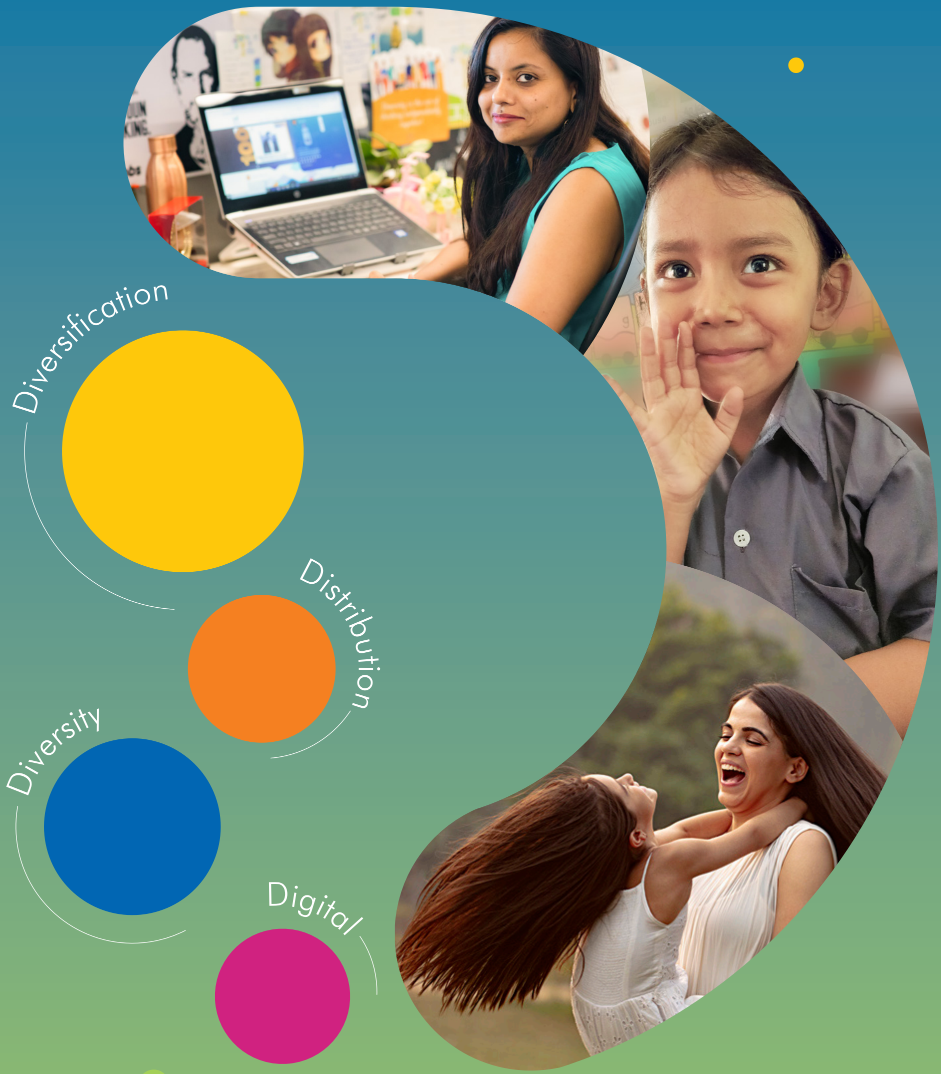
Subsidiaries' Financials
2022-23



Transformative
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INDEX

MARICO BANGLADESH LIMITED (MBL)

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Saugata Gupta	Chairman
	Mr. Ashish Goupal	Managing Director (until June 30, 2022)
	Mr. Rajat Diwaker	Managing Director (appointed w.e.f. July 1, 2022)
	Mr. Barrister Ashraful Hadi	Independent Director (until April 24, 2022)
	Ms. Sheela R Rahman	Independent Director (appointed w.e.f. June 5, 2022)
	Mr. Zakir Ahmad Khan	Independent Director
	Ms. Parveen Mahmud	Independent Director
	Mr. Sanjay Mishra	Director (until June 3, 2022)
	Mr. Ashish Goupal	Director (appointed w.e.f. July 1, 2022)
	Mr. Pawan Agrawal	Director
MANAGEMENT TEAM	Mr. Ashish Goupal	Managing Director (until June 30, 2022)
	Mr. Rajat Diwaker	Managing Director (appointed w.e.f. July 1, 2022)
	Mr. Elias Ahmed	Chief Financial Officer (until March 15, 2023)
	Mr. Md. Saiful Alam	Director - Manufacturing
	Mr. Allen Ebenezer Eric	Director - Marketing
	Mr. Shyamal Kishore	Director - Human Resources
	Mr. Sabbir Al Harun	Director - Sales
	Mr. Zahedur Rahman	Director - Supply Chain
	Ms. Christabel Randolph	Director - Legal & Corporate Affairs (until July 31, 2022)
	Mr. Rashed Sarwar	Director Sales – Emerging Channels and Sales Strategy (until May 22, 2022)
	Mr. Rashed Bin Ehshan	Director - Legal & Corporate Affairs (appointed w.e.f. June 30, 2022)

COMPANY SECRETARY	Ms. Christabel Randolph (until July 31, 2022) Mr. Elias Ahmed (appointed w.e.f. August 1, 2022, resigned w.e.f. November 15, 2022) Mr. Md. Sahabuddin FCS (appointed w.e.f. November 15, 2022)
REGISTERED OFFICE	House-1, Road-1, Sector-1, Uttara, Dhaka-1230, Bangladesh
CORPORATE OFFICE	The Glass House, Level-06, Plot. 02, Block. SE (B), Gulshan Avenue, Dhaka - 1212, Telephone: +88 (02) 9897180, Fax: +88 (02) 9897140
OUR FACTORIES	**Factory 1:** Mouchak, Kaliakoir, Gazipur **Factory 2:** Shirirchala, Mahona Bhabanipur, Gazipur
STATUTORY AUDITORS	A. Qasem & Co.
HEAD OF INTERNAL AUDIT & COMPLIANCE	Mr. Fahatul Islam (until January 15, 2023) Mr. Sharif Shajib Ahammed (appointed w.e.f. March 20, 2023)
LEGAL ADVISORS	Dr. Kamal Hossain and Associates Tanjib Alam & Associates Mustafizur Rahman Khan and Associates
PRINCIPAL BANKERS	Standard Chartered Bank HSBC Citibank NA
STOCK INFORMATION	Dhaka Stock Exchange Chittagong Stock Exchange Stock Code: MARICO ISIN: BD0481MRICO6 Sector: Pharmaceuticals & Chemicals
INVESTOR RELATIONS	Telephone: +88 (02) 9897180, Ext.: 661 Fax: +88 (02) 9897140 Email: secretarial.mbl@marico.com Website: www.marico.com/bangladesh
DATE OF INCORPORATION	September 6, 1999

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Marico Bangladesh Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Marico Bangladesh Limited ("the Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 31 March 2023. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

- **Revenue recognition**

  Referring to the Note 18 and Note 40.15 to the financial statements, Revenue of BDT 14,135 million is recognized in the statement of profit or loss of Marico Bangladesh Limited. This material item is subject to considerable inherent risk due to the risk of being overstated at the end of the reporting period on account of variation in the timing of transfer of control by the management in order to meet expectations of the shareholders and also to achieve performance targets. Accordingly, there could be potential misstatements that revenue made during the period end are not recognised in the correct reporting period.

  How our audit addressed the key audit matter:

  In light of the fact that the high degree of complexity and high volume of transactions give rise to an increased risk of accounting misstatements, we assessed the Company's processes and controls for recognizing revenue as part of our audit. Our audit approach included testing of the controls and substantive audit procedures.

