Total
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Historical cost					
At 1 April 2014	1.38	8.08	0.99	0.90	11.35
New purchases	-	0.50	-	0.47	0.97
Transferred from CIP	-	1.38	-	0.04	1.42
Transferred to 242 (Cir 45) (*)	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2015	1.38	9.96	0.99	1.41	13.75
Accumulated depreciation					
At 1 April 2014	(0.50)	(5.30)	(0.96)	(0.36)	(7.12)
Charge for the year	(0.06)	(1.14)	(0.03)	(0.18)	(1.40)
Disposals	-	-	-	-	-
At 31 March 2014	(0.56)	(6.43)	(0.99)	(0.54)	(8.52)
Net book value					
At 1 April 2014	0.88	2.79	0.04	0.53	4.24
At 31 March 2015	0.82	3.53	-	0.87	5.22

Cost of fully depreciated tangible fixed asset s but still in use as at 31 March 2015 was VND 19,290,310,194 (As at 31 March 2014:VND 14,780,070,504)

(b) Intangible fixed assets

	Land use right	Patent/ Copyright	Computer software	License	Total
	VND	VND	VND	VND	VND
Historical cost					
At 1 April 2014	-	179,493,840	8,347,321,169	5,342,245,598	**13,869,060,607**
New purchases	-	-	-	954,525,687	**954,525,687**
"Transferred from Long term prepayments (Note 10)"	2,011,801,815	-	-	-	**2,011,801,815**
Written-off	-	(34,522,400)	(220,607,250)	-	**(255,129,650)**
At 31 March 2015	2,011,801,815	144,971,440	8,126,713,919	6,296,771,285	**16,580,258,459**
Accumulated depreciation					
At 1 April 2014	-	(179,493,840)	(7,941,993,147)	(3,197,299,647)	**(11,318,786,634)**
Charge for the year	(21,808,150)	-	27,650,864	(807,950,078)	**(802,107,364)**
Written-off	-	34,522,400	220,607,250	-	**255,129,650**
At 31 March 2015	(21,808,150)	(144,971,440)	(7,693,735,033)	(4,005,249,725)	**(11,865,764,348)**
Net book value					
At 1 April 2014	-	-	405,328,022	2,144,945,951	**2,550,273,973**
At 31 March 2015	1,989,993,665	-	432,978,886	2,291,521,560	**4,714,494,111**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

	Copyright	Computer software	Others	Total
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore
Historical cost				
	0.05	2.42	1.55	**4.02**
New purchases	-	-	0.28	**0.28**
"Transferred from Long term prepayments (Note 10)"	0.58	-	-	**0.58**
Written-off	(0.01)	(0.06)	-	**(0.07)**
At 31 March 2015	0.62	2.36	1.83	**4.81**
Accumulated depreciation				
At 1 April 2014	(0.05)	(2.30)	(0.93)	**(3.28)**
Charge for the year	0.01	0.01	(0.23)	**(0.22)**
Written-off	0.01	0.06	-	**0.07**
At 31 March 2015	(0.03)	(2.23)	(1.16)	**(3.43)**
Net book value				
At 1 April 2014	-	0.12	0.62	**0.74**
At 31 March 2015	-	0.13	0.66	**1.37**

Cost of fully amortised intangible fixed assets but still in use at 31 March 2015 was VND 9,876,755,496 (As at 31 March 2014:VND 10,059,818,052)

(c) Construction in progress

	Period from 31.03.2015	Period from 1.1.2014 to 31.03.2014	2015 31.03.2015	2014 1.1.2014 to 31.03.2014
	VND	VND	Rs. Crore	Rs. Crore
Beginning of year / period	2,146,884,652	259,365,608	0.62	0.07
Additions	5,917,017,786	2,036,553,044	1.72	0.58
Transfers to tangible fixed assets (Note 7(a))	(4,900,962,459)	(149,034,000)	(1.42)	(0.04)
End of year/period	3,162,939,979	2,146,884,652	0.92	0.61

Construction in progress represents the cost related to purchase of machinery and equipment used at the Company's factory.

8 INVESTMENT PROPERTIES

This represents the acquisition cost of land use right and direct expenditures attirbutable to the acquisition of the land use right at Lot B2-29, 39 Tan Dong Hiep Industrial Zone, Di An District, Binh Duong Province in accordance with the land lease contract No. 317/07/HDT.TDHB dated 25 August 2007.

The Company's Board of management has a plan to sell this land use right in the near future.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

	Land use right VND	Land use right Rs. Crore
Historical cost		
At 1 April 2014 and 31 March 2015	23,843,388,652	6.91
Accumulated amortisation		
At 1 January 2014	(1,189,690,920)	(0.35)
Charge for the year	(594,845,460)	(0.17)
At 31 December 2013	(1,784,536,380)	(0.52)
Net book value		
At 1 Apr 2014	22,653,697,732	6.57
At 31 Mar 2015	22,058,852,272	7.43

9 INVESTMENTS IN SUBSIDIARIES

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Thuan Phat Foodstuff Joint Stock Company	96,630,297,308	96,632,297,308	28.02	27.44
Beauté Cosmétique Societé Par Actions	19,800,000,000	19,800,000,000	5.74	5.62
	116,430,297,308	116,432,297,308	33.76	33.06

Details of the Company's subsidiaries are as follows:

2015

Name of subsidiaries	Interest %	Cost of investment VND	Cost of investment Rs. Crore	No. of shares	Business
Beauté Cosmétique Societé Par Actions (i)	99.00%	19,800,000,000	5.74	1,980,000	Cosmetics and cosmetic materials
Thuan Phat Foodstuff Joint Stock Company (ii)	99.99%	96,630,297,308	28.02	3,139,800	Foodstuff
		116,430,297,308	33.76		

2014

Name of subsidiaries	Interest %	Cost of investment VND	Cost of investment Rs. Crore	No. of shares	Business
Beauté Cosmétique Societé Par Actions (i)	99.00%	19,800,000,000	5.62	1,980,000	Cosmetics and cosmetic materials Foodstuff
Thuan Phat Foodstuff Joint Stock Company (ii)	100.00%	96,632,297,308	27.44	3,140,000	
		116,432,297,308	33.07		

(i) Beauté Cosmétique Societé Par Actions ("BCS"), a shareholding company, was established in accordance with Business Registration Certificate No. 4103010586 issued by the Department of Planning and Investment of Ho Chi Minh City on 12 June 2008

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

As at 31 March 2015, the Company owns 99% (As at 31 December 2014: 99%) of share capital in this subsidiary.

(ii) Thuan Phat Foodstuff Joint Stock Company ("Thuan Phat"), a shareholding company, was established in accordance with Business Registration Certificate No. 41030067667 issued by the Department of Planning and Investment of Ho Chi Minh City on 18 May 2007.

As at 31 March 2015, the Company owns 99.99% (As at 31 March 2014: 100%) of share capital in this subsidiary. The Company transferred a partial share capital to other two shareholders. Accordingly, Thuan Phat has three shareholders.

10 LONG-TERM PREPAYMENTS

Details of long-term prepayments are presented as follows:

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Land rental expenses	-	2,055,415,911	-	0.58
Others	795,871,959	1,106,241,842	0.23	0.31
	795,871,959	3,161,657,753	0.23	0.89

Movement of long-term prepayments is as follows:

	2015 Year ended 31.03.2015 VND	2014 Period from 1.1.2014-31.03.2014 VND	2015 Year ended 31.03.2015 Rs. Crore	2014 Period from 1.1.2014-31.03.2014 Rs. Crore
Beginning of year	3,161,657,753	3,420,243,174	0.92	0.97
Additions	873,366,775	111,018,000	0.25	0.03
Other increases	164,559,999	-	0.05	-
Transfers to intangible fixed assets (Note 7(b))	(2,011,801,815)	-	(0.58)	-
Allocation during the year/period	(1,391,910,753)	(369,603,421)	(0.40)	(-0.10)
End of year/Period	795,871,959	3,161,657,753	0.23	0.90

11 SHORT-TERM BORROWINGS

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Bank loans (i)	102,438,222,222	-	29.71	-
Bank overdraft (i)	32,990,173,863	-	9.57	-
Loan from a related party (ii)	5,000,000,000	-	1.45	-
	140,428,396,085		40.73	-

(i) The short-term bank loans represent short-term credit facilities whose credit limit is US$5,000,000 or VND equivalent from BNP Paribas - Ho Chi Minh City Branch ("the Bank"). These loans are guaranteed by the parent company, Marico Limited. These loans bear interest of funding cost of the Bank plus 3% and due for repayments on 26 August 2015.

Bank overdraft bears interest from 6% to 7% per annum and is due for repayment on 26 August 2015.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

(ii) Loan from related party is free from interest, unsecured and is due for repayment in 2015 (Note 27(b)).

12 TRADE ACCOUNTS PAYABLE

	2015	2014	2015	2014
	VND	VND	Rs. Crore	Rs. Crore
Third parties	23,389,588,944	35,584,510,487	6.78	10.11
Related parties (Note 27(b))	10,200,778,077	9,008,426,130	2.96	2.56
	33,590,367,021	44,592,936,617	9.74	12.67

13 TAXES AND OTHER PAYABLES TO THE STATE BUDGET

	2015	2014	2015	2014
	VND	VND	Rs. Crore	Rs. Crore
Business income tax – current	3,275,102,324	7,168,072,731	0.95	2.04
Value added tax	2,913,874,393	846,182,373	0.85	0.24
Personal income tax	834,849,816	539,404,207	0.25	0.15
Other	-	291,477,191	-	0.08
	7,023,826,533	8,845,136,502	2.04	2.51

14 ACCRUED EXPENSES

	2015	2014	2015	2014
	VND	VND	Rs. Crore	Rs. Crore
Promotion expenses	14,891,287,028	16,427,546,765	4.32	4.67
Advertising accruals	10,828,997,669	2,252,946,672	3.14	0.64
Salary expenses for salesmen outsourced	6,865,097,343	6,889,350,000	1.99	1.96
Tranportation Expenses	2,155,726,330	1,808,520,000	0.63	0.51
Salary & Bonus expenses	798,330,303	6,647,031,427	0.23	1.89
Others	3,900,556,903	3,664,218,315	1.13	1.04
Others	39,439,995,576	37,689,613,179	11.44	10.71

(*) Included amount of management charged payable to parent company of VND589,070,625 (2012: VND1,669,500,000) (Note 34(b)).

15 OWNERS' CAPITAL

(a) Number of shares

	2015 Ordinary shares (share)	2014 Ordinary shares (share)
Number of shares registered	11,217,760	11,217,760
Number of shares issued	11,217,760	11,217,760
Number of shares repurchased	(1,682,065)	-
Number of existing shares in issue	9,535,695	11,217,760

(b) Details of owners' shareholding

	2015 Ordinary shares (share)	%	2014 Ordinary shares (share)	%
Marico Limited	9,535,495	85.004	9,535,495	85.004
Mr. Phan Cong Thanh	100	0.001	-	--
Mr. Nguyen Ngoc Anh Tuan	100	0.001	10	0.000
Treasury shares	1,682,065	14.994	1,681,315	14.988
Mrs. Nguyen Yen Lan	-	-	940	0.008
Others	-	-	-	-
	11,217,760	100	11,217,760	100

(c) Movement of share capital

	Number of share capital (share)	Ordinary shares VND	Total VND	Ordinary shares Rs. Crore	Total Rs. Crore
At 1 April 2014 and 31 March 2015	11,217,760	112,177,600,000	112,177,600,000	32.53	31.86

16 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Undistributed earnings VND	Total VND
As At 1 January 2014	112,177,600,000	112,213,880,000	-	342,129,522,333	**566,521,002,333**
Profit for the period	-	-	-	9,770,152,860	**9,770,152,860**
As at 31 March 2014	112,177,600,000	112,213,880,000	-	351,899,675,193	**576,291,155,193**
Profit for the year	-	-	-	156,887,130,186	**156,887,130,186**
treasury shares	-	-	(654,025,036,149)	-	**(654,025,036,149)**
other decreases	-	-	-	(2,564,346,302)	**(2,564,346,302)**
As at 31 March 2015	112,177,600,000	112,213,880,000	(654,025,036,149)	506,222,459,077	**76,588,902,928**

	Owners' capital Rs. Crore	Share premium Rs. Crore	Treasury shares Rs. Crore	Undistributed earnings Rs. Crore	Total Rs. Crore
At 1 January 2014	32.53	32.54	-	99.22	**131.76**
Profit for the year	-	-	-	2.83	**2.83**
As at 31 March 2014	32.53	32.54	-	102.05	**134.59**
Profit for the year	-	-	-	0.01	**(0.01)**
Payment for PIT charge of Ms Lan	-	-	45.59	2.76	**48.35**
As at 31 March 2015	32.53	32.54	45.59	104.81	**22.20**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