INDEPENDENT AUDITOR'S REPORT

- Assessed key controls related to the reporting of revenue; starting from the contract approval to the recognition of sales and subsequent balance of the customer and cash receipt.
- Assessed the invoicing and measurement systems up to entries in the general ledger.
- Analysed and tested customer contracts, invoices and receipts on a sample basis.
- Tested the sales transactions at the year-end on a sample basis by reviewing the relevant supporting documents to ensure the completeness of revenue recognition in the current and subsequent accounting period.
- Performed substantive year end cut-off testing by selecting samples of revenue transactions recorded at and after year end, and verified the underlying supporting documents.
- Scrutinised sales returns and reversals, which were recorded in the general ledger subsequent to year end to identify any significant unusual items.

Furthermore, we read and analysed the disclosures made in the financial statements.

➤ **Uncertain Tax Position:**

Referring to Note 26 & Note 29 of the financial statements, the Company is subject to periodic review by local tax authorities on a range of tax matters during the normal course of business including indirect taxes and transaction related tax matters that could eventually require payments of taxes and possible additional charges. Judgement is required in assessing the level of provisions and disclosure of contingent liabilities, required in respect of uncertain tax position that reflects management's best estimates of the most likely outcome based on the facts available.

This was a key audit matter because of the amounts involved and because of the estimation of the likely impact and the final outcome of these matters.

The Company records provisions for uncertain liabilities, including tax contingencies, when it is more likely than not that a liability has been incurred, and the amount can be reliably estimated.

How our audit addressed the key audit matter:

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Obtained a listing of all ongoing tax litigations
- Discussed with the management regarding tax matters, tax jurisdictions and tax communications;
- Evaluated management's judgment regarding the expected resolution of matters
- Sought and obtained confirmations from external legal counsel of the company
- Analysis of responses in letters independently obtained from the tax consultant and external counsels of the Company on various matters
- Obtained and read the disclosures made in the accompanying financial statements

Other information included in the Company's 2023 Annual Report

Other information consists of the information included in the Company's 2023 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2023 Annual Report is expected to be made available to us after the date of this auditor's report.

INDEPENDENT AUDITOR'S REPORT

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- . Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

INDEPENDENT AUDITOR'S REPORT

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made do verification thereof;

ii) 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 these books;

iii) The statement of financial position and 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

iv) The expenditure incurred was for the purposes of the company's business.

A. Qasem & Co.
Chartered Accountants

Akhtar Sanjida Kasem, FCA, FCMA, CFE
Partner
Ebrollment No. 643
DVC : 23050 30643A S129739

Place: Dhaka
Date: 27 April 2023

STATEMENT OF FINANCIAL POSITION

As at 31 March, 2023

Particulars	Notes	As At March 31, 2023 BDT	2022 BDT
Assets			
Non Current Assets			
Property, plant and equipment	5A	1,304,594,243	981,096,486
Intangible assets	6	553,054	51,883
Right-of-use assets	7	266,911,631	292,715,995
Deferred tax asset	26.2	12,486,990	13,850,105
Advances, deposits and prepayments	8	65,871,163	73,743,809
Investment property	5B	8,103,932	12,825,500
Other financial assets	9	7,086,385	726,235
Total Non Current Assets		**1,665,607,398**	**1,375,010,013**
Current Assets			
Inventories	10	2,528,550,222	2,332,427,872
Advances, deposits and prepayments	8	1,028,621,890	748,075,043
Other financial assets	9	4,184,389,716	2,086,909,585
Cash and cash equivalents	11	2,228,805,865	505,194,161
Total Current Assets		**9,970,367,693**	**5,672,606,661**
Total Assets		**11,635,975,091**	**7,047,616,674**
Equity			
Share capital	12	315,000,000	315,000,000
Share premium	12.1	252,000,000	252,000,000
Retained earnings		3,019,315,643	2,122,057,310
Total equity		**3,586,315,643**	**2,689,057,310**
Liabilities			
Non Current liabilities			
Employee benefit obligation	13	26,683,320	43,669,953
Lease liabilities	14	46,397,509	78,641,492
Total Non Current liabilities		**73,080,829**	**122,311,445**
Current liabilities			
Employee benefit obligation	13	25,893,750	24,414,204
Trade and other payable	15	7,106,383,606	3,539,898,923
Unclaimed dividend	16	8,402,017	8,138,333
Lease liabilities	14	57,310,504	49,476,669
Current tax liabilities	17	778,588,742	614,319,789
Total current liabilities		**7,976,578,619**	**4,236,247,919**
Total liabilities		**8,049,659,448**	**4,358,559,364**
Total equity and liabilities		**11,635,975,091**	**7,047,616,674**

Footnotes: *1. Independent auditor's report in page 1 to 4.*

2. The notes 1 to 40 form an integral part of these financial statements.

A.Qasem & Co.
Chartered Accountants

Md. Sahabuddin
Company Secretary

Rajat Diwakar
Managing Director

Parveen Mahmud
Director

Akhtar Sanjida Kasem,
FCA, FCMA, CFE
Partner
Enrolment Number: 643
DVC: 2305030643AS129739

Place: Dhaka
Date: 27 April 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March, 2023

Particulars	Note	For the year ended 31 March 2023 BDT	31 March 2022 BDT
Revenue	18	14,135,741,140	13,032,188,243
Cost of sales	19	(6,811,203,460)	(5,960,795,907)
Gross profit		**7,324,537,680**	**7,071,392,336**
Other income	22.1	27,424,065	17,087,007
General and administrative expenses	20	(1,221,802,840)	(1,190,388,541)
Marketing, selling and distribution expenses	21	(989,417,810)	(1,253,654,958)
Other expense	22.2	(2,861,570)	(92,020)
Operating profit		**5,137,879,525**	**4,644,343,824**
Finance income	23.1	162,981,942	126,636,587
Finance costs	23.2	(4,355,821)	(37,014,899)
Net finance income		158,626,121	89,621,688
Profit before contribution to workers participation fund and welfare fund		**5,296,505,646**	**4,733,965,512**
Contribution to workers participation fund & welfare fund	24	264,825,282	236,698,275
Profit before tax		**5,031,680,364**	**4,497,267,237**
Income tax expenses	26	(1,159,268,355)	(943,410,886)
Profit for the year		**3,872,412,009**	**3,553,856,351**
Other comprehensive income			
Remeasurements of defined benefit liability	13.3	17,346,325	18,628,563
Total comprehensive income for the year		**3,889,758,334**	**3,572,484,914**
Earnings per share		BDT	BDT
Basic earnings per share (per value of Tk 10)	25	**122.93**	**112.82**

Footnotes: *1. Independent auditor's report in page 1 to 4.*

2. The notes 1 to 40 form an integral part of these financial statements.

A.Qasem & Co.
Chartered Accountants

Md. Sahabuddin
Company Secretary

Rajat Diwakar
Managing Director

Parveen Mahmud
Director

Akhtar Sanjida Kasem,
FCA, FCMA, CFE
Partner
Enrolment Number: 643
DVC: 2305030643AS129739

Place: Dhaka
Date: 27 April 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

	Attributable to owners of the Company			
Particulars	**Share capital BDT**	**Share premium BDT**	**Retained earnings BDT**	**Total BDT**
Balance at 1 April 2022	**315,000,000**	**252,000,000**	**2,122,067,310**	**2,689,057,310**
Total comprehensive income for the year				
Profit for the year	-	-	3,872,412,009	3,872,412,009
Other comprehensive income	-	-	17,346,325	17,346,325
Total comprehensive income for the year	**315,000,000**	**252,000,000**	**3,889,758,334**	**3,889,758,334**
Transactions with owners of the Company				
Contributions and distributions				
Final dividend for the year 2021-2022	-	-	(630,000,000)	(630,000,000)
First interim for the year 2022-2023	-	-	(1,417,500,000)	(1,417,500,000)
Second interim for the year 2022-2023	-	-	(945,000,000)	(945,000,000)
Total transactions with owners of the Company	**-**	**-**	**(2,992,500,000)**	**(2,992,500,000)**
Balance at 31 March 2023	**315,000,000**	**252,000,000**	**3,019,315,643**	**3,586,315,643**
Balance at 1 April 2021	**315,000,000**	**252,000,000**	**1,069,572,396**	**1,636,572,396**
Total comprehensive income for the year				
Profit for the year	-	-	3,553,856,351	3,553,856,351
Other comprehensive income	-	-	18,628,563	18,628,563
Total comprehensive income for the year	**-**	**-**	**3,572,484,914**	**3,572,484,914**
Transactions with owners of the Company				
Contributions and distributions				
Final dividend for the year 2020-2021	-	-	(630,000,000)	(630,000,000)
First interim dividend for the year 2021-2022	-	-	(630,000,000)	(630,000,000)
Second interim for the year 2021-2022	-	-	(630,000,000)	(630,000,000)
Third interim for the year 2021-2022			(630,000,000)	(630,000,000)
Total transactions with owners of the Company	**-**	**-**	**(2,520,000,000)**	**(2,520,000,000)**
Balance at 31 March 2022	**315,000,000**	**252,000,000**	**2,122,057,310**	**2,689,057,310**

Footnotes: *1. Independent auditor's report in page 1 to 4.*

2. The notes 1 to 40 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 March, 2023

Particulars		For the year ended March 31,	
	Note	2023	2022
		BDT	BDT
Cash flows from operating activities			
Collection from customers and others		14,289,512,210	13,062,730,254
Payment to suppliers and for operating expenses		(8,089,335,233)	(8,604,981,806)
Cash generated from operating activities		**6,200,176,977**	**4,457,748,448**
Interest paid		(8,968,594)	(8,627,922)
Interest received		196,329,343	84,266,200
Income tax paid	17.2	(993,636,288)	(928,032,728)
Net cash from operating activities		**5,393,901,438**	**3,605,353,998**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(517,290,654)	(313,759,008)
Acquisition of intangible assets		(1,151,571)	(1,200,000)
Proceeds from disposal of PPE		(328,075)	37,481
Encashment of/(Investment in) fixed deposits	9.2	(2,122,524,749)	(184,197,196)
Net cash used in investing activities		**(2,641,295,049)**	**(499,118,723)**
Cash flows from financing activities			
Net proceeds from loans and borrowings		-	(250,000,000)
Dividend paid	32	(963,573,744)	(2,520,000,000)
Payment of lease liability	15	(65,420,941)	(227,445,375)
Net cash used in financing activities		**(1,028,994,685)**	**(2,997,445,375)**
Net increase in cash and cash equivalents		**1,723,611,704**	**108,789,900**
Opening cash and cash equivalents	**11**	**505,194,161**	**396,404,261**
Closing cash and cash equivalents	11	**2,228,805,865**	**505,194,161**

Footnotes: 1. Independent auditor’s report in page 1 to 4.
2. The notes 1 to 40 form an integral part of these financial statements.

A.Qasem & Co.
Chartered Accountants

Md. Sahabuddin
Company Secretary

Rajat Diwakar
Managing Director

Parveen Mahmud
Director

Akhtar Sanjida Kasem,
FCA, FCMA, CFE
Partner
Enrolment Number: 643
DVC: 2305030643AS129739

Place: Dhaka
Date: 27 April 2023

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. Reporting entity

1.1 Company profile

Marico Bangladesh Limited (hereinafter referred to as "MBL"/"the Company") is a public limited company incorporated on 6 September 1999, vide the certificate of incorporation number C-38527(485)/99 of 1999 in Bangladesh under the Companies Act 1994 and has its registered address at House # 01, Road # 01, Sector # 01, Uttara Model Town, Dhaka-1230. The corporate address of the Company is at The Glass House, Level 6-7, Plot 2, Block SE(B), Gulshan 1, Dhaka 1212. The Company was initially registered as a private limited company and subsequently converted into a public limited company on 21 September 2008. The Company was listed with both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 16 September 2009.

1.2 Nature of business

The Company is engaged in manufacturing and marketing of consumer products under the brand name of Parachute, Nihar, Saffola, Hair Code, Livon, Parachute Advanced, Beliphool, Ayurvedic Gold, Extra Care, Parachute Body Lotion, Set-Wet, Just for Baby, Beardo, Medicare safelife and Bio Oil in Bangladesh. The Company started its commercial operation on 30 January 2000. Subsequently, it started its commercial production at Filling unit, Crushing unit and Refinery unit in 2002, 2012 & 2017 respectively. Its manufacturing plants are located at Mouchak, Kaliakoir, Gazipur and Shirirchala, Mahona, Bhabanipur, Gazipur. The company has invested to set up a new manufacturing plant in Mirsharai Economic Zone (MEZ). The Company sells its products through its own distribution channels comprising of sales depots located in Gazipur, Chittagong, Bogra and Jessore.

2. Basis of preparation

2.1 Statement of compliance

In accordance with the requirement of the gazette notification issued by The Financial Reporting Council (FRC) on 22 November 2020, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The Company also complied with the requirements of following laws and regulations from various Government bodies:

i. Bangladesh Securities and Exchange Rules 2020;

ii. The Companies Act, 1994;

iii. The Income Tax Ordinance, 1984; and

iv. The Value Added Tax and Supplementary Duty Act, 2012;

The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

Details of the Company's accounting policies including changes during the period, if any, are included in note 40.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

2.2 Authorisation for issue

These financial statements are authorised for issue by the Board of Directors in its 123th Board of Directors meeting held on 27 April, 2023.

2.3 Reporting period

The financial period of the Company covers one year from 01 April to 31 March and is followed consistently.

2.4 Comparative and reclassification

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

3. Functional and presentation currency

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

4. Use of judgements and estimates

In preparing these financial statements, management has made judgements, 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 estimates are recognised prospectively.

(a) Judgements

Information about judgements related to lessee accounting under IFRS 16 made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is described in note 40.04 & 40.17.

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 March 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next twelve month period is included in the following notes:

Note 26.2	Deferred tax
Note 5A	Property plant equipment
Note 6	Intangible assets
Note 10	Inventories
Note 13	Employee benefit obligation
Note 17	Current tax liabilities
Note 29	Contingent liabilities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