17 REVENUE

	Year ended 31.3.2015	Period from 1.1.2014 to 31.3.2014	Year ended 31.3.2015	Period from 1.1.2014 to 31.3.2014
	VND	VND	Rs. Crore	Rs. Crore
Sales				
Sales of goods	989,779,511,904	180,832,182,817	287.04	51.36
Sales deductions				
Trade discounts	(11,562,220,996)	(1,482,996,691)	(3.35)	(0.42)
Sales returns	(1,534,695,164)	(206,654,260)	(0.45)	(0.06)
	(13,096,916,160)	(1,689,650,951)	(3.80)	(0.48)
Net Sales	976,682,595,744	179,142,531,866	283.24	50.88

18 COST OF SALES

	Year ended 31.3.2015	Period from 1.1.2014 to 31.3.2014	Year ended 31.3.2015	Period from 1.1.2014 to 31.3.2014
	VND	VND	Rs. Crore	Rs. Crore
Cost of merchandises sold	160,585,704,316	36,839,190,095	46.57	10.46
Cost of finished goods sold	215,011,456,729	38,896,554,206	62.35	11.05
Inventory losses/ (gain)	356,669,316	(16309130)	0.10	(0.01)
Provision for decline in value of inventories	(856,901,230)	2,188,754,293	(0.25)	0.62
Others	1,687,311,986	2,415,491,819	0.49	0.69
	376,784,241,117	80,323,681,283	109.26	22.82

19 FINANCIAL INCOME

	Year ended 31.3.2015	Period from 1.1.2014 to 31.3.2014	Year ended 31.3.2015	Period from 1.1.2014 to 31.3.2014
	VND	VND	Rs. Crore	Rs. Crore
Interest income from deposits	3,729,846,316	6,160,524,788	1.08	1.75
Realised foreign exchange gains	274,530,070	18,870,047	0.08	0.01
	4,004,376,386	6,179,394,835	1.16	1.76

20 FINANCIAL EXPENSES

	Year ended 31.3.2015	Period from 1.1.2014 to 31.3.2014	Year ended 31.3.2015	Period from 1.1.2014 to 31.3.2014
	VND	VND	Rs. Crore	Rs. Crore
Interest expense	6,159,432,613	-	1.79	-
Realised foreign exchange losses	440,146,261	4,450,499	0.13	0.01
Net losses from foreign currency translation at year-end	11,970,400	11,139,653	0.01	0.01
	6,611,549,274	15,590,152	1.93	0.02

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

21 SELLING EXPENSES

	Year ended 31.3.2015	Period from 1.1.2014 to 31.3.2014	Year ended 31.3.2015	Period from 1.1.2014 to 31.3.2014
	VND	VND	Rs. Crore	Rs. Crore
Staff costs	147,791,000,664	29,160,063,686	42.86	8.28
Advertising expenses	67,328,672,912	18,633,646,400	19.53	5.29
Marketing support expenses	70,602,030,717	3,858,366,817	20.47	1.10
Transportation Expenses	23,058,342,215	4,574,638,318	6.69	1.30
Rental fees	12,791,290,483	2,585,050,361	3.71	0.73
Marketing and research expenses	11,251,276,576	3,055,884,617	3.26	0.87
Travelling expenses	11,382,447,686	2,052,025,734	3.30	0.58
Depreciation expenses	546,349,359	95,102,711	0.16	0.03
Others	10,513,190,624	1,665,552,589	3.05	0.47
Others	355,264,601,236	65,680,331,233	103.03	18.65

22 GENERAL AND ADMINISTRATION EXPENSES

	2013	2012	2013	2012
	VND	VND	Rs. Crore	Rs. Crore
Staff cost	23,066,607,361	6,882,681,678	6.69	1.95
Rental fee	11,691,735,274	2,750,392,570	3.39	0.78
Professional fee	7,898,910,763	6,495,575,474	2.29	1.84
Recruitment, training expenses	2,575,725,504	3,878,663,102	0.75	1.10
Travelling expenses	1,904,120,743	273,110,897	0.55	0.08
Utilities	1,203,103,060	281,760,354	0.35	0.08
Depreciation expenses	1,098,210,860	347,599,698	0.32	0.10
Meeting, conference expenses	624,851,728	289,346,859	0.18	0.08
Others	3,661,932,685	884,239,158	1.06	0.25
	53,725,197,978	22,083,369,790	15.58	6.26

23 EXPENSES BY FACTOR

	Year ended 31.3.2015	Period from 1.1.2014 to 31.3.2014	Year ended 31.3.2015	Period from 1.1.2014 to 31.3.2014
	VND	VND	Rs. Crore	Rs. Crore
Raw materials	337,895,003,272	71,632,937,620	97.99	20.34
Labour costs	192,400,719,601	41,335,642,984	55.80	11.74
Depreciation expense	6,240,070,980	1,415,587,082	1.81	0.40
Outside service expenses	230,559,727,572	51,870,686,215	66.86	14.73
Other expenses	18,678,518,906	1,832,528,405	5.42	0.52
	785,774,040,331	168,087,382,306	227.88	47.73

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

24 DEFERRED INCOME TAX

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 relate to the same taxation authority. The offset amounts are as follows:

	2015	2014	**2015**	2014
	VND	VND	**Rs. Crore**	Rs. Crore
Deferred tax assets:				
Deferred tax asset to be recovered after more than 12 months	1,605,333,420	972,603,972	0.47	0.28

The gross movement in the deferred income tax, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Year ended 31.3.2015	**Period from 1.1.2014 to 31.3.2014**	**Year ended 31.3.2015**	**Period from 1.1.2014 to 31.3.2014**
	VND	**VND**	**Rs. Crore**	**Rs. Crore**
Beginning of year/period	972,603,972	272,503,055	0.28	0.08
Income statement (charge)/credit	632,729,448	700,100,917	0.18	0.20
End of year	1,605,333,420	972,603,972	0.47	0.28

The deferred income tax was mainly arising from provisions.

25 TAXATION

For manufacturing activities, the Company has the obligation to pay corporate income tax ("CIT") at the rate of 15% of taxable profit for twelve years starting from its commercial operations and at the rate of 25% for the years thereafter. For trading activities and others, the Company pays CIT at the rate of 25%.

According to Decree No. 218/2013/ND-CP dated 26 December 2013 providing details to the Law on CIT, standard tax rate is reduced from 25% to 22% in 2014, and further reduced to 20% from 2016.

In accordance with the Official Letter No. 3270/TCT-PCCS dated 1 September 2006 issued by the General Department of Tax, the Company is entitled to an exemption from CIT for three years commencing with the first year of making profits, and a 50% reduction for the following seven years. The Company made its initial profit in 2004.

	Year ended 31.3.2015	**Period from 1.1.2014 to 31.3.2014**	**Year ended 31.3.2015**	**Period from 1.1.2014 to 31.3.2014**
	VND	**VND**	**Rs. Crore**	**Rs. Crore**
Net accounting profit before tax	188,560,525,152	17,242,906,044	54.68	4.90
Tax calculated at applicable rate of 22%	41,483,315,533	3,793,439,330	12.03	1.08
Effect of:				
Expenses not deductible for tax purposes	5,068,994,297	4,379,414,772	1.47	1.24
Impact of reduction in tax rate	(14,327,025,492)	-	(4.15)	-
Others impact	(632,729,448)	(700,100,917)	(0.18)	(0.20)
Under provision for CIT FY2012	80,840,076	-	0.02	-
Business income tax charge	31,673,394,966	7,472,753,185	9.19	2.12

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

Charged/(credited) to income statement:				
Business income tax – current	32,306,124,414	8,172,854,101	9.37	2.32
Business income tax – deferred (Note 24)	(632,729,448)	(700,100,917)	(0.18)	(0.20)
	31,673,394,966	7,472,753,184	9.19	2.12

The business income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustment by the tax authorities.

26 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise adverse effect of these risks on the Company's financial performance.

(1) Market risk

Market risk is the risk thar the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.Market risk comprises three types of risk currency risk,interest rate risk and price risk.

(a) Currency risk

The Company's business is exposed to foreign currency risk arising from various currency exposures, primarily United States Dollar ("US$").

The Company's currency exposure to the US$ is as follows:

	2015			2014		
	US$	**Equivalent to VND**	**Rs. Crore**	**US$**	**Equivalent to VND**	**Rs. Crore**
Financial assets						
Cash and Cash equivalents	764	18,601,388	0.01	37,510	774,392,206	0.22
Trade accounts receivable	286,790	5,972,324,565	1.73			-
	287,554	5,990,925,953	1.74	37,510	774,392,206	0.22
Financial liabilities						
Trade account payable	(362,514)	(7,760,714,481)	(2.25)	(183,848)	(3,882,164,495)	(1.10)
Currency exposure	(74,960)	(1,769,788,528)	1.23	(146,338)	(3,107,772,289)	(0.66)

At 31 March 2015, if the VND had weakened/strengthened by 10% against the US$ with all other variables being held constant, the Company's profit before tax for the year ended 31 March 2015 would have been VND176,978,853 lower/higher as a result of foreign exchange losses/gains on translation of US$-denominated financial instruments.

(b) Interest rate risk

The Company is not exposed to significant interest rate risk on its borrowings. At 31 March 2015, if the VND interest rates had increased/decreased by 1% with all other variables being held constant, the Company's profit before tax for the year would have been lower/higher by VND61,594,326 as a result of higher/lower interest expense on these borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

(c) Price risk

During the year, the Company was under no securities price risk as it did not enter into any securities transactions. The Company is not exposed to commodity price risk.

(2) 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. The Company adopts the policy of dealing with customers of appropriate credit history to mitigate credit risk.

(3) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	
		31.03.2015
At 31 March 2015	**VND**	**Rs. Crore**
Trade and other payables	37,027,255,087	10.74
Borrowings	140,428,396,085	40.72
	177,455,651,172	51.46
At 31 March 2014		**31.03.2014**
	VND	Rs. Crore
Trade and other payables	47,451,580,704	13.48
	47,451,580,704	13.48

27 RELATED PARTY TRANSACTIONS

The Company is controlled by Marico Limited, a company incorporated in India, which owns 100% of the Company's share capital. incorporated in India.

(a) Related party transactions

During the year/period, the following transactions were carried out with related parties:

i) Sales of goods and services

	Year ended 31.3.2015	1.1.2014 to 31.3.2014	Year ended 31.3.2015	1.1.2014 to 31.3.2014
	VND	**VND**	**Rs. Crore**	**Rs. Crore**
Parent company	10,282,789,208	-	2.98	-
Subsidiaries	2,819,983,150	836,568,794	0.82	0.24
Fellow group subsidiaries	-	201,947,264	-	0.06
	13,102,772,358	**1,038,516,058**	**3.80**	**0.29**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

ii) Purchases of goods and services

	Year ended 31.3.2015 VND	1.1.2014 to 31.3.2014 VND	Year ended 31.3.2015 Rs. Crore	1.1.2014 to 31.3.2014 Rs. Crore
Parent company	12,184,569,564	9,043,548,690	3.53	2.57
Subsidiaries	149,510,822,499	39,632,644,570	43.36	11.26
	161,695,392,063	**48,676,193,260**	**46.89**	**13.83**

iii) Compensation of key management

	Year ended 31.3.2015 VND	1.1.2014 to 31.3.2014 VND	Year ended 31.3.2015 Rs. Crore	1.1.2014 to 31.3.2014 Rs. Crore
Gross salaries and other benefits	21,436,146,065	3,602,300,000	6.22	1.02

iv) Financial activities

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Proceed from loan to				
Subsidiary	3,000,000,000	-	0.87	-
Short-term borrowings		-		-
Subsidiary	5,000,000,000	-	1.45	-

(b) Year end balances with related parties

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Trade accounts receivable (Note 4)				
Parent company	5,960,979,644	-	1.73	-
Subsidiary	1,994,612,400	3,430,647	0.58	0.01
Fellow group subsidiaries	-	1,795,414	0.01	-
	7,955,592,044	5,226,061	**2.32**	0.01
Prepayments to suppliers (Note 5)				
Parent company	**810,714,375**		**0.24**	-
Subsidiaries	6,151,124,540	1,158,422,037	1.78	0.33
	6,961,838,915	**1,158,422,037**	**2.02**	**0.33**
Other receivables				
Subsidiaries	-	3,000,000,000	-	0.85
Fellow group subsidiaries	-	6,971,250	-	0.01
	-	**3,006,971,250**	**-**	**0.86**
Short-term borrowings (Note 11)				
Subsidiaries	**5,000,000,000**	**-**	**1.45**	**-**
Trade accounts payable (Note 12)				

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

Parent company	7,974,233,416	**9,008,426,130**	2.31	2.56
Subsidiaries	2,226,544,661	**-**	0.65	-
	10,200,778,077	**9,008,426,130**	**2.96**	**2.56**

28 COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases are as follows:

	Property		**Property**	
	2015	**2014**	**2015**	**2014**
	VND	**VND**	**Rs. Crore**	**Rs. Crore**
Within 1 year	5,229,601,148	6,575,012,500	1.52	1.87
Between 1 and 5 years	252,704,000	4,436,666,667	0.07	1.26
Total minimum payments	5,482,305,148	11,011,679,167	1.59	3.13

29 COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been reclassified to conform with the current year's presentation.