5. Property, plant and equipment

See accounting policy in Note 40.02

A. Reconciliation of Carrying amount	Freehold land	Plant and machinery	Factory building	Office building	Office equipment	Computers	Furniture and fixtures	A.C and refrigerators	Assets under construction	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Cost										
Balance at 1 April 2021	176,749,959	1,064,817,634	231,192,150	207,119,863	73,033,340	35,258,942	84,999,451	24484038	112,860,789	2,010,516,166
Asset held for sale adjustments in Opening Balance	-	-	-	136,844,485	-	-	23,356,261	-	-	160,200,746
Additions-Other than Mirsharai unit	-	-	-	-	-	-	-	-	311,449,966	311,449,966
Additions- Mirsharai unit	-	-	-	-	-	-	-	-	40,981,893	40,981,893
Transfer from asset under construction	-	277065905.7	771,880	26,170,433	28,272,028	4,016,570	1,345,150	3,622,789	(341,264,755)	-
Transfer to investment property	-	-	-	(138,784,967)	-	-	(23,356,261)	-	-	(162,141,228)
Disposals	-	(337,654)	(195,702)	-	(963,712)	(100,667)	(1,476,882)	(812,799)	-	(3,887,416)
Balance at 31 March 2022	**176,749,959**	**1,341,545,886**	**231,768,328**	**231,349,814**	**100,341,657**	**39,174,844**	**84,867,719**	**27,294,028**	**124,027,893**	**2,357,120,127**
Balance at 1 April 2022	176,749,959	1,341,545,886	231,768,328	231,349,814	100,341,657	39,174,844	84,867,719	27,294,028	124,027,893	2,357,120,127
Asset held for sale adjustments in Opening Balance	-	-	-	-	-	-	-	-	-	-
Additions-Other than Mirsharai unit	-	-	-	-	-	-	-	-	144,451,880	144,451,880
Additions- Mirsharai unit	-	-	-	-	-	-	-	-	350,518,932	350,518,932
Transfer from asset under construction	-	73,570,376	14,502,148	1,586,295	125,998,065	11,795,335	5,023,441	1,841,209	(234,316,870)	-
Transfer to investment property	-	-	-	-	-	-	-	-	-	-
Disposals	-	(57,542,643)	-	-	(7,504,046)	(733,019)	(868,465)	-	-	(66,648,173)
Balance at 31 March 2023	**176,749,959**	**1,357,573,619**	**246,270,476**	**232,936,109**	**218,835,676**	**50,237,160**	**89,022,695**	**29,135,237**	**384,681,835**	**2,785,442,766**
Accumulated depreciation and impairment loss										
Balance at 1 April 2021	-	798,686,656	209,299,038	67,178,308	60,752,143	25,842,426	64,110,249	12,779,081	-	1,238,647,901
Asset held for sale adjustments in Opening Balance		-	-	105,997,772	-	-	18,337,509	-	-	124,335,281
Depreciation for the year	-	94,950,572	1,471,719	28,730,638	14,398,317	5,131,611	16,124,499	4,027,715	-	164,835,071
Impairment loss (reversal of impairment) of PPE	-	5,898,787	-	-	(4,761,389)	-	-	-	-	1,137,398
Transfer to investment property	-	-	-	(125,959,467)	-	-	(23,356,261)	-	-	(149,315,728)
Disposals	-	(337,654)	(155,155)	-	(842,276)	(81,180)	(1,396,204)	(803,814)	-	(3,616,283)
Balance at 31 March 2022	**-**	**899,198,361**	**210,615,602**	**75,947,251**	**69,546,795**	**30,892,857**	**73,819,793**	**16,002,982**	**-**	**1,376,023,640**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

5. Property, plant and equipment (Contd.)

See accounting policy in Note 40.02

A. Reconciliation of Carrying amount	Freehold land	Plant and machinery	Factory building	Office building	Office equipment	Computers	Furniture and fixtures	A.C and refrigerators	Assets under construction	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance at 1 April 2022	-	899,198,361	210,615,602	75,947,251	69,546,795	30,892,857	73,819,793	16,002,982	-	1,376,023,640
Asset held for sale adjustments in Opening Balance	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	108,707,098	1,980,651.82	9,132,661	27,997,050	5,962,278	8,431,425	3,827,197	-	166,038,362
Impairment loss (reversal of impairment) of PPE	-	201,450	-	-		-	-	-	-	201,450
Disposals	-	(52,382,313)	-	-	(7,444,238)	(733,019)	(855,359)	-	-	(61,414,929)
Balance at 31 March 2023	**-**	**955,724,596**	**212,596,254**	**85,079,912**	**90,099,608**	**36,122,116**	**81,395,859**	**19,830,179**	**-**	**1,480,848,523**
Carrying amounts										
At 31 March 2022	**176,749,959**	**442,347,525**	**21,152,726**	**155,402,563**	**30,794,861**	**8,281,987**	**11,047,926**	**11,291,046**	**124,027,893**	**981,096,486**
At 31 March 2023	**176,749,959**	**401,849,023**	**33,674,222**	**147,856,197**	**128,736,068**	**14,115,044**	**7,626,836**	**9,305,058**	**384,681,835**	**1,304,594,243**

B. Investment property	31 March 2023	31 March 2022
See accounting policy in Note 40.05	BDT	BDT
Office building	140,659,360	138,784,967
Depreciation for the year ended (Office building)	(132,555,428)	(125,959,467)
	8,103,932	**12,825,500**

** Due to change of management decision from selling the property (Uttara office building) to rent the property, the relevant assets have been transferred from Asset held for sales category to investment property.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

6. Intangible assets

See accounting policy in Note 40.03

	March 31, 2023 BDT	March 31, 2022 BDT
Cost		
Opening balance	23,261,875	22,061,875
Additions	964,780	1,200,000
Disposals	-	-
Closing balance	**24,226,655**	**23,261,875**
Accumulated amortisation		
Opening balance	23,209,991	21,835,790
Amortisation during the year	463,609	1,374,200
Disposals	**-**	**-**
Closing balance	**23,673,601**	**23,209,991**
Carrying amount	**553,054**	**51,883**

7. Right-of-use asset

See accounting policy in Note 40.04

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Cost		
Opening balance	420,063,229	241,332,175
Additions-other than Mirsharai unit	34,874,051	6,722,593
Additions-Mirsharai unit	-	172,800,922
Disposal	(2,274,698)	(792,461)
Closing balance	**452,662,582**	**420,063,229**
Accumulated depreciation		
Opening balance	**127,347,234**	**76,738,542**
Addition/ Adjustment	**58,403,716**	**51,139,195**
Disposal	**-**	**(530,503)**
Closing balance	**185,750,950**	**127,347,234**
Carrying amount	**266,911,631**	**292,715,995**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

8. Advances, deposits and prepayments

Particulars	*Notes*	March 31, 2023 BDT	March 31, 2022 BDT
Advances			
Advance for capital goods		90,131,526	57,509,956
Advance to suppliers and others		955,953,219	737,479,714
		1,046,084,745	**794,989,670**
Deposits			
Security deposits		12,068,498	11,125,498
		12,068,498	**11,125,498**
Prepayments			
Prepaid expenses		36,339,810	15,703,685
		36,339,810	**15,703,685**
	8.1	**1,094,493,053**	**821,818,852**

8.1 Current and non-current classification of advances, deposits and prepayments

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Current	1,028,621,890	748,075,043
Non-current	65,871,163	73,743,809
	1,094,493,053	**821,818,852**

9. Other financial assets

Particulars	Notes	March 31, 2023 BDT	March 31, 2022 BDT
Fixed deposits	9.2	1,614,295,444	1,942,382,196
Treasury Bills	9,3	2,450,611,500	-
Trade receivables		60,694,023	52,229,788
Loans to employees		7,736,276	1,537,577
Accrued interest		58,138,858	91,486,259
	9.1	**4,191,476,102**	**2,087,635,820**

9.1 Current and non-current classification of advances, deposits and prepayments

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Current	4,184,389,716	2,086,909,585
Non-current	7,086,385	726,235
	4,191,476,101	**2,087,635,820**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

9.2 Fixed deposits (maturity more than three months)

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
BRAC Bank Limited	502,700,000	300,000,000
The City Bank Limited	101,372,222	150,000,000
IPDC Finance Limited	101,381,111	309,379,333
IDLC Finance Limited	102,871,000	394,817,863
DBH Finance PLC	101,350,000	-
Commercial Bank of Ceylon	502,070,000	388,185,000
Eastern Bank Limited	101,171,111	-
Bank Alfalah	101,380,000	400,000,000
	1,614,295,444	**1,942,382,196**

9.3 Treasury Bills (maturity more than three months)

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Treasury Bill for 182 days	483,215,500	-
Treasury Bill for 91 days	1,967,396,000	-
	2,450,611,500	**-**

10. Inventories

See accounting policy in Note 40.06

Particulars	Notes	March 31, 2023 BDT	March 31, 2022 BDT
Raw materials		1,704,670,892	1,406,999,188
Packing materials		272,010,468	278,205,653
Finished goods		387,071,251	391,631,323
Stores and spares		35,838,517	25,261,419
Materials in transit		128,959,096	230,330,289
		2,528,550,222	**2,332,427,872**