30 EVENTS AFTER THE BALANCE SHEET DATE

On 14 May 2015, the Company signed an agreement to sell 99% of the Company's share capital in Beauté Cosmétique Societé Par Actions to another shareholder for approximately VND49 billion in cash. This transaction is subject to tax impact, which is born by the Company.

The single-entity financial statements were approved by the Board of Directors on 27 May 2015.

Do Thi Thuy Hang	**Tran Le Kim Loan**	**Luong Huu Khanh**
Preparer	Chief Accountant	General Director

Business Registration Certificate No.	4102033640 dated 4 October 2005, was issued by the Department of Planning and Investment of Ho Chi Minh City.	
Board of Management	Mr. Saugata Gupta	Chairman
	Mr. Chaitanya Deshpande	Member
	Mr. Nikhil Narkhede	Member
	Mr. Ashutosh Telang	Member
	Mr. Madan Mohan Pandey	Member (from July 25, 2014)
	Mr. Ashish Joshi	Member (From January 29, 2015)
	Mr. Luong Huu Khanh	Member (From January 29, 2015)
	Mr. Le Quang Hanh	Member (Until October 28, 2014)
	Mr. Phan Quoc Cong	Member (Until January 31, 2015)
Board of Directors	Ms. Pham Thi My Hanh	General Director
Legal representative	Ms. Pham Thi My Hanh	General Director
Registered office	376 Vo Van Tan, Ward 5, District 3, Ho chi Minh city, Vietnam.	
Auditor	PricewaterhouseCoopers (Vietnam) Limited	

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BEAUTÉ COSMÉTIQUE SOCIETÉ PAR ACTIONS

We have audited the accompanying financial statements of Beauté Cosmétique Societé Par Actions ("the Company") which were approved by the Board of Directors on 21 February 2014. The financial statements comprise the balance sheet as at 31 march 2015, the income statement and 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 28.

The Board of Directors' Responsibility for the Financial Statements

Management of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations in SR Vietnam. This responsibility includes: designing, implementing and maintaining internal controls relevant to 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 these 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 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 controls 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 controls. 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2015, and 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 preaparation and presentation of financial statements.

PricewaterhouseCoopers (Vietnam) Ltd.

Richard Peters	**Cao Thi Ngoc Loan**
Audit Practising Licence No. 0561-2013-006-1	**Audit Practising Licence No. 3030-2014-006-1**
Authorised signatory	

Report reference number: HCM4823
Ho Chi Minh City, 18 May 2015

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 31 December 2014

ASSETS	Notes	As at 31 December		As at 31 December	
		2015	2014	2015	2014
		VND	**VND**	**Rs. Crore**	**Rs. Crore**
CURRENT ASSETS		**33,359,298,056**	**37,265,729,731**	**9.69**	**10.60**
Cash and cash equivalents	**3**	**13,161,783,104**	**17,829,317,317**	**3.82**	**5.07**
Cash		4,161,783,104	1,829,317,317	1.21	0.52
Cash equivalents		9,000,000,000	16,000,000,000	2.61	4.55
Accounts receivable		**9,067,402,048**	**1,348,958,755**	**2.63**	**0.39**
Trade accounts receivable	4	2,751,674,622	549,404,829	0.80	0.16
Prepayments to suppliers	5	1,281,180,759	766,261,704	0.37	0.22
Other receivables	6	5,034,546,667	33,292,222	1.46	0.01
Inventories		**10,462,118,572**	**17,064,658,634**	**3.04**	**4.85**
Inventories		10,574,011,324	17,064,658,634	3.07	4.85
Provision for decline in value of inventories		(111,892,752)	–	(0.03)	-
Other current assets		**667,994,332**	**1,022,795,025**	**0.20**	**0.29**
Short-term prepayments		505,510,588	604,087,000	0.15	0.17
VAT to be reclaimed		-	235,300,425	–	0.07
Other current assets	11	162,483,744	183,407,600	0.05	0.05
NON-CURRENT ASSETS		**2,675,218,789**	**3,014,700,106**	**0.76**	**0.87**
Long-term receivables		**326,125,472**	**300,988,860**	**0.08**	**0.09**
Other long-term receivables	8	326,125,472	300,988,860	0.08	0.09
Fixed assets		**31,486,113**	**133,617,335**	**0.01**	**0.04**
Tangible fixed assets	9(a)	31,486,113	111,395,112	0.01	0.03
Cost		530,070,375	530,070,375	0.15	0.15
Accumulated depreciation		(498,584,262)	(418,675,263)	(0.14)	(0.12)
Intangible fixed assets	9(b)	-	22,222,223	–	0.01
Cost		487,810,250	487,810,250	0.14	0.14
Accumulated amortisation		(487,810,250)	(465,588,027)	(0.14)	(0.13)
Other long-term assets		**2,317,607,204**	**2,580,093,911**	**0.67**	**0.74**
Long-term prepayments	10	1,128,662,619	1,394,138,986	0.33	0.40
Deferred income tax assets	16	180,965,895	168,040,675	0.05	0.05
Other long-term assets	11	1,007,978,690	1,017,914,250	0.29	0.29
TOTAL ASSETS		**36,034,516,845**	**40,280,429,837**	**10.45**	**11.47**

BALANCE SHEET (contd.)

as at 31 March 2014

LIABILITIES		**7,195,780,038**	**8,924,987,934**	**2.09**	**2.57**
Current liabilities		**6,485,100,538**	**8,131,166,684**	**1.88**	**2.34**
Short-term borrowings	12	-	3,000,000,000	-	0.85
Trade accounts payable	13	2,633,619,974	864,775,613	0.76	0.25
Advances from customers		6,615,498	49,160,000	0.01	0.04
Taxes and other payables to the State Budget	14	719,036,717	973,903,061	0.21	0.28
Payable to employees		1,098,999,810	1,665,834,450	0.32	0.47
Accrued expenses	15	1,430,163,170	1,547,493,560	0.41	0.44
Other payables		596,665,369	30,000,000	0.17	0.01
Long-term liabilities		**710,679,500**	**793,821,250**	**0.21**	**0.23**
Other long-term payables		-	30,000,000	-	0.01
Provision for severance allowances		710,679,500	763,821,250	0.21	0.22
OWNERS' EQUITY		**28,838,736,807**	**31,355,441,903**	**8.36**	**8.90**
Capital and reserves		28,838,736,807	31,355,441,903	8.36	8.90
Owners' capital	17,18	20,000,000,000	20,000,000,000	5.80	5.68
Differences upon asset revaluation		-	-	-	-
Undistributed earnings	17	8,838,736,807	11,355,441,903	2.56	3.22
TOTAL RESOURCES		**36,034,516,845**	**40,280,429,837**	**10.45**	**11.47**

Off Balance Sheet Items

Vo Thi Thu Phuong
Preparer

Do Thi Kim Phuong
Chief Accountant

Pham Thi My Hanh
General Director
18 May 2015

The notes on pages 9 to 28 are an integral part of these financial statements.

Note: The exchange rate use to convert VND to Rs.0.00290 (Previous year VND to Rs. 0.00293)

INCOME STATEMENT

for the year ended 31 March 2014

	Notes	Year ended 31 March	For the period from 1-1-2014 to 31.03.2014	Year ended 31 March 2015	For the period from 1-1-2014 to 31.03.2014
		VND	VND	Rs. Crore	Rs. Crore
Sales		**68,805,333,329**	**16,958,737,726**	**19.75**	**4.85**
Less deductions		(4,915,235,052)	(938,704,577)	(1.41)	(0.27)
Net sales	**19**	**63,890,098,277**	**16,020,033,149**	**18.34**	**4.58**
Cost of sales	**20**	**(13,109,313,828)**	**(2,855,877,019)**	**(3.76)**	**(0.82)**
Gross profit		**50,780,784,449**	**13,164,156,130**	**14.58**	**3.76**
Financial income	21	596,289,731	451,556,493	0.17	0.13
Financial expenses	22	(104,288,787)	(23,876,804)	(0.03)	(0.01)
Selling expenses	23	(45,999,389,582)	(11,373,699,127)	(13.20)	(3.25)
General and administration expenses	24	(7,723,855,162)	(2,258,048,195)	(2.22)	(0.65)
Operating profit		**(2,450,459,351)**	**(39,911,503)**	**(0.70)**	**(0.02)**
Other income		54,309,968	48,226,073	0.02	0.01
Other expenses		(14,709,860)	(21,716,952)	0.01	(0.01)
Net other (expenses)/income		**39,600,108**	**26,509,121**	**0.02**	**0.00**
Net accounting profit before tax		**(2,410,859,243)**	**(13,402,382)**	**(0.68)**	**(0.02)**
Business income tax - current	**25**	**(118,771,073)**	**(133,099,045)**	**(0.04)**	**(0.05)**
Business income tax - deferred	**25, 14**	**12,925,220**	**(31,055,075)**	**0.01**	**(0.01)**
Net profit after tax		**(2,516,705,096)**	**(177,556,502)**	**(0.72)**	**(0.07)**
Earnings per share	**19**	**(1,258)**	**(89)**	**-**	**-**

Vo Thi Thu Phuong	Do Thi Kim Phuong	Pham Thi My Hanh
Preparer	Chief Accountant	General Director
		18 May 2015

The notes on pages 9 to 28 are an integral part of these financial statements.

Note: The exchange rate use to convert VND to Rs.0.00290 (Previous year VND to Rs. 0.00293)

CASH FLOW STATEMENT

For the year ended 31 March 2014

	Notes	Year ended 31 March 2015	For the period from 1-1-2014 to 31.03.2014	Year ended 31 March 2015	For the period from 1-1-2014 to 31.03.2014
		VND	VND	Rs. Crore	Rs. Crore
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit / (loss) before tax		**(2,410,859,243)**	**(13,402,382)**	**(0.70)**	**0.01**
Adjustments for:					
Depreciation and amortisation		102,131,222	33,738,500	0.03	0.01
Provisions		111,892,752	–	0.02	–
Unrealised foreign exchange gains		(9,310,510)	5,447,208	0.01	0.01
Profits from investing activities		(440,942,621)	(317,171,521)	(0.13)	(0.09)
Operating profit before changes in working capital		**(2,647,088,400)**	**(291,388,195)**	**(0.78)**	**(0.08)**
Decrease in receivables		(2,495,955,035)	3,606,961,336	(0.72)	1.02
Decrease/(increase) in inventories		6,490,647,310	(6,138,542,284)	1.88	(1.74)
(Decrease)/increase in payables		1,407,655,511	(2,936,637,708)	0.41	(0.83)
(Decrease)/(increase) in prepaid expenses		364,052,779	(964,497,084)	0.11	(0.27)
Business income tax paid		(246,323,970)	(1,395,333,411)	(0.07)	(0.40)
Other receipts / payments on operating activities		30,859,416	(12,000,000)	0.01	(0.01)
Net cash inflows from investing activities		**(4,571,381,824)**	**335,720,132**	**1.33**	**0.11**
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans granted to other entities		(5,000,000,000)	–	1.45	–
Interest received		428,618,176	335,720,132	0.12	0.10
Proceeds from borrowings					
Repayments of borrowings		(3,000,000,000)	–	0.87	–
Net cash inflows.(outflows) from financing activities		**(3,000,000,000)**	–	0.87	–
Net increase in cash and cash equivalents		**(4,667,534,213)**	**(7,795,717,214)**	**0.96**	**(2.19)**
Cash and cash equivalents at beginning of year	3	**17,829,317,317**	**25,625,034,531**	**5.17**	**7.28**
Cash and cash equivalents at end of year	3	**13,161,783,104**	**17,829,317,317**	**6.13**	**5.09**

Vo Thi Thu Phuong	Do Thi Kim Phuong	Pham Thi My Hanh
Preparer	Chief Accountant	General Director
		18 May 2015

The notes on pages 9 to 28 are an integral part of these financial statements.

Note: The exchange rate use to convert VND to Rs.0.00290 (Previous year VND to Rs. 0.00293)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

1 GENERAL INFORMATION

Beauté Cosmétique Societé Par Actions ("the Company") was established in SR Vietnam pursuant to the Business Registration Certificate No. 4102033640 issued by the Department of Planning and Investment of Ho Chi Minh City on 4 October 2005.

On 12 June 2008, the Company was approved by the Department of Planning and Investment of Ho. Chi Minh City to transform form a limited liability company to a joint stock company in accordance with the Business Registration Certificate No. 4103010586 and the following amended Enterprise Registration Certificate:

Amended Business Registration Certificate No.	Date
0304073031 – 1st amendment	Wednesday, December 24, 2008
0304073031 – 2nd amendment	Friday, December 11, 2009
0304073031 – 3rd amendment	Wednesday, January 20, 2010
0304073031 – 4th amendment	Friday, May 28, 2010
0304073031 – 5th amendment	Thuesday, January 9, 2014

The Company's principal activities are to produce and trade in cosmetics, cosmetic materials and functional food.

As at 31 March 2015, the Company had 250 employees (As at 31 Mar 2014: 243 employees).

2 ACCOUNTING SYSTEM AND 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 statement. 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 Fiscal year

The Company's fiscal year is from 1 April to 31 March.

The Company has changed the fiscal year from 1 January to 31 December to from 1 April to 31 Mach. The first accounting period is from 1 January 2014 to 31 March 2014.

2.3 Currency

The financial statements are measured in Vietnamese Dong and presented using Vietnamese Dong.

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 translated at the rates of exchange ruling at the balance sheet date. Foreign exchange differences arising from these translations are recognised in the income statement.

2.4 Form of records applied

The Company uses general journal to record its transactions.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

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 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 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation

Fixed assets are depreciated 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:

Plant and machinery	3-5 years
Computer software	3 years

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.

2.9 Prepaid expenses

Prepaid expenses include short-term or long-term prepayments on the balance sheet and are mainly prepaid office rental, tools and equipment put to use.

2.10 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.

(b) Interest income

Interest income is recognised on an earned basis.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

2.11 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.

2.12 Dividend distribution

Dividend of the Company is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's Annual General Meeting of the shareholders.

2.13 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 officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.14 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.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provisions will be measured at their 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.

2.15 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company are entitled to a severance allowance based on their years of service. This will be paid as a lump sum when the employee leaves the Company. A

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

provision for severance allowance is made for the estimated liability for employment termination as a result of services rendered by employees. Pursuant to Law on Social Insurance, effective from 1 January 2009, the Company is required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. With the implementation of the unemployment scheme, the Company is no longer required to provide for the service period after 1 January 2009. However, provision for severance allowance as of 31 March 2015 is determined based on the employees' number of years of service up to 31 December 2008 and their average salary for the six-month period prior to the balance sheet date.

2.16 Share capital

Ordinary shares in issue are classified as equity. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the proceeds.

Where the Company purchase the Company's equity share capital (treasury shares), the consideration paid, including directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received less any directly attributable incremental transaction costs is included in equity attributable to the Company's equity holders.

3 CASH AND CASH EQUIVALENTS

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Cash on hand	957,312,164	890,624,095	0.28	0.25
Cash at bank	2,894,470,940	938,693,222	0.84	0.27
Cash in transit	310,000,000	–	0.09	–
Cash equivalents (*)	9,000,000,000	16,000,000,000	2.61	4.54
	13,161,783,104	**17,829,317,317**	**3.82**	**5.06**

(*) Cash equivalents comprise short-term bank deposits with maturity of within 3 months earning interest at short-term deposit rates of 4.5% - 5.8% per annum (as at 31 March 2014:5.5%-6.% per annum).

4 TRADE ACCOUNTS RECEIVABLE

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Third parties	511,629,925	549,404,829	0.15	0.16
Related parties (Note 29(b))	2,240,044,697	–	0.65	–
	2,751,674,622	**549,404,829**	**0.80**	**0.16**

5 PREPAYMENT TO SUPPLIERS

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Third parties	1,281,180,759	766,261,704	0.37	0.22

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

6 OTHER RECEIVABLES

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Other receivables income from related parties (Note 29(b))	5,000,000,000	–	1.45	–
Deposit interest	34,546,667	22,222,222	0.01	0.01
Others	–	11,070,000	–	0.01
	5,034,546,667	**33,292,222**	**1.46**	**0.02**

(*) Other receivables from related party represent the non-interest bearing loan that the Company granted to the parent company, International Consumer Products Corporation

On 9 April 2015, the Company signed the loan contract No. 01/2015/HĐV/BC-ICP with International Consumer Products

Corporation to grant the loan amount of VND9,000,000,000 (included the amount of VND5,000,000,000 transferred from the above non-interest bearing loan) bearing the interest of 5% per annum, within 1 year.

7 INVENTORIES

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Goods in transit	414,209,376	–	0.12	–
Raw materials	1,098,647,112	1,800,914,973	0.32	0.51
Merchandises	9,061,154,836	15,263,743,661	2.63	4.34
	10,574,011,324	**17,064,658,634**	**3.07**	**4.85**
Provision for decline in value of inventory	**(111,892,752)**	**-**	**(0.03)**	**-**
	10,462,118,572	**17,064,658,634**	**3.04**	**4.85**

8 OTHER LONG-TERM RECEIVABLES

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Long-term prepayments to suppliers	326,125,472	300,988,860	0.09	0.09

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

9 FIXED ASSETS

(a) Tangible fixed assets

	Plant and machinery VND	INR
Historical cost	**530,070,375**	**0.15**
At 1 April 2014 and 31 March 2015		
Accumulated depreciation		
At 1 April 2014	(418,675,263)	(0.12)
Charge for the period	(79,908,999)	(0.02)
At 31 March 2015	(498,584,262)	(0.14)
Net book value		
At 1 April 2014	111,395,112	0.03
At 31 March 2015	31,486,113	0.01

Cost of fully depreciated tangible fixed assets as at 31 March 2015 but still in use was VND303,370,375 . (2014: VND225,208,375)

(b) Intangible fixed assets

	Computer software VND	INR
Historical cost		
At 1 April 2014 and 31 March 2015	487,810,250	0.14
Accumulated depreciation		
At 1 April 2014	(465,588,027)	(0.14)
Charge for the period	(22,222,223)	(0.01)
At 31 March 2015	(487,810,250)	(0.15)
Net book value		
At 1 April 2014	22,222,223	0.01
At 31 March 2015	–	–

Historical cost of fully depreciated intangible fixed assets but still in use as at 31 March 2015 was VND487,810,250 (2014: VND387,810,250)

10 LONG-TERM PREPAYMENTS

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Repair expenses for office and showrooms	698,043,737	659,107,737	0.20	0.19
Tools and supplies	229,783,882	532,902,387	0.07	0.15
Rental fees	200,835,000	202,128,862	0.06	0.06
	1,128,662,619	**1,394,138,986**	**0.33**	**0.40**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

Movement of long-term prepayments is as follows:

	Year ended 31.3.2015 VND	Period from 1.1.2014 to 31.3.2014 VND	2015 Rs. Crore	2014 Rs. Crore
Beginning of year/period	1,394,138,986	726,333,902	0.40	0.21
Additions	1,203,085,291	945,838,120	0.35	0.27
Amortisation for the year/period	(1,468,561,658)	(278,033,036)	(0.43)	(0.08)
End of year/period	1,128,662,619	1,394,138,986	0.32	0.40

11 OTHER CURRENT ASSETS AND OTHER LONG-TERM ASSETS

Other current assets and other long-term assets mainly represent deposits for renting office and showrooms to lessors for operating activities of the Company.

12 SHORT-TERM BORROWINGS

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Related parties (Note 29(b))	-	3,000,000,000	–	0.85

The short-term borrowing with a related party represents the non-interest bearing loan from parent company International Consumer Products Corporation, which had been settled during the year (Note 29(a)).

13 TRADE ACCOUNTS PAYABLE

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Third parties	639,007,574	864,775,613	0.19	0.25
Related parties (Note 29(b))	1,994,612,400	–	0.58	-
	2,633,619,974	864,775,613	0.77	0.25

14 TAXES AND OTHER PAYABLES TO THE STATE BUDGET

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Business income tax - current	–	127,552,897	–	0.04
Value added tax	607,135,516	338,973,761	0.18	0.10
Personal income tax	111,901,201	143,978,783	0.03	0.04
Others	–	363,397,620	–	0.10
	719,036,717	973,903,061	0.21	0.28

15 ACCRUED EXPENSES

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Bonuses for employees	467,612,000	515,000,000	0.14	0.15
Outing trip for sales department	720,000,000	417,000,000	0.21	0.12
Others	242,551,170	615,493,560	0.07	0.17
	1,430,163,170	1,547,493,560	0.42	0.44

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

16 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.The offset amounts are as follows:

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Deferred tax assets:				
Deferred tax asset to be recovered after 12 months	156,349,490	168,040,675	0.05	0.05
Deferred tax asset to be recovered within 12 months	24,616,405	–	0.01	–
	180,965,895	168,040,675	0.06	0.05

The gross movement in the deferred income tax, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Year ended 31.3.2015 VND	Period from 1.1.2014 to 31.3.2014 VND	2015 Rs. Crore	2014 Rs. Crore
Beginning of year/period	168,040,675	199,095,750	0.05	0.06
Income statement credit/(charge) (Note 26)	12,925,220	(31,055,075)	0.01	(0.01)
End of year/period	180,965,895	168,040,675	0.06	0.05

The deferred income tax mainly arose from temporary differences between accounting base and tax base of provisions.

The Company did not recognise deferred income tax assets relating to the tax losses, as the realisation of the related tax benefit through future taxable profit currently cannot be assessed as probable.

17 OWNERS' CAPITAL

(a) Number of shares

	2015 Ordinary shares	2014 Ordinary shares
	(shares)	(shares)
Number of shares registered	2,000,000	2,000,000
Number of shares issued	2,000,000	2,000,000
Number of existing shares in use	2,000,000	2,000,000

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

(b) Details of owners' shareholding

	2015		2014	
	Ordinary shares	%	Ordinary shares	%
International Consumer Products Corporation	1,980,000	99%	1,980,000	99%
Mr. Nguyen Khanh Ngoc	10,000	0.50%	10,000	0.50%
Ms. Nguyen Thi Tuyet Suong	10,000	0.50%	10,000	0.50%
	2,000,000	100%	2,000,000	100%

(c) Movement of share capital

	Number of share capital (shares)	Ordinary shares	Total	Ordinary shares
		VND	VND	Rs. Crore
As at 1 April 2014 and as at 31 March 2015	2,000,000	20,000,000,000	20,000,000,000	5.80

Par value per share: VND10,000.

18 MOVEMENTS IN OWNERS' EQUITY

	Owners' Capital	Difference upon assets revaluation	Total	
	VND	VND	VND	Rs. Crore
As at 1 January 2014	20,000,000,000	11,532,998,405	31,532,998,405	0.14
Loss for the period	–	(177,556,502)	(177,556,502)	(0.05)
As at 31 March 2014	20,000,000,000	11,355,441,903	31,355,441,903	3.22
Loss for the year	–	(2,516,705,096)	(2,516,705,096)	(0.71)
As at 31 March 2015	20,000,000,000	8,838,736,807	28,838,736,807	2.56

19 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders 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:

	2015	2014	2015	2014
	VND	VND	Rs. Crore	Rs. Crore
Net loss attributable to shareholders (VND)	(2,516,705,096)	(177,556,502)	(0.73)	(0.05)
Weighted average number of ordinary shares in issue (shares)	2,000,000	2,000,000	0.01	0.01
Basic earnings per share (VND)	(1,258)	(89)		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

20 REVENUE

	Year ended 31.3.2015 VND	Period from 1.1.2014 to 31.3.2014 VND	2015 Rs. Crore	2014 Rs. Crore
Sales				
Sales of goods	68,805,333,329	16,958,737,726	19.95	4.82
Sales deductions				
Sales allowances	(3,192,159,021)	(935,059,124)	(0.93)	(0.27)
Sales returns	(1,723,076,031)	(3,645,453)	(0.50)	(0.01)
	(4,915,235,052)	(938,704,577)	(1.43)	(0.26)
	63,890,098,277	16,020,033,149	18.52	4.55

21 COST OF SALES

	Year ended 31.3.2015 VND	Period from 1.1.2014 to 31.3.2014 VND	2015 Rs. Crore	2014 Rs. Crore
Cost of merchandises sold	12,997,421,076	2,855,877,019	3.77	0.81
Provision for the decline of the inventories	111,892,752	–	0.03	–
	13,109,313,828	2,855,877,019	3.80	0.81

22 FINANCIAL INCOME

	Year ended 31.3.2015 VND	Period from 1.1.2014 to 31.3.2014 VND	2015 Rs. Crore	2014 Rs. Crore
Interest income from bank deposits	440,942,621	317,171,521	0.13	0.09
Realised foreign exchange gains	146,036,600	134,384,972	0.04	0.04
Net gain from foreign currency translation at year/period-end	9,310,510	-	0.01	–
	596,289,731	451,556,493	0.18	0.13