11. Cash and cash equivalents

See accounting policy in Note 40.07

Particulars	Notes	March 31, 2023 BDT	March 31, 2022 BDT
Cash at bank	11.1	1,506,765,881	497,055,828
Balance with bank for unclaimed dividend	16	8,402,017	8,138,333
Fixed deposits	11.2	713,637,967	-
		2,228,805,865	**505,194,161**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

11.1 Cash at bank

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
BRAC Bank Limited	64,385,293	44,520,844
Citibank N.A.	8,086,752	1,607,081
Islami Bank Bangladesh Limited	29,975,632	6,689,940
Sonali Bank Limited	7,091,891	2,754,523
Standard Chartered Bank	345,278,771	425,793,218
The Hongkong and Shanghai Banking Corporation Ltd.	8,558,663	7,719,415
Eastern Bank Limited	930,972,202	1,071,792
Dutch Bangla Bank Limited	4,329,995	250,000
The City Bank Limited	55,688	6,649,014
Commercial Bank of Ceylon	108,030,994	-
	1,506,765,881	**497,055,828**

11.2 Fixed deposits (maturity less than three months)

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
BRAC Bank Limited	354,529,467	-
Eastern Bank Limited	359,108,500	-
	713,637,967	**-**

12. Share capital

See accounting policy in Note 40.09

Particulars	Notes	March 31, 2023 BDT	March 31, 2022 BDT
Authorised			
40,000,000 ordinary shares of Tk 10 each		400,000,000	400,000,000
		400,000,000	**400,000,000**
Issued, subscribed and paid up			
Issued for cash		41,500,000	41,500,000
Issued for consideration other than cash		273,500,000	273,500,000
		315,000,000	**315,000,000**

12.1 Composition of shareholding

Particulars	No. of share		% of Holding	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Marico Limited, India	28,350,000	28,350,000	90.00%	90.00%
Institutions	2,691,569	2,790,979	8.54%	8.86%
General Shareholders	458,431	359,021	1.46%	1.14%
	31,500,000	**31,500,000**	**100.00%**	**100.00%**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

12.2 Classification of shareholders by holding

Particulars	No. of shareholders		% of Holding	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Less than 500 shares	3805	3055	0.50%	0.59%
500 to 5,000 shares	205	205	0.80%	0.99%
5,001 to 10,000 shares	44	42	1.05%	0.92%
10,001 to 20,000 shares	23	23	0.90%	0.68%
20,001 to 30,000 shares	12	8	0.90%	0.66%
30,001 to 40,000 shares	3	6	0.30%	0.54%
40,001 to 50,000 shares	6	5	0.88%	0.58%
50,001 to 100,000 shares	10	10	2.10%	2.03%
100,001 to 1,000,000 shares	4	4	2.57%	3.01%
Over 1,000,000 shares			90.00%	90.00%
	4112	**3358**	**100.00%**	**100.00%**

12.3 Share premium

Particulars	No. of share	
	March 31, 2023	March 31, 2022
Holdings		
Share premium on paid up share capital	252,000,000	252,000,000
	252,000,000	**252,000,000**

12.4 Dividends

The following dividend was declared and paid by the Company in the year

	No. of share	
	March 31, 2023	March 31, 2022
	(2,992,500,000)	(2,520,000,000)
	(2,992,500,000)	**(2,520,000,000)**

After the reporting date, the following dividend was proposed/declared/recommended by the board of directors. The dividend has not been recognised as liabilities in accordance with IAS 10.

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
BDT 20 per qualifying ordinary share (2022: BDT 20)	-	630,000,000
	-	**630,000,000**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

13. Employee benefit obligation

See accounting policy in Note 40.11

Particulars		March 31, 2023 BDT	March 31, 2022 BDT
Provision for gratuity	13.1	21,786,564	41,704,422
Provision for leave encashment		30,790,506	26,379,735
		52,577,070	**68,084,157**
Current		25,893,750	24,414,204
Non-Current		26,683,320	43,669,953
		52,577,070	**68,084,157**

13.1 Employee benefits - gratuity

Particulars		March 31, 2023 BDT	March 31, 2022 BDT
Net defined benefit asset		(76,118,863)	(56,847,711)
Total employee benefit asset		**(76,118,863)**	**(56,847,711)**
Net defined benefit liability		97,905,427	98,552,133
Total employee benefit liability		97,905,427	98,552,133
Total employee benefit liabilitiy	13.2	**21,786,564**	**41,704,422**

13.2 Current and non-current classification of employee benefits- gratuity

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Current	21,324,183	21,276,959
Non-Current	462,381	20,427,463
	21,786,564	**41,704,422**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

13.3 Movement in net defined benefit (asset) liability

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined (asset) liability	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Balance at 1 April	98,552,133	105,889,144	(56,847,711)	-	41,704,422	105,889,144
Included in Profit or Loss						
Interest expense/ (Income)	7,391,410	7,941,686	(4,263,578)	(5,806,797)	3,127,832	2,134,889
Current Service Cost	25,810,134	29,732,911	-	-	25,810,134	29,732,911
	131,753,677	**143,563,741**	**(61,111,289)**	**(5,806,797)**	**70,642,388**	**137,756,944**
Included in OCI						
Actuarial (gain)/loss arising from:						
-Demographic assumption	(3,385,949)	(10,398,351)	-	-	(3,385,949)	(10,398,351)
-Financial assumption	(11,974,514)	(4,088,673)	-	-	(11,974,514)	(4,088,673)
-Experience adjustment	(6,244,677)	(9,357,403)	-	-	(6,244,677)	(9,357,403)
Return on plan asset excluding interest income	-	-	4,258,815	5,215,864	4,258,815	5,215,864
	(21,605,140)	**(23,844,427)**	**4,258,815**	**5,215,864**	**(17,346,325)**	**(18,628,563)**
Other						
Contribution paid by the employer	-	-	(31,509,499)	(77,423,959)	**(31,509,499)**	**(77,423,959)**
Benefits paid	(12,243,110)	(21,167,181)	12,243,110	21,167,181	**-**	**-**
	(12,243,110)	**(21,167,181)**	**(19,266,389)**	**(56,256,778)**	**(31,509,499)**	**(77,423,959)**
Balances as at 31 March	**97,905,427**	**98,552,133**	**(76,118,863)**	**(56,847,711)**	**21,786,564**	**41,704,422**

13.4 Defined benefit obligation

(i) Actuarial assumption

The followings were the principal actuarial assumptions at the reporting date:	31 March 2023	31 March 2022
Discount rate	8.2%	7.5%
Salary increase rate	10.0%	11.4%
Employee turnover rate	16.0%	14.5%

Assumptions regarding future mortality have been used based on published statistics and mortality tables. As there is no published mortality table in Bangladesh and hence the Indian Assured Lives Mortality rate (2006-08) ultimate based on the mortality experience of assured lives in India is being used as a reasonable approximation. This table is based on the experience of assured lives in India during the years 2006 to 2008.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

13.5 Provision for leave encashment

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Opening balance	26,379,735	24,608,796
Provision for leave encashment	13,053,811	11,064,487
Payment during the year	(8,643,040)	(9,293,548)
	30,790,506	**26,379,735**
Current	4,569,566	3,137,245
Non-Current	26,220,940	23,471,221
	30,790,506	**26,608,466**

14. Lease liabilities

See accounting policy in Note 40.17

The Company leases many assets, including properties, warehouses, depots sales offices and land. Total number of lease assets is twenty and average terms of period of lease is four to fifty years. The incremental borrowing rate (IBR) ranges from 2.70% to 10.40%. The factory leases were entered into many years ago as combined leases of land and buildings. The following table sets out a maturity analysis of lease payables, showing the undiscounted lease payments to be paid after the reporting date.