23 FINANCIAL EXPENSES

	Year ended 31.3.2015 VND	Period from 1.1.2014 to 31.3.2014 VND	2015 Rs. Crore	2014 Rs. Crore
Realised foreign exchange losses	104,288,787	18,429,596	0.03	0.01
Net loss from foreign currency translation at year/period-end	–	5,447,208	–	0.01
	104,288,787	23,876,804	0.03	0.02

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

24 SELLING EXPENSES

	Year ended 31.3.2015 VND	Period from 1.1.2014 to 31.3.2014 VND	2015 Rs. Crore	2014 Rs. Crore
Staff costs	27,714,687,908	7,600,611,771	8.04	2.16
Rental fee	4,765,928,031	1,383,416,408	1.38	0.39
Trade promotion expenses	4,298,158,660	915,901,965	1.25	0.26
Event expenses for sales promotions	1,790,032,766	176,735,995	0.52	0.05
Advertising expenses	1,463,652,423	101,076,728	0.42	0.03
Recruitment, training expenses	821,377,319	124,401,883	0.24	0.04
Maintenance expenses	580,195,116	125,877,822	0.17	0.04
Other expenses	4,565,357,359	945,676,555	1.32	0.27
	45,999,389,582	11,373,699,127	13.34	3.24

25 GENERAL AND ADMINISTRATION EXPENSES

	Year ended 31.3.2015 VND	Period from 1.1.2014 to 31.3.2014 VND	2015 Rs. Crore	2014 Rs. Crore
Staff costs	5,994,321,409	1,757,576,344	1.74	0.50
Rental fees	993,016,818	50,780,000	0.29	0.01
Repair and maintenance expenses	7,157,400	24,878,600	0.01	0.01
Other expenses	729,359,535	424,813,251	0.21	0.12
	7,723,855,162	2,258,048,195	2.25	0.64

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

26 TAXATION

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the current applicable tax rate as follows:

	Year ended 31.3.2015 VND	Period from 1.1.2014 to 31.3.2014 VND	2015 Rs. Crore	2014 Rs. Crore
Net accounting loss before tax	(2,410,859,243)	(13,402,382)	(0.70)	(0.01)
Tax calculated at a rate of 22%	(530,389,033)	(2,948,524)	(0.15)	(0.01)
Effect of:				
Expenses not deductible for tax purpose	88,822,300	94,756,910	0.03	0.03
Tax losses for which no deferred income tax asset was recognised	428,641,514	–	0.12	–
Underprovision in previous years	154,515,584	41,290,659	0.04	0.01
Other impacts	(35,744,512)	31,055,075	(0.01)	0.01
Business income tax charge	105,845,853	164,154,120	0.03	0.05
Charged/(credited) to income statement:				
Business income tax – current	118,771,073	133,099,045	0.03	0.04
Business income tax – deferred (Note 16)	(12,925,220)	31,055,075	0.01	0.01
	105,845,853	164,154,120	0.03	0.05

The business income tax charge for the year/period is based on estimated taxable income and is subject to review and possible adjustment by the tax authorities

27 COST OF GOODS MANUFACTURED BY FACTORS

	Year ended 31.3.2015 VND	Period from 1.1.2014 to 31.3.2014 VND	2015 Rs. Crore	2014 Rs. Crore
Raw materials	13,109,313,828	2,855,877,019	3.80	0.81
Staff costs	33,709,009,317	9,358,188,115	9.78	2.66
Depreciation and amortisation expenses	102,131,222	33,738,500	0.03	0.01
Outside service expenses	14,719,518,533	4,062,443,760	4.27	1.15
Other cash expenses	5,192,585,672	177,376,947	1.51	0.05
	66,832,558,572	16,487,624,341	19.39	4.68

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

28 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise adverse effect of these risks on the Company's financial performance

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk,interest rate risk and price risk.

i) Currency risk

The Company's business is exposed to foreign currency risk arising from various currency exposures, primarily US dollar ("USD"), Euro ("EUR").

The Company's currency exposure to the USD and Euro is as follows:

	USD		EUR		Equivalent to VND		2015	2014
	2015	2014	2015	2014	2015	2014	Rs. Crore	Rs. Crore
Net financial assets								
Cash and cash equivalents	985	985	-	-	20,727,192	20,727,192	0.01	0.01
Net financial liabilities								
Trade and other payables	(22,031)	-	(12,675)	(25,500)	(771,102,756)	(559,256,918)	(0.22)	(0.16)
Currency exposure	(21,046)	985	(12,675)	(25,500)	(750,375,564)	(538,529,726)	(0.21)	(0.15)

At 31 March 2015, if the VND had strengthened/weakened by 10% against the USD with all other variables being held constant, the Company's loss before tax for the period would have been VND45,502,793 higher/lower as a result of foreign exchange losses/gains on translation of USD-denominated financial instruments

At 31 March 2015, if the VND had strengthened/weakened by 10% against the EUR with all other variables being held constant, the Company's loss before tax for the period would have been VND29,534,763 higher/lower as a result of foreign exchange gains/losses on translation of EUR-denominated financial instruments.

(ii) Interest rate risk

The Company is exposed to significant interest rate risk on its term bank deposits. At 31March 2015, if the VND interest rates had increased/decreased by 3% with all other variables being held constant, the Company's loss before tax for the year ended 31March 2015 would have been lower/higher by VND270,000,000 as a result of higher/lower interest income on these deposits.

(iii) Price risk

During the year, the Company was under no securities price risk as it did not enter into any securities transactions. The Company is not exposed to commodity price risk.

(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. The Company adopts the policy of dealing with customers of appropriate credit history to mitigate credit risk.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year VND	Between 1 and 2 years VND	Less than 1 year Rs. Crore	Between 1 and 2 years Rs. Crore
At 31 March 2015				
Trade and other payables	5,759,448,323	–	1.67	–
At 31 March 2014				
Short term borrowings	3,000,000,000	–	0.87	–
Trade and other payables	4,108,103,623	30,000,000	1.19	0.01
	7,108,103,623	30,000,000	2.06	0.01

29 RELATED PARTY TRANSACTIONS

The Company is controlled by International Consumer Products Corporation, a company incorporated in Vietnam, which owns 99% of the share capital of the Company.

(a) Related party transactions

During the year/period, the following transactions were carried out with related parties:

i) Sales of goods and services

	Year ended 31.3.2015 VND	Period from 1.1.2014 to 31.3.2014 VND	2015 Rs. Crore	2014 Rs. Crore
International Consumer Products Corporation	2,049,642,965	66,378,318	0.59	0.02
Fellow group subsidiaries	16,227,305	14,816,033	0.01	0.01
	2,065,870,270	81,194,351	0.60	0.03

ii) Purchases of goods and services

International Consumer Products Corporation	2,753,271,410	833,450,024	0.80	0.24

iii) Sales return

International Consumer Products Corporation	418,376	–	0.01	–

iv) Financing activities

Repayments of borrowings International Consumer Products Corporation	3,000,000,000	–	0.87	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

Loan granted to other entities				
International Consumer Products Corporation	5,000,000,000	–	1.45	-

v) Compensation of key management

Gross salaries and other benefits	1,228,000,000	307,125,000	0.36	0.09

(b) Year end balances with related parties

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
i) Trade receivables (Note 4)				
International Consumer Products Corporation	2,226,544,661	–	0.65	–
Fellow group subsidiaries	13,500,036	–	0.01	–
	2,240,044,697	–	0.66	–
ii) Other receivables (Note 6)				
International Consumer Products Corporation	5,000,000,000	-	1.45	-
iii) Borrowing (Note12)				
International Consumer Products Corporation	-	3,000,000,000		0.85
iv) Trade payables (Note 13)				
International Consumer Products Corporation	1,994,612,400	–	0.58	–

30 COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases are as follows:

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Within one year	5,190,894,500	5,449,342,700	1.51	1.55
Between one and five years	4,872,548,600	9,414,246,750	1.41	2.67
	10,063,443,100	14,863,589,450	2.92	4.22

31 COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been reclassified to conform with the current year's presentation.

32 EVENTS AFTER THE BALANCE SHEET DATE

On 14 May 2015, International Consumer Products Corporation sold 99% of the company's share capital to another shareholder for approximately VND49 Billion in cash.This transaction is subject to tax impact,which is born by ICP. Accordingly,ICP no longer has the ownership and controlling over the Company from this date.

The financial statements were approved by the Board of Directors on 18th May 2015

Vo Thi Thu Phuong	**Do Thi Kim Phuong**	**Pham Thi My Hanh**
Preparer	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.	
	The 7th amended Business Registration Certificate No. 0304979919 dated 14 November 2012 was issued by the Department of Planning and Investment of Ho Chi Minh City.	
Board of Management	Mr. Saugata Gupta	Chairman
	Mr. Ashutosh Telang	Member
	Mr. Chaitanya Deshpande	Member
	Mr. Nikhil P. Narkhede	Member
	Mr. Phan Quoc Cong	Member
	Mr. Le Quang Hanh	Member (Until October 28, 2014)
	Mr. Madan Mohan Pandey	Member (from July 25, 2014)
Board of Directors	Mr Phan Cong Thanh	General Director
Legal representative	Mr Phan Cong Thanh	General Director
Registered office	39B Truong Son Street, Ward 4, Tan Binh District, Ho Chi Minh City, Vietnam	
Auditor	PricewaterhouseCoopers (Vietnam) Limited	

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 31st March 2015.and approved by the Board of Directors on 15th May 2015.The financial statements comprise the balance sheet as at 31 March 2015 the income statement and 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 23.

The Board of Directors' Responsibility for the Financial Statements

The Board of Directors of the Company is responsible for the preparation and fair and true 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 responsible for internal controls which the Board of Directors determines are neccessary to enable the preparation and fair 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 Vietnamese Standards on Auditing. Those standards require that we comply with ethical standerd & 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 controls 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 controls. 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2015, and its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations on preparation and presentation of financial statements.

PricewaterhouseCoopers (Vietnam) Limited

Richard peters
AC No. 0561-2013-006-1

Cao Thi Ngoc Loan
Audit Practinsing Licence No.AC No. 030-2014-006-1

Authorised signatory
PricewaterhouseCoopers (Vietnam) Limited
Ho Chi Minh City, SR Vietnam
Audit report number HCM4820
15-May-15

BALANCE SHEET

As at 31 March 2015

Assets	Note	As at 31 Mar 2015 VND	As at 31 Mar 2014 VND	As at 31 Mar 2015 Rs. Crore	As at 31 Mar 2014 Rs. Crore
CURRENT ASSETS		**34,047,969,755**	**35,599,463,306**	**9.89**	**10.12**
Cash and cash equivalents	3	752,578,760	744,786,084	0.22	0.21
Cash		752,578,760	744,786,084	0.22	0.21
Accounts receivable		**868,985,475**	**1,137,363,535**	**0.25**	**0.32**
Trade accounts receivable		–	–	–	
Prepayments to suppliers		868,985,475	1,137,363,535	0.25	0.32
Other receivables		–	–	–	
Inventories	4	**32,064,854,052**	**32,607,824,984**	**9.30**	**9.26**
Inventories		32,684,897,381	34,037,843,230	9.48	9.67
Provision for decline in value of inventories		(620,043,328)	1,430,018,246.00	(0.18)	(0.41)
Other current assets		**361,551,468**	**1,109,488,703**	**0.12**	**0.33**
Short–term prepayments	5	251,064,586	958,842,022	0.09	0.27
Value Added tax to be reclaimed		–	82,615,684	-	0.04
Other taxes receivable		–	–	–	–
Other current assets		110,486,882	68,030,997	0.03	0.02
NON–CURRENT ASSETS		**35,763,487,262**	**29,379,333,035**	**10.37**	**8.36**
Fixed assets		**34,264,091,481**	**28,297,924,355**	**9.93**	**8.03**
Tangible fixed assets	6(a)	14,912,922,916	8,273,354,718	4.32	2.35
Cost		25,394,014,379	16,942,896,202	7.36	4.81
Accumulated depreciation		(10,481,091,463)	(8,669,541,484)	(3.04)	(2.46)
Intangible fixed assets	6(b)	19,351,168,565	20,024,569,637	5.61	5.68
Cost		22,394,278,817	22,394,278,817	6.49	6.36
Accumulated amortisation		(3,043,110,252)	(2,369,709,180)	(0.88)	(0.68)
Construction in progress		–	–	–	–
Other long–term assets		**1,499,395,781**	**1,081,408,680**	**0.44**	**0.33**
Long–term prepayments	7	1,129,505,911	1,081,408,680	0.33	0.33
Deferred income tax assets	20	369,889,870	–	0.11	–
TOTAL ASSETS		**69,811,457,017**	**64,978,796,341**	**20.26**	**18.48**

The notes on pages 9 to 23 are in integral part of this financial statement.