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Less than one year	57,310,505	49,476,673
One to two years	26,134,320	53,963,404
Two to three years	12,571,804	8,149,986
Three to four years	7,691,383	11,144,568
Three to four years	-	5,383,534
More than five years	-	-
	103,708,013	**128,118,165**

Lease liabilities included in the statement of financial position

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Current	57,310,504	49,476,669
Non-current	46,397,509	78,641,492
	103,708,013	**128,118,161**

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Amounts recognised in profit or loss		
Interest on lease liabilities	8,411,440	9,411,049
	8,411,440	**9,411,049**
Amounts recognised in the statement of cash flows		
Lease rental	65,420,941	227,445,375
Total cash outflow for lease liabilities and interest payments	**65,420,941**	**227,445,375**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

15. Trade and other payables

See accounting policy in Note 40.08 iii (a)

Particulars	Note	March 31, 2023 BDT	March 31, 2022 BDT
Trade payables	15.1	2,550,342,837	1,320,963,934
Other payables	15.2	4,556,040,771	2,218,934,989
		7,106,383,606	**3,539,898,923**

15.1 Trade payables

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Intercompany trade payable		
Payable against raw material	711,260,029	468,683,405
Payable against packing material	-	3,330,329
Payable against finished goods	376,955	-
	711,636,984	**472,013,734**
Third party trade payable		
Payable against raw material	1,283,806,815	154,777,316
Payable against services	542,270,032	579,892,305
Payable against packing material	12,629,005	113,941,766
Payable against finished goods	-	338,813
	1,838,705,853	**848,950,200**
Total trade payables	**2,550,342,837**	**1,320,963,934**

15.2 Other payables

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Intercompany other payable		
Royalty payable	252,640,679	122,503,570
General and technical assistance fees payable	319,344,214	175,229,505
Payable against capital goods	-	3,396,608
Dividend payable	2,028,925,000	-
	2,600,909,894	**301,129,683**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Third party other payable		
Payable against expenses	369,197,008	501,301,644
Payable against business promotion expense	567,190,500	789,221,105
Import duty and related charges payable	170,339,552	183,188,039
Withholding tax and VAT payable	204,077,026	6,692,649
Workers' profit participation and welfare fund	264,825,282	236,698,275
Festival bonus	19,716,272	8,226,709
Advance from customers	244,697,045	108,859,723
Payable against capital goods	57,776,466	45,290,470
Audit fees payable	880,000	850,000
Interest on Deferred LC	8,212,324	-
Supplementary duty	48,219,403	37,476,693
	1,955,130,877	**1,917,805,306**
Total other payables	**4,556,040,771**	**2,218,934,989**

16. Unclaimed Dividend balance

Financial Year	Dividend Type	Rate of Dividend	Total Dividend	Record Date	Unclaimed Dividend as on 31 March 2023	Unclaimed Dividend as on 31 March 2022
2019	Interim	250%	787,500,000	15-Nov-18	-	211,283
	Interim	200%	630,000,000	18-Apr-19	-	294,780
2020	Interim	200%	630,000,000	12-Nov-19	-	288,947
	Interim	300%	945,000,000	18-Feb-19	4,101,001	4,104,001
	Final	200%	630,000,000	18-Jun-20	262,821	262,971
2021	Interim	300%	945,000,000	16-Aug-20	345,203	345,353
	Interim	200%	630,000,000	17-Nov-20	201,153	201,303
	Interim	200%	630,000,000	15-Feb-21	324,144	566,582
	Final	200%	630,000,000	27-May-21	690,580	815,740
2022	Interim	200%	630,000,000	18-Aug-21	450,240	751,988
	Interim	200%	630,000,000	11-Nov-21	329,016	332,866
	Interim	200%	630,000,000	27-Feb-22	233,666	-
	Final	200%	630,000,000	26-May-22	230,083	-
2023	Interim	450%	1,417,500,000	23-Jun-22	891,823	-
	Interim	300%	945,000,000	21-Aug-22	342,288	-
Unclaimed Dividend					**8,402,017**	**8,138,333**

***Total value of Unclaimed dividend represent balance after all adjustments**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

17. Current tax liabilities

Particulars		March 31, 2023 BDT	March 31, 2022 BDT
Provision for income tax	17.1	7,913,544,700	6,755,639,460
Advance income tax	17.2	(7,134,955,958)	(6,141,319,671)
		778,588,742	**614,319,789**

17.1 Provision for income tax

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Opening balance	6,755,639,460	5,817,546,371
Provision for current period/year	1,163,138,344	1,041,906,778
Provision for prior year:		
Assessment year 2021-2022	-	(103,813,689)
Assessment year 2016-2017	(5,233,104)	-
	7,913,544,700	**6,755,639,460**

17.2 Advance income tax

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Opening balance	6,141,319,671	5,213,286,943
Payment during the year:		
Payment for current year	644,673,998	640,883,657
Payment for prior year:	-	-
Assessment year 2015-2016	-	826,880
Assessment year 2017-2018	-	14,120,614
Assessment year 2020-2021	-	272,201,577
Assessment year 2022-2023	348,962,290	-
	7,134,955,958	**6,141,319,671**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

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

Accounting year ended	Assessment year	Provision for income tax (Amount in Taka)	Advance income tax (Amount in Taka)	Status
31 March 2023	2023-24	1,163,138,344	644,673,998	-
31 March 2022	2022-23	1,041,906,778	989,845,947	Return submitted
31 March 2021	2021-22	964,603,887	928,793,586	Return submitted
31 March 2020	2020-21	908,685,699	859,770,282	Return submitted
31 March 2019	2019-20	715,903,898	714,242,632	At High Court
31 March 2018	2018-19	603,956,939	560,411,195	Open at DCT level
31 March 2017	2017-18	511,139,076	496,953,399	At TAT*
31 March 2016	2016-17	530,996,790	518,801,913	At TAT*
31 March 2015	2015-16	502,672,641	482,334,515	At TAT*
31 March 2014	2014-15	475,304,697	468,166,315	At High Court
31 March 2013	2013-14	279,549,372	234,442,800	At TAT*
31 March 2012	2012-13	206,588,040	236,519,377	At TAT*
30 September 2008	2009-10	9,098,540	-	At TAT*
		7,913,544,700	**7,134,955,958**	

*Taxes Appellate Tribunal

18. Revenue

See accounting policy in Note 40.15

Particulars	For the year ended	
	March 31, 2023 BDT	**March 31, 2022 BDT**
Parachute coconut oil	8,575,818,742	8,035,153,540
Value added hair oil (VAHO)	4,045,021,205	3,788,084,915
Color	45,058,227	45,498,638
Health & Beauty	596,802,096	420,450,050
Baby Segment	276,654,565	228,307,108
Others*	596,386,305	514,693,992
	14,135,741,140	**13,032,188,243**

*Others include male grooming,byproduct & others

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

18.1 Segregation of revenue between domestic and export

Particulars	For the year ended	
	March 31, 2023 BDT	March 31, 2022 BDT
Revenue from domestic operation	14,026,050,969	12,798,159,091
Revenue from export	109,690,172	234,029,152
	14,135,741,140	**13,032,188,243**

19. Cost of sales

Particulars	Notes	For the year ended	
		March 31, 2023 BDT	March 31, 2022 BDT
Opening stock of finished goods	19.1	391,631,323	304,234,340
Cost of goods manufactured		6,806,643,388	6,048,192,890
		7,198,274,711	**6,352,427,230**
Closing stock of finished goods		(387,071,251)	(391,631,323)
		6,811,203,460	**5,960,795,907**

19.1 Cost of goods manufactured

Particulars	Notes	For the year ended	
		March 31, 2023 BDT	March 31, 2022 BDT
Materials consumed	19.1.1	6,343,144,115	5,650,524,138
Factory overhead	19.1.2	463,499,274	397,668,752
		6,806,643,388	**6,048,192,890**