Note: The exchange rate use to convert VND to Rs.0.00290 (Previous year VND to Rs. 0.00293)

BALANCE SHEET (CONTD.)

As at 31 March 2015

RESOURCES	Note	As at 31 Mar 2015 VND	2014 VND	As at 31 Mar 2015 Rs. Crore	2014 Rs. Crore
LIABILITIES		**22,927,764,797**	**25,857,572,322**	**6.66**	**7.37**
Current liabilities		**21,731,472,047**	**24,637,068,072**	**6.31**	**6.98**
Trade accounts payable	8	13,240,269,894	20,009,853,729	3.84	5.68
Advances from customers	9	6,176,723,291	1,158,422,037	1.79	0.33
Taxes and other payables to the State Budget	10	769,389,873	1,665,418,807	0.22	0.47
Payable to employees		60,837,000	–	0.02	–
Accrued expenses	11	1,156,100,000	1,462,041,479	0.34	0.40
Other payables		328,151,990	341,332,020	0.10	0.10
Long–term liabilities		**1,196,292,750**	**1,220,504,250**	**0.35**	**0.39**
Provision for severance allowances		1,196,292,750	1,220,504,250	0.35	0.39
OWNERS' EQUITY		**46,883,692,220**	**39,121,224,019**	**13.60**	**11.11**
Capital and reserves		**46,883,692,220**	**39,121,224,019**	**13.60**	**11.11**
Owners' capital	12	31,400,000,000	31,400,000,000	9.11	8.92
Undistributed earnings	13	15,483,692,220	7,721,224,019	4.49	2.19
TOTAL RESOURCES		**69,811,457,017**	**64,978,796,341**	**20.26**	**18.48**

The notes on pages 9 to 23 are an integral part of these financial statements.

OFF BALANCE SHEET ITEMS

As at 31 Mar 2015, cash and cash equivalents are balances held in foreign currencies of US$292 (As at 31st March 2014: US$1,136.24).

Nauyen Thi Da Thao
Preparer
15-May-15

Hoang Van Nghien
Chief Accountant

Phan Cong Thanh
General Director

Note: The exchange rate use to convert VND to Rs.0.00290 (Previous year VND to Rs. 0.00293)

INCOME STATEMENT

for the year ended 31 March 2015

		Year ended 31 Mar		Year ended 31 Mar	
		31.03.2015	01.01.2014 to 31.03.2014	31.03.2015	01.01.2014 to 31.03.2014
	Note	VND	VND	Rs. Crore	Rs. Crore
Sales		**147,982,053,783**	**39,533,489,178**	**42.91**	**11.23**
Less deductions		(179,087,016)	–	(0.05)	-
Net sales	**15**	**147,802,966,767**	**39,533,489,178**	**42.86**	**11.23**
Cost of sales	**16**	**(130,966,693,173)**	**(32,094,047,352)**	**(37.98)**	**(9.11)**
Gross profit		**16,836,273,594**	**7,439,441,826**	**4.88**	**2.12**
Financial income		–	–	-	-
Financial expenses		20,524,703	5,996,233	0.01	0.01
Selling expenses	17	(2,772,261,850)	(1,525,741,683)	(0.80)	(0.43)
General and administration expenses	18	(4,279,072,562)	(1,138,247,320)	(1.24)	(0.32)
Operating profit/(loss)		**9,805,463,885**	**4,781,449,056**	**2.85**	**1.37**
Other income		50,749,826	125,028,101	0.01	0.04
Other expenses		(143,700,252)	(120,158,704)	(0.04)	(0.03)
Net other income/(expenses)		**(92,950,426)**	**4,869,397**	**(0.03)**	**0.01**
Net accounting profit/(loss) before tax		**9,712,513,459**	**4,786,318,453**	**2.82**	**1.38**
Business income tax – current	**19**	**(2,319,935,128)**	**(1,102,663,231)**	**(0.67)**	**(0.31)**
Business income tax – deferred	**20**	**369,889,870**	**–**	**0.11**	**–**
Net profit/(loss) after tax		**7,762,468,201**	**3,683,655,222**	**2.26**	**1.07**
Earning Per Share	**14**	**2472**	**1173**	**–**	**–**

The notes on pages 9 to 23 are an integral part of these financial statements.

Nguyen Thi Da Thao
Preparer
15–May–15

Hoang Van Nghien
Chief Accountant

Phan Cong Thanh
General Director

Note: The exchange rate use to convert VND to Rs.0.00290 (Previous year VND to Rs. 0.00293)

CASH FLOW STATEMENT (INDIRECT METHOD) AS AT AND FOR THE YEAR ENDED 31 MARCH 2015

		Year ended 31 Mar		Year ended 31 Mar	
		2015	01.01.2014 to 31.03.2014	2015	01.01.2014 to 31.03.2014
Assets	Note	VND	VND	Rs. Crore	Rs. Crore
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit/(loss) before tax		**9,712,513,459**	**4,786,318,453**	**2.81**	**1.36**
Adjustments for:					
Depreciation and amortisation		2,521,916,940	566,781,108	0.73	0.16
Provisions		(809,974,918)	534,807,150	(0.23)	0.15
Unrealised foreign exchange gains		–	–	–	–
(Profits)/losses from investing activities		65,295,111	10,117,473	0.02	0.01
Operating profit/(loss) before changes in working capital		**11,489,750,592**	**5,898,024,184**	**3.33**	**1.67**
Decrease/(increase) in receivables		308,537,859	453,643,375	0.09	0.13
Decrease/(increase) in inventories		1,352,945,849	(7,809,694,372)	0.43	(2.22)
(Decrease)/increase in payables		(1,940,856,056)	3,081,156,099	(0.56)	0.88
Decrease in prepaid expenses		659,680,205	(302,954,272)	0.19	(0.09)
Interest paid		–	–	–	–
Business income tax paid		(3,308,886,596)	(1,510,458,125)	(0.96)	(0.43)
Other receipts from operating activities		(30,290,997)	–	(0.01)	-
Net cash inflows from operating activities		**8,561,171,853**	**(220,574,108)**	**2.52**	**(0.07)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of fixed assets		(8,566,123,177)	–	(2.49)	–
Proceeds from disposals of fixed assets		12,744,000	112,427,231	0.01	0.03
Net cash outflows from investing activities		**(8,553,379,177)**	**112,427,231**	**(2.49)**	**0.03**
CASH FLOWS FROM FINANCING ACTIVITIES					
Net decrease in cash and cash equivalents		**7,792,676**	**(108,146,877)**	**0.03**	**(0.04)**
Cash and cash equivalents at beginning of year	**3**	**744,786,084**	**852,932,961**	**0.22**	**0.24**
Cash and cash equivalents at end of year	**3**	**752,578,760**	**744,786,084**	**0.25**	**0.20**

The notes on pages 9 to 23 are an integral part of these financial statements.

Nauyen Thi Da Thao	**Hoang Van Nghien**	**Phan Cong Thanh**
Preparer	Chief Accountant	General Director
May 15, 2015		

Note: The exchange rate use to convert VND to Rs.0.00290 (Previous year VND to Rs. 0.00293)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

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 7th amended Enterprises Business Registration Certificates No. 0304979919 dated 14 November 2012 issued by the Department of Planning and Investment of Ho Chi Minh City.

The principal activities of the Company are to manufacture, processed ;Produce process and trade foodstuff :perform the consignment agency;trade technologized food and materials used in food Industry.

As at 31 March 2015, the Company had 148 employees (As at March 2014 : 165 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 Accounting System and applicable regulations in SR Vietnam. 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.

2.2 Fiscal year

The First Financial year is from 1april to 31 March .

2.3 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 recognized in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at the balance sheet date. Foreign exchange differences arising from these translations are recognized in the income statement.

2.4 Form of records applied

The Company uses accounting software to record its transactions.

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 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.

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 and is deducted by 20% at the end of the accounting period. The quantity of WIP of fish sauce at the end of accounting period is determined based on the estimated quantity of extractions from eash of the barrels currently in the manufacturing process and the corresponding percentage of protein determined of 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.

Depreciation/Amortisation

Fixed assets are depreciated/amortisatised using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The depreciation /amortisation year applied for major fixed assets as follow are :

Buildings and Structures	22-25 years
Plant and machinery	3-10 years
Motor vehicles	5-6 years
Office equipment	3-4 years
Land use right	40 years
Computer software	8 years
Patents	5 years

Disposals

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount fixed asset .The net disposal proceeds are recognised as income in the income statement.The carrying amount is recognised as expenses in the income statement.

2.9 Prepaid expenses

Prepaid expenses include short-term or long-term prepayments on the balance sheet and mainly prepaid office rental and tools and equipment were put to use.

2.10 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.

(b) Interest income

Interest income is recognised on an earned basis.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

2.11 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 & the current tax rates. Current & deffered tax should be recognised as income or an expense and incluede in profit or loss for 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 basis 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.

2.12 Dividend distribution

Dividend of the Company is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company Annual General Meeting.

2.13 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 officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.14 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.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provisions will be measured at their 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 recognized as interest expenses.

2.15 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company are entitled to a severance allowance based on their years of service. This will be paid as a lump sum when the employee leaves the Company. A

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

provision for severance allowance is made for the estimated liability for employment termination as a result of services rendered by employees. Pursuant to Law on Social Insurance, effective from 1 January 2009, the Company is required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. With the implementation of the unemployment scheme, the Company is no longer required to provide for the service period after 1 January 2009. However, provision for severance allowance as of 31 March 2015 is determined based on the employees' number of years of service up to 31 December 2008 and their average salary for the six-month period prior to the balance sheet date.

2.16 Share capital

Ordinary shares in issue are classified as equity. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the proceeds.

Where the Company purchase the Company's equity share capital (treasury shares), the consideration paid, including directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received less any directly attributable incremental transaction costs is included in equity attributable to the Company's equity holders.

3 CASH AND CASH EQUIVALENTS

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Cash on hand	8,714,000	27,654,000	0.01	0.01
Cash at bank	743,864,760	717,132,084	0.22	0.20
	752,578,760	**744,786,084**	**0.22**	**0.21**

4 INVENTORIES

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Raw materials	8,751,633,452	9,506,963,288	2.54	2.70
Work in progress	22,565,641,029	23,828,057,174	6.54	6.77
Finished goods	1,367,622,900	702,822,768	0.40	0.20
	32,684,897,381	34,037,843,230	9.48	9.67
Provision for decline in value of inventory	(620,043,328)	(1,430,018,246)	(0.18)	(0.41)
	32,064,854,053	**32,607,824,984**	**9.30**	**9.26**

Movements in the provision for inventories during the year were as follows:

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Beginning of year Period	1,430,018,246	895,211,096	0.41	0.25
Increase	-	534,807,150	-	0.15
Reversal	(809,974,918)	–	(0.23)	-
End of Year /Period	620,043,328	1,430,018,246	0.18	0.40

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

5 SHORT–TERM PREPAYMETS

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Tools and Supplies	251,064,586	958,842,022	0.08	0.27
	251,064,586	**958,842,022**	**0.08**	**0.27**

Movement of short-term prepayments is as follows:

	2015 VND	From 01.01.2014 to 31.03.2014 VND	2015 Rs. Crore	From 01.01.2014 to 31.03.2014 Rs. Crore
Opening balance	958,842,022	725,153,954	0.28	0.21
Additions	3,684,626,715	900,258,980	1.07	0.26
Transfers from fixed assets (Note 6) (*)	–	10,117,472.00	–	0.01
Amortisation for the year	(4,392,404,151)	(676,688,384)	(1.25)	(0.19)
	251,064,586	**958,842,022**	**0.10**	**0.28**

6 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Plant and machinery VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
At 1 Apr 2014	7,246,019,763	8,602,553,824	738,538,826	355,783,789	16,942,896,202
New purchases	4,010,659,982	3,418,732,649	970,454,546	166,276,000	8,566,123,177
Disposals	-	(115,005,000)	-	-	(115,005,000)
Reclassification (*)	-	22,946,000	-	(22,946,000)	-
At 31 Mar 2015	11,256,679,745	11,929,227,473	1,708,993,372	499,113,789	25,394,014,379
Accumulated depreciation					
At 1 Apr 2014	(2,235,876,493)	(5,615,569,156)	(630,021,106)	(188,074,729)	(8,669,541,484)
Charge for the year	(573,924,812)	(1,176,644,652)	(52,221,876)	(45,724,528)	(1,848,515,868)
Disposals	-	36,965,889	-	-	36,965,889
At 31 Mar 2015	**(2,809,801,305)**	**(6,755,247,919)**	**(682,242,982)**	**(233,799,257)**	**(10,481,091,463)**
Net book value					
At 1 Apr 2014	5,010,143,270	2,986,984,668	108,517,720	167,709,060	8,273,354,718
At 31 Mar 2015	**8,446,878,440**	**5,173,979,554**	**1,026,750,390**	**265,314,532**	**14,912,922,916**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

	Buildings and structures Rs. Crore	Plant and machinery Rs. Crore	Motor vehicles Rs. Crore	Office equipment Rs. Crore	Total Rs. Crore
Historical cost					
At 1 Apr 2014	2.10	2.49	0.21	0.10	4.91
New purchases	1.16	0.99	0.28	0.05	2.48
Disposals	–	(0.03)	–	-	(0.03)
Transfer to Prepayment (*)	–	0.01	–	(0.01)	–
At 31 Mar 2015	**3.26**	**3.46**	**0.50**	**0.14**	**7.36**
Accumulated depreciation					
At 1 Apr 2014	(0.65)	(1.63)	(0.18)	(0.05)	(2.51)
Charge for the year	(0.17)	(0.34)	(0.02)	(0.01)	(0.54)
Disposals	–	0.01	–	–	0.01
At 31 Mar 2015	**(0.81)**	**(1.96)**	**(0.20)**	**(0.07)**	**(3.04)**
Net book value					
At 1 Apr 2014	1.45	0.87	0.03	0.05	2.40
At 31 Mar 2015	**2.45**	**1.50**	**0.30**	**0.08**	**4.32**

Cost of fully depreciated tangible fixed assets but still in use as at 31 Mar 2015 was VND2,838,060,696 (2014: VND1,320,134,783).