19.1.1 Materials consumed

Particulars	For the year ended	
	March 31, 2023 BDT	March 31, 2022 BDT
Opening stock of raw materials, packing materials and others	1,940,796,549	1,676,217,439
Purchases during the year	6,543,826,537	5,915,103,248
Closing stock of raw materials, packing materials and others	**(2,141,478,971)**	**(1,940,796,549)**
	6,343,144,115	**5,650,524,138**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

19.1.2 Factory overhead

Particulars	For the year ended	
	March 31, 2023 BDT	March 31, 2022 BDT
Communication expenses	627,981	486,688
Cost of outsourced human resources	106,628,524	96,494,547
Depreciation	129,203,888	103,983,953
Entertainment	12,844,092	9,441,400
Power expenses	107,347,279	74,690,325
Printing and stationery	1,863,650	945,875
Repairs and maintenance	19,321,267	19,710,098
Salaries and allowances	60,186,158	68,690,696
Security charges	9,463,572	7,842,239
Travelling and conveyance	7,417,068	5,893,249
Warehouse rent	8,595,795	9,489,683
	463,499,274	**397,668,752**

20. General and administrative expenses

Particulars	For the year ended	
	March 31, 2023 BDT	March 31, 2022 BDT
Salaries and allowances	567,872,945	568,704,447
Gratuity	28,937,964	31,660,008
Rent, rates and taxes	11,148,820	11,247,572
Professional and legal charges	34,773,932	26,886,850
Security charges	2,019,492	1,800,846
Stamp and license fees	11,966,027	11,652,170
Directors' remuneration and fees	26,010,874	35,086,351
Repair and maintenance	19,129,995	20,509,289
Communication expenses	4,501,237	3,015,348
Subscription to trade association	258,101	235,220
Entertainment	35,574,525	29,464,244
Printing and stationery	2,287,305	4,142,835
Vehicle running expenses	47,405,317	33,779,238
Travelling and conveyance	23,769,460	18,353,362

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

Particulars	For the year ended	
	March 31, 2023 BDT	March 31, 2022 BDT
Audit fees	1,148,000	1,487,500
Insurance premium	23,596,129	21,467,541
Bank charges	7,013,258	3,716,484
AGM and public relation	10,474,793	8,269,536
Conference and training	8,638,629	12,749,964
Electricity and gas charges	800,893	860,237
Amortisation	500,968	1,374,200
Royalty	134,373,952	122,503,570
Depreciation	43,393,075	60,851,114
Depreciation on right-of-use asset	58,403,716	51,139,195
General and technical assistance fees	106,444,576	87,142,865
CSR expense	11,358,855	22,288,555
	1,221,802,840	**1,190,388,541**

***In FY23 General and administration expenses include expenses related to Mirsharai Economic Zone (MEZ) unit**

21. Marketing, selling and distribution expenses

Particulars	For the year ended	
	March 31, 2023 BDT	March 31, 2022 BDT
Advertisement, travelling and communication expense	737,847,583	999,384,285
Business promotion expenses	29,811,543	20,411,085
Other selling & distribution expenses	68,906,349	67,922,456
Entertainment	8,258,554	1,398,620
Free sample	6,566,773	10,302,808
Freight- outward	99,289,089	86,703,702
Market research expenses	38,737,919	67,532,002
	989,417,810	**1,253,654,958**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

22 Other (income)/expense

Particulars	Notes	For the year ended March 31, 2023 BDT	For the year ended March 31, 2022 BDT
Other income	22.1	(27,424,065)	(17,087,007)
Other expenses	22.2	2,861,570	92,020
		(24,562,496)	**(16,994,987)**

22.1 Other income

Particulars	For the year ended March 31, 2023 BDT	For the year ended March 31, 2022 BDT
Gain on sale of PPE	(277,387)	(129,503)
Gain on lease disposal	(1,535,798)	-
Gain on ceasation of liability	(146,794)	-
Refund from insurance	(1,696,289)	(1,029,984)
Insurance claim	(748,701)	(1,867,578)
Sale of RM PM	-	(473,179)
Rental income	(10,206,000)	(1,025,000)
Scrap sales	(12,813,096)	(12,561,763)
	(27,424,065)	**(17,087,007)**

22.2 Other expenses

Particulars	For the year ended March 31, 2023 BDT	For the year ended March 31, 2022 BDT
Loss on sale of PPE	2,861,570	92,020
	2,861,570	**92,020**

23. Net finance income

Particulars	Notes	For the year ended March 31, 2023 BDT	For the year ended March 31, 2022 BDT
Finance income	23.1	162,981,942	126,636,587
Finance costs	23.2	(4,355,821)	(37,014,899)
		(158,626,121)	**89,621,688**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

23.1 Finance income

Particulars	For the year ended	
	March 31, 2023 BDT	March 31, 2022 BDT
Interest on fixed deposits	150,288,437	106,201,333
Interest on call deposits	12,693,505	20,435,254
Total	**162,981,942**	**126,636,587**

23.2 Finance costs

Particulars	For the year ended	
	March 31, 2023 BDT	March 31, 2022 BDT
Interest on overdraft and loans	17,180,918	7,735,850
Foreign exchange (gain)/loss	(21,236,537)	19,868,000
Interest on lease	8,411,440	9,411,049
	4,355,821	**37,014,899**

24. Contribution to WPPF

Particulars	For the year ended	
	March 31, 2023 BDT	March 31, 2022 BDT
Profit before contribution to WPPF	5,296,505,646	4,733,965,512
Applicable contribution rate	5%	5%
	264,825,282	**236,698,275**

The Company operates a fund for workers as workers' profit participation and welfare fund and provides 5% of its profit before workers' profit participation fund (WPPF) and tax as per provision of the Bangladesh Labour Act 2006.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

25. Earnings per share

25.1 Basic earnings per share

Particulars	For the year ended	
	March 31, 2023 BDT	March 31, 2022 BDT
Profit attributable to ordinary shareholders (net profit after tax)	3,872,412,009	3,553,856,351
Weighted average number of ordinary shares outstanding during the year	31,500,000	31,500,000
Earnings per share (EPS) in Taka	**122.93**	**112.82**

25.2 Diluted earnings per share

As per IAS-33 “Earnings Per Share”, the calculation of diluted earning per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an anti dilutive effect on earning per share. The Company has no dilutive instruments hence the diluted earning per share has not considered.

26 Income tax expenses

See accounting policy in Note 40.14

Amounts recognised in profit or loss

Particulars	For the year ended	
	March 31, 2023 BDT	March 31, 2022 BDT
Current tax expense	1,163,138,344	1,041,906,778
Current period	(5,233,104)	(103,813,689)
Adjustment for prior periods	**1,157,905,240**	**938,093,089**
Deferred tax income/(expense)	1,363,115	5,317,797
	1,159,268,355	**943,410,886**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

26.1 Reconciliation of effective tax rate

Particulars	For the year ended			
	%	March 31, 2023 BDT	%	March 31, 2022 BDT
Profit before income tax		5,031,680,364		4,497,267,237
Income tax using the corporate tax rate	22.5%	1,132,128,082	22.5%	1,011,885,128
Factors affecting the tax charge for current year:				
Short/(higher) fiscal depreciation and amortisation over that of accounting	0.07%	3,631,437	0.02%	966,022
Disallowance for excess perquisites	0.15%	7,486,853	0.29%	13,099,251
Short/(higher) of leave encashment payment over provision	0.02%	992,423	0.01%	398,462
Disallowance for contribution to CSR project	0.03%	1,419,857	0.06%	2,786,069
Impairment loss of property, plant and equipment	0.00%	45,326	0.01%	255,915
Allowance for exemption of export income	0.00%	-	-0.21%	(9,517,369)
Effect of special rate of export income	-0.08%	(4,239,008)	0.00%	-
Short/(higher) of lease rent payment over depreciation on RoUA	0.00%	-	0.03%	1,565,666
Other inadmissible expenses	0.42%	20,944,370	0.46%	20,467,634
Depreciation on leased assets	0.26%	13,140,836	0.00%	-
Interest on lease liabilities	0.04%	1,892,574	0.00%	-
Actual rent on leased assets	-0.28%	(14,304,407)	0.00%	-
Adjustment for prior years	-0.10%	(5,233,104)	-2.31%	(103,813,689)
Deferred tax expense	0.03%	1,363,115	0.12%	5,317,797
Total income tax expense	**23.04%**	**1,159,268,355**	**20.98%**	**943,410,885**