(b) Intangible fixed assets

	Land use rights VND	Computer software VND	Patents VND	Total VND
Historical cost				
At 1 Apr 2014	21,510,101,000	163,360,000	720,817,817	22,394,278,817
	–	–	–	-
At 31 Mar 2015	**21,510,101,000**	**163,360,000**	**720,817,817**	**22,394,278,817**
Accumulated amortisation				
At 1 Apr 2014	(1,790,046,160)	(51,049,980)	(528,613,040)	(2,369,709,180)
Charge for the year	(508,813,080)	(20,419,992)	(144,168,000)	(673,401,072)
	–	-	-	-
At 31 Mar 2015	**(2,298,859,240)**	**(71,469,972)**	**(672,781,040)**	**(3,043,110,252)**
Net book value				
At 1 Apr 2014	**19,720,054,840**	**112,310,020**	**192,204,777**	**20,024,569,637**
At 31 Mar 2015	**19,211,241,760**	**91,890,028**	**48,036,777**	**19,351,168,565**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

	Land use rights Rs. Crore	Computer software Rs. Crore	Patents Rs. Crore	Total Rs. Crore
Historical cost				
At 1 Apr 2014	6.24	0.05	0.21	6.49
At 31 Mar 2015	**6.24**	**0.05**	**0.21**	**6.49**
Accumulated amortisation				
At 1 Apr 2014	(0.52)	(0.01)	(0.15)	(0.69)
Charge for the year	(0.15)	(0.01)	(0.04)	(0.20)
At 31 Mar 2015	(0.67)	(0.02)	(0.20)	(0.88)
Net book value				
At 1 Apr 2014	5.72	0.03	0.06	5.81
At 31 Mar 2015	**5.57**	**0.03**	**0.01**	**5.61**

7 LONG–TERM PREPAYMENTS

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Land leasing	576,364,818	594,760,243	0.17	0.18
Tools & Supplies	553,141,093	486,648,437	0.16	0.15
	1,129,505,911	**1,081,408,680**	**0.33**	**0.33**

Movement of long–term prepayments is as follows:

Beginning of year/Period	1,081,408,680	1,002,025,004	0.31	0.28
Additions	538,618,265	149,599,540	0.16	0.04
Amortisation for the year	(490,521,034)	(70,215,864)	(0.14)	(0.02)
	1,129,505,911	**1,081,408,680**	**0.33**	**0.30**

8 TRADE ACCOUNTS PAYABLE

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Third parties	13,226,769,858	20,006,423,082	3.84	5.68
Related Parties (Note 23(b))	13,500,036	3,430,647.00	0.01	0.01
	13,240,269,894	**20,009,853,729**	**3.84**	**5.68**

9 ADVANCE FROM CUSTOMERS

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Related party (Note 23(b))	6,176,723,291	1,158,422,037	1.79	0.33

10 TAXES AND OTHER PAYABLES TO THE STATE BUDGET

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Value Added Tax on domestic sales	640,874,033	546,809,566	0.19	0.16
Other taxes	14,804,077	15,946,010	0.01	0.01
Business income tax–Current	113,711,763	1,102,663,231	0.03	0.31
	769,389,873	**1,665,418,807**	**0.22**	**0.47**

11 ACCRUED EXPENSES

	2015 VND	2014 VND	2015 Rs. Crore	2014 Rs. Crore
Salary, bonus	924,000,000	390,000,000	0.27	0.11
Marketing expenses	-	846,791,479	-	0.24
Service fees	92,412,500	118,300,000	0.03	0.03
Others	139,687,500	106,950,000	0.04	0.02
	1,156,100,000	**1,462,041,479**	**0.34**	**0.40**

12 OWNERS' CAPITAL

(a) Number of shares

	2015 Ordinary shares	2014 Ordinary shares
Number of shares registered	3,140,000	3,140,000
Number of existing shares in issue	3,140,000	3,140,000

(b) Details of owner 's sharholding

	Ordinary shares VND	%	Ordinary shares VND	%
International Consumer Products Corporation	3,139,800.00	99.994	3,140,000.00	100
Mr.Phan Cong Thanh	100	0.003	-	-
Mr.Nguyen Ngoc Anh Tuan	100	0.003	-	-
	3,140,000.00	**100.00**	**3,140,000.00**	**100.00**

(c) Movement of share capital

	Number of share capital (shares)	Ordinary shares VND	Total VND	Ordinary shares Rs. Crore	Total Rs. Crore
As 1 April 2014 and 31 March 2015	3,140,000	31,400,000,000	31,400,000,000	9.11	9.11

Par value per share: VND10,000.

13 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Accumulated losses VND	Total VND	Owners' capital Rs.Crore	Accumulated losses Rs. Crore	Total Rs. Crore
As at 1 Jan 2014	31,400,000,000	4,037,568,797	35,437,568,797	8.92	1.15	10.06

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

Profit for the year	–	3,683,655,222	3,683,655,222	–	1.05	1.05
As at 31 Mar 2014	31,400,000,000	7,721,224,019	39,121,224,019	8.92	2.19	11.11
Profit for the year	–	7,762,468,201	7,762,468,201	–	2.25	2.25
As at 31 Mar 2015	**31,400,000,000**	**15,483,692,220**	**46,883,692,220**	**9.11**	**4.49**	**13.60**

14 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholder by the weighted average number of ordinary shares in issue during the year/period ,excluding ordinary shares purchased by the Company and held as treasury shares :

		From 01.01.2014 to 31.03.2014		From 01.01.2014 to 31.03.2014
	2015	2014	2015	2014
	VND	VND	Rs. Crore	Rs. Crore
Net profit attributable to shareholder (VND)	**7,762,468,201.00**	**3,683,655,222.00**	**2.25**	**1.05**
weighted average number of ordinary shares in issue (shares)	3,140,000.00	3,140,000.00	–	–
Basic earning per share (VND)	**2472**	**1173**		

15 REVENUE

		From 01.01.2014 to 31.03.2014		From 01.01.2014 to 31.03.2014
	2015	2014	2015	2014
	VND	VND	Rs. Crore	Rs. Crore
Sales				
Sales of goods	147,982,053,783	39,533,489,178	42.91	11.23
Sales deductions				
Sales returns	(179,087,016)	-	(0.05)	–
Net revenue from sales of goods	**147,802,966,767**	**39,533,489,178**	**42.86**	**11.23**

16 COST OF SALES

		From 01.01.2014 to 31.03.2014		From 01.01.2014 to 31.03.2014
	2015	2014	2015	2014
	VND	VND	Rs. Crore	Rs. Crore
Cost of finished goods sold	131,776,668,091	31,559,240,202	38.22	8.96
Provision for decline in value of inventories	(809,974,918)	534,807,150	(0.23)	0.15
	130,966,693,173	**32,094,047,352**	**37.99**	**9.11**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

17 SELLING EXPENSES

The following items have been included in selling expenses:

	2015	From 01.01.2014 to 31.03.2014 2014	2015	From 01.01.2014 to 31.03.2014 2014
	VND	VND	Rs. Crore	Rs. Crore
Labour cost	1,653,754,113	510,598,727	0.48	0.15
Depreciation Expenses	144,186,000	36,042,000	0.04	0.01
External services expenses	974,339,737	979,100,956	0.28	0.28
Others	615,036,397.00	834,049,547.00	0.18	0.24

18 GENERAL AND ADMINISTRATION EXPENSES

The following items have been included in general and administration expenses:

	2015	From 01.01.2014 to 31.03.2014 2014	2015	From 01.01.2014 to 31.03.2014 2014
	VND	VND	Rs. Crore	Rs. Crore
Labour cost	2,248,579,407	377,661,998	0.65	0.11
Depreciation cost	38,536,865	10,051,998	0.01	0.01
External services expenses	1,708,075,440	474,113,131	0.50	0.13
Others	**283,880,850**	**276,420,193**	**0.08**	**0.08**

19 TAXATION

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate of 22% regulated in the Business Registration Certificate of the Company as follows:

	Year ended 31.03.2015 2015	Period From 01.01.2014 to 31.03.2014 2014	Year ended 31.03.2015 2015	Period From 01.01.2014 to 31.03.2014 2014
	VND	VND	Rs. Crore	Rs. Crore
Net accounting profit/(loss) before tax	9,712,513,459	4,786,318,453	2.82	1.36
Tax calculated at a rate of 22%	2,136,752,961	1,052,990,060	0.62	0.30
Effect of:				
Expenses not deductible for tax purposes	48,400,062	49,673,171	0.01	0.01
Utilised tax losses	(632,716,589)	-	(0.18)	-
Underprovision from previous years	397,608,824	-	0.12	-
asset was recognised				
Business income tax charge	**1,950,045,258**	**1,102,663,231**	**0.57**	**0.31**
Charged /(Credited) to income statement:	2,319,935,128	1,102,663,231	0.67	0.31
Business income tax -current	(369,889,870)	–	(0.11)	-
Business income tax -derrered (Note 20)	**1,950,045,258**	**1,102,663,231**	**0.57**	**0.31**

The business income tax charge for the year/period is based on estimated taxable income & is subject to review and possible adjustments by the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

20 DEFERRED INCOME TAX ASSETS

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current liabilities and when the deferred income tax relate to the same taxation authority. The offset amounts are as follows:

	Year ended 31.03.2015	Period From 01.01.2014 to 31.03.2014	Year ended 31.03.2015	Period From 01.01.2014 to 31.03.2014
	2015	2014	2015	2014
	VND	VND	Rs. Crore	Rs. Crore
Deferred tax asset to be recovered after more than 12 months	263,184,405	–	0.08	–
Deferred tax asset to be within 12 months	106,705,465	–	0.03	–
	369,889,870	**-**	**0.11**	--

Deferred income tax assets arose mainly from temporary differences between the accounting base of provision for decline in value of inventory; provision for severance allowance and tax base of these items.

The gross movement in the deferred income tax, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follow:

	Year ended 31.03.2015	Period From 01.01.2014 to 31.03.2014	Year ended 31.03.2015	Period From 01.01.2014 to 31.03.2014
	2015	2014	2015	2014
	VND	VND	Rs. Crore	Rs. Crore
Beginning of year/period	–	-	-	-
Income statement credit (Note 19)	369,889,870	-	0.11	-
End of year/period	369,889,870	-	0.11	-

21 COST OF GOODS MANUFACTURED BY FACTORS

	From 01.01.2014 to 31.03.2014		From 01.01.2014 to 31.03.2014	
	2015	2014	2015	2014
	VND	VND	Rs. Crore	Rs. Crore
Raw materials	110,031,634,691	34,011,230,336	31.91	9.66
Labour costs	17,105,662,582	5,299,097,769	4.96	1.50
Depreciation expense	2,521,916,940	566,781,108	0.73	0.16
Outside service expenses	6,656,454,921	3,439,217,517	1.93	0.98
Other cash expenses	3,771,309,521	1,153,083,634	1.09	0.33
	140,086,978,655	**44,469,410,364**	**40.63**	**12.63**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

22 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise adverse effect of these risks on the Company's financial performance.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:

current risk, interest rate risk and price risk

(i) **Current risk**

As at 31 March 2015, the Company's business is not exposed to significant current risk arising from variuos currency exposures as balance of financial assets denominated by foreign currency is immaterial

(ii) Price risk

During the year, the company was under no securities price risk as it did not enter any securities transactions. The company is not significantly exposed to commodity price risk.

(iii) Interest rate risk

As at 31 March 2015, the Company is not exposed to interest rate risk as the Company does not have any borrowings

(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. The Company's Board of Directors assesses, the credit risk of the Company is insignificant as during the year, the Company mainly has sales transaction with its parent company, International Consumer Products Corporation.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with Financial liabilities. As at 31 Mar 2015, the Company had the financial liabilities comprising trade and othe payables amounting to VND 14,785,358,884 (As at 31 Mar 2014: VND 21,813,227,228) which represented contractual undiscounted cash outflows payables in less than 1 year.

23 RELATED PARTY TRANSACTIONS

(a) Related party transactions

The company is controlled by International Consumer Products Corporation ,a company incorporated in Vietnam ,Which owns 99.994% of the Company's share capital.

During the year/Period , the following transactions were carried out with related parties:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

i) **Sales of goods and services**

	Year ended 31.03.2015 2015 VND	Period From 01.01.2014 to 31.03.2014 2014 VND	Year ended 31.03.2015 2015 Rs. Crore	Period From 01.01.2014 to 31.03.2014 2014 Rs. Crore
Parent Company	147,461,179,535	39,566,266,254	42.76	11.24

ii) **Purchases of goods and services**

	Year ended 31.03.2015 2015 VND	Period From 01.01.2014 to 31.03.2014 2014 VND	Year ended 31.03.2015 2015 Rs. Crore	Period From 01.01.2014 to 31.03.2014 2014 Rs. Crore
Parent Company	64,734,252	3,118,770	0.02	0.01
Fello group subsidary	16,227,305	14,816,033	0.01	0.01
	80,961,557	**17,934,803**	**0.02**	**0.01**

iii) **Compensation of key management**

	Year ended 31.03.2015 2015 VND	Period From 01.01.2014 to 31.03.2014 2014 VND	Year ended 31.03.2015 2015 Rs. Crore	Period From 01.01.2014 to 31.03.2014 2014 Rs. Crore
Gross salaries and other benefits	1,044,900,000	51,107,000	0.30	0.01

(b) **Year end balances with related parties**

i) **Account payables (Note 8)**

	Year ended 31.03.2015 2015 VND	Period From 01.01.2014 to 31.03.2014 2014 VND	Year ended 31.03.2015 2015 Rs. Crore	Period From 01.01.2014 to 31.03.2014 2014 Rs. Crore
Parent Company	–	3,430,647.00	–	0.01
Fello group subsideary	13,500,036	–	0.01	–

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

ii) Advances from customers (Note 9)

	Year ended 31.03.2015	Period From 01.01.2014 to 31.03.2014	Year ended 31.03.2015	Period From 01.01.2014 to 31.03.2014
	2015	2014	2015	2014
	VND	VND	Rs. Crore	Rs. Crore
Parent Company	6,176,723,291	1,158,422,037	1.79	0.33

24 COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases are as follows:

	Year ended 31.03.2015	Period From 01.01.2014 to 31.03.2014	Year ended 31.03.2015	Period From 01.01.2014 to 31.03.2014
	2015	2014	2015	2014
	VND	VND	Rs. Crore	Rs. Crore
Within 1 year	620,064,000	807,782,400	0.18	0.23
Between 1 and 5 years	–	610,816,281	–	0.17
Total minimum payments	620,064,000	1,418,598,681	0.18	0.40

25 COMPARATIVES

Certain comparative figures in the financial statement have been reclassified to conform with the current year's presentation.

The financial statements were approved by the Board of Directors on 15 May, 2015.

Nauyen Thi Da Thao
Preparer

Hoang Van Nghien
Chief Accountant

Phan Cong Thanh
General Director

Board of Directors	Mr. Harsh Mariwala Mr. Saugata Gupta Mr. Rishabh Mariwala
Registered Office	7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai 400 098
Auditors	Kirtane & Pandit LLP, Chartered Accountants
Bankers	Corporation Bank

INDEPENDENT AUDITORS' REPORT

To The Members Of
Marico Innovation Foundation,

Report on the Financial Statements

We have audited the accompanying financial statements of "Marico Innovation Foundation" ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters 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 the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were 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

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.

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 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 Company's 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 on the financial statements.

Opinion

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, 2015, and its profit/loss and its cash flows for the year ended on that date.

INDEPENDENT AUDITORS' REPORT (Contd.)

Report on other Legal and Regulatory Requirements

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 appears from our examination of those books .

c) The Balance Sheet, the 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 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 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to our best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position

   ii. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **Kirtane & Pandit LLP**
Chartered Accountants,

FRN:-105215W/W100057

Partner
Membership No:

Place: Mumbai

Date: 29 April, 2015

BALANCE SHEET

As at 31 March 2015

	Notes	FY 2014-15 (Rs. In actuals)	FY 2013-14 (Rs. In actuals)
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Reserves and Surplus	9	(904,453)	3,946,419
Non-current liabilities			
Current liabilities			
(b) Trade Payables	11	921,763	–
(c) Other Current Liabilities	12	598,892	17,004,539
TOTAL		**616,203**	**20,950,958**
ASSETS			
Current assets			
(d) Cash and Bank Balance	13	616,203	15,143,362
(e) Other Current Assets	14	–	5,807,597
TOTAL		**616,203**	**20,950,958**

For Kirtane & Pandit LLP
Chartered Accountants
FRN NO: 105215W/W100057

Suhrud Lele
Partner
Membership No. 121162

Place : Mumbai
Date : April 29, 2015

For and on behalf of Board of Directors
MARICO INNOVATION FOUNDATION

HARSH MARIWALA
Director

SAUGATA GUPTA
Director

Place : Mumbai
Date : April 29, 2015

INCOME AND EXPENDITURE STATEMENT

for the year ended March 31, 2015

	Notes	FY 2014-15 (Rs. In actuals)	FY 2013-14 (Rs. In actuals)
Income:			
Revenue from Operations	10	4,556,079	29,950,676
Total Income		**4,556,079**	**29,950,676**
Expenditure:			
Direct Expenses	15/17/18	9,406,951	27,042,552
Total expenditure		**9,406,951**	**27,042,552**
Surplus/(Deficit) for the period		**(4,850,872)**	**2,908,124**

For Kirtane & Pandit LLP
Chartered Accountants
FRN NO: 105215W/W100057

Suhrud Lele
Partner
Membership No. 121162

Place : Mumbai
Date : April 29, 2015

For and on behalf of Board of Directors
MARICO INNOVATION FOUNDATION

HARSH MARIWALA — **Director**

SAUGATA GUPTA — **Director**

Place : Mumbai
Date : April 29, 2015

CASH FLOW STATEMENT

for the year ended March 31, 2014

		For the year ended March 31, 2015 Rs. In actuals	For the year ended March 31, 2014 Rs. In actuals
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	PROFIT/LOSS BEFORE TAXATION AND AFTER EXCEPTIONAL ITEMS	**(4,850,872)**	**2,908,124**
	Adjustments for:	**–**	**–**
	Operating profit/(Loss) before working capital changes	(4,850,872)	2,908,124
	Adjustments for:		
	(Increase)/ Decrease in loans and advances and other assets	5,807,597	(4,473,539)
	Increase/ (Decrease) in trade payable and other current liabilities	(15,483,884)	16,527,487
	Changes in Working Capital	(9,676,287)	12,053,948
	Cash generated from Operations	(14,527,159)	14,962,072
	Taxes paid	–	–
	NET CASH FLOW FROM OPERATING ACTIVITIES	(14,527,159)	14,962,072
B	**NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS**	(14,527,159)	14,962,072
C	**Cash and cash equivalents - opening balance**	**15,143,362**	**181,290**
D	**Cash and cash equivalents - closing balance (D+C) (Refer note 13)**	616,203	15,143,362

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

Suhrud Lele
Partner
Membership No. 121162

Place : Mumbai
Date : April 29, 2015

For and on behalf of Board of Directors
MARICO INNOVATION FOUNDATION

HARSH MARIWALA
Director

SAUGATA GUPTA
Director

Place : Mumbai
Date : April 29, 2015

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

1 Background :

Marico Innovation Foundation (MIF) is 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 of the Company have been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

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

31 March 2015

9 RESERVES & SURPLUS

	As at 31 March 2015 Rs. In actuals	As at 31 March 2014 Rs. In actuals
Surplus in the Statement of Income & Expenditure		
Opening balance	3,946,419	1,038,295
(+) Surplus/(Deficit) for the period	**(4,850,872)**	**2,908,124**
Closing Balance	**(904,453)**	**3,946,419**
Total	**(904,453)**	**3,946,419**

10 REVENUE FROM OPERATION

	As at 31 March 2015 Rs. In actuals	As at 31 March 2014 Rs. In actuals
Donation	4,556,079	29,950,676
Total	**4,556,079**	**29,950,676**

11 TRADE PAYABLES

	As at 31 March 2015 Rs. In actuals	As at 31 March 2014 Rs. In actuals
Sundry Creditors	921,763	–
Total	**921,763.00**	**–**

12 OTHER CURRENT LIABILITIES

	As at 31 March 2015 Rs. In actuals	As at 31 March 2014 Rs. In actuals
TDS Payable	63,100	963,649
ST reverse charge	–	
Provisions	–	16,040,890
Marico ltd	535,792	
Total	**598,892**	**17,004,539**

13 CASH AND BANK BALANCES

	As at 31 March 2015 Rs. In actuals	As at 31 March 2014 Rs. In actuals
Bank Balance	614,585	15,140,177
Cash Balances	1,618	3,185
TOTAL	**616,203**	**15,143,362**

NOTES TO THE FINANCIAL STATEMENTS

31 March 2015

14 OTHER CURRENT ASSETS

	As at 31 March 2015 Rs. In actuals	As at 31 March 2014 Rs. In actuals
Advances to vendor	–	5,807,597
Total	**–**	**5,807,597**

15 DIRECT EXPENSES

	As at 31 March 2015 Rs. In actuals	As at 31 March 2014 Rs. In actuals
Advertisement	24,538	3,289,733
Audit Fees	56,180	56,180
Awards Function	–	1,239,893
Books & Periodicals	2,800	6,881
Car Hire Charges	159,139	–
Consumables for computers	–	3,112
Communication exp (Mobile, Data card)	9,004	135,917
Hire Charges of Comp.	7,772	1,000
Magazine Publication	34,787	–
Wirte off	32,601	–
Entertaintment exp	9,766	–
Printing & Stationery	353,261	1,340,951
Professional and Legal Expenses	–	19,144,446
Less Write back	7,727,235	–
Seminar Expenses	–	50,766
Misc Exp	228,037	129,817
Gifts	1,181	28,116
Travelling	698,238	1,578,628
	9,344,539	**27,005,440**

16 AUDITOR'S REMUNERATION

(Excluding service tax)

	As at 31 March 2015 Rs. In actuals	As at 31 March 2014 Rs. In actuals
For Audit	50,000	50,000
Total	**50,000**	**50,000**

17 EMPLOYEE BENEFIT

	As at 31 March 2015 Rs. In actuals	As at 31 March 2014 Rs. In actuals
Trainee Allowance	61,075	11,000
Welfare exp	–	**25,545**
	61,075	**36,545**

18 FINANCE COST

	As at 31 March 2015 Rs. In actuals	As at 31 March 2014 Rs. In actuals
Int on cash credit	–	7
Bank and other financial charges	1,337	560
	1,337	**567**

19 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	2014-15 (Rs.)	2013-14 (Rs.)
MARICO LTD.	Holding Company	Donations Received	4,396,079	29,200,676
MARICO LTD.	Holding Company	Exp paid by Marico	535,792	–

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

Suhrud Lele
Partner
Membership No. 121162

Place: Mumbai
Date: April 29, 2015

For and on behalf of Board of Directors
MARICO INNOVATION FOUNDATION

HARSH MARIWALA
Director

SAUGATA GUPTA
Director

Place: Mumbai
Date: April 29, 2015

REGISTERED OFFICE

Marico Limited
7th floor, Grande Palladium
175, CST Road, Kalina
Santacruz (East)
Mumbai 400098, India

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WEBSITES

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www.saffolalife.com
www.haircodeworld.com
www.icpvn.com
www.chottekadam.com
www.setwet.com
www.livonhairgain.com
www.livonilovemyhair.com
www.code10.com
www.parachutetherapie.com
www.fitfoodie.in
www.pblskin.com
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www.scalptherapie.com

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