26.2 Deferred tax

31 March 2023	Net balance at 01 April 2022	Recognised in profit / loss	Recognised in OCI	Net balance as at 31 March 2023	Balance as at 31 March 2023	
					Deferred tax assets	Deferred tax liabilities
	BDT	BDT	BDT	BDT	BDT	BDT
Property, plant and equipment	(2,918,968)	(36,210,971)	-	(39,129,939)	(39,129,939)	-
Provision for leave encashment	(5,935,440)	(992,424)	-	(6,927,864)	(6,927,864)	-
RoU assets and lease liability under IFRS 16	(4,995,696)	38,566,509	-	33,570,813	-	33,570,813
Net deferred tax (assets)/liabilities	**(13,850,104)**	**1,363,115**	**-**	**(12,486,990)**	**(46,057,803)**	**33,570,813**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

31 March 2022	Net balance at 01 April 2021	Recognised in profit / loss	Recognised in OCI	Net balance as at 31 March 2022	Balance as at 31 March 2022	
					Deferred tax assets	Deferred tax liabilities
	BDT	BDT	BDT	BDT	BDT	BDT
Property, plant and equipment	(12,069,256)	9,150,288	-	(2,918,968)	(2,918,968)	-
Provision for leave encashment	(6,152,199)	216,759	-	(5,935,440)	(5,935,440)	-
RoU assets and lease liability under IFRS 16	(946,447)	(4,049,249)	-	(4,995,696)	-	(4,995,696)
Net deferred tax (assets)/liabilities	**(19,167,902)**	**5,317,798**	**-**	**(13,850,104)**	**(8,854,408)**	**(4,995,696)**

27. Related party transactions

27.1 Parent and ultimate controlling party

Marico Limited, India has 90% shareholding of the Company. As a result, the parent of the Company is Marico Limited, India. The ultimate controlling party of the Company is Marico Limited, India.

27.2 Transactions with key management personnel

Particulars	Notes	**For the year ended**	
		March 31, 2023 BDT	**March 31, 2022 BDT**
Directors' remuneration and fees		26,010,874	35,086,351
		26,010,874	**35,086,351**

Compensation for the Company's key management personnel includes salaries & meeting fees. These expenses are included in administrative expenses.

27.3 Other 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 IAS 24 Related party disclosure.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

27.3.1 Transactions with parent company

Name of the related parties	Relationship	Nature of transaction	Transaction amount	Balance as at	
				31 March 2023	31 March 2022
			BDT	BDT	BDT
Marico Limited, India	Parent company	Purchase of RM and PM	296,684,651	20,566,343	166,408,080
		Purchase of Asset (Mould)	290,653	-	3,396,608
		Royalty	134,373,952	252,640,679	122,503,570
		Dividend	2,693,250,000	2,028,925,000	-
		General and technical assistance fees	105,794,942	319,344,214	175,229,505
		Sales of PM	3,264,600	-	-

27.3.2 Transactions with other related parties

Name of the related parties	Relationship	Nature of transaction	Transaction amount	Balance as at	
				31 March 2023	31 March 2022
			BDT	BDT	BDT
Marico Middle East FZE	Associated company	Purchase of RM	3,203,431,789	690,693,686	305,605,654
		Sales of FG	252,892,198	-	-
Marico for Consumer Care Products SAE (Erstwhile Wind Co)	Associated company	Sales of PM	2,562,422	1,162,456	-
		Sales of Asset (Mould)	1,152,166	-	-
Marico Gulf LLC	Associated company	Sales of FG	571,925	-	-
ZED LIFESTYLE PVT LTD	Associated company	Purchase of FG	657,472	376,955	-

28. Disclosures as per BSEC notification no. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018

28.1 Calculation of net asset value per share

Particulars	As at	
	March 31, 2023 BDT	March 31, 2022 BDT
Net asset	3,586,315,643	2,689,057,309
Number of shares	31,500,000	31,500,000
Net asset value (NAV) per share	**113.85**	85.37

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

28.2 Calculation of net operating cash flow per share (NOCFPS)

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Net cash from operating activities	5,393,901,438	3,605,353,998
No. of shares	31,500,000	31,500,000
Net operating cash flow per share (NOCFPS)	**171.23**	**114.46**

28.3 Reconciliation of net profit with cash flows from operating activities

Particulars	Notes	March 31, 2023 BDT	March 31, 2022 BDT
Profit after tax		3,872,412,009	3,553,856,351
Adjustment for:			
Depreciation		231,000,680	215,974,262
Amortisation		500,968	1,374,200
Interest expense		17,180,918	7,735,850
Effect of exchange rate fluctuations on cash held		-	
Interest on lease		8,411,440	9,411,049
Interest income		(162,981,942)	(126,636,587)
Gain on sale of PPE		2,861,570	(37,484)
Tax expense		1,159,268,355	943,410,886
		5,128,653,996	**4,605,088,528**
Changes in operating assets and liabilities:			
Inventories		(196,122,351)	(351,976,096)
Advances, deposits and prepayments		(240,052,630)	(271,691,833)
Other financial assets		(14,662,933)	18,080,670
Employee benefit obligation		1,839,236	33,430,948
Trade and other payable		1,520,521,656	424,816,228
Cash generated from operating activities		**6,200,176,975**	**4,457,748,448**
Interest paid		(8,968,594)	(8,627,922)
Interest received		196,329,343	84,266,200
Income tax paid		(993,636,288)	(928,032,728)
Net cash flows from operating activities		**5,393,901,437**	**3,605,353,998**

* Net operating cash flow increased due to higher collection and lower payment to supplier in FY23 compared to LY.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

29. Contingent liabilities

The Company has contingent liability of BDT 1,077,100,000 as on 31 March 2023 in respect of indirect tax (VAT) and workers' profit participation & welfare fund. These are being vigorously defended by the Company. The management does not consider that it is appropriate to make provision in respect of any of these claims

The Company has ordinary letter of credit amount of Taka 195,597,931 and Taka 228,603,680.02 and Taka 173,805,883 with Standard Chartered Bank, Commercial bank of Ceylon and City Bank NA respectively. Shipping guarantee of Taka 14,192,997 with Standard Chartered Bank.

30. Production Capacity

Main product	Unit of measure	Installed capacity	
		March 31, 2023 BDT	March 31, 2022 BDT
Parachute Coconut Oil (PCNO)	KL	36,500	36,500
Copra Crushing	MT	72,000	72,000
CCNO Refining	MT	18,000	18,000
Value Added Hair Oil (VAHO)	MT	17,160	17,160
Water based product	MT	12,000	12,000
Edible Oil	MT	4,000	4,000

31. Commitment

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
i) Capital commitment	160,780,609	326,364,655
ii) Other commitment	438,954,821	1,180,256,797

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

32. Dividends declared and remitted

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

The company remitted following amounts, net of tax in foreign currency to Marico Ltd. India, a non resident

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

shareholder of the Company.

Dividend for	Dividends declared BDT	Dividends remitted	
		March 31, 2023	March 31, 2022
Final dividend for the year 2020-2021	(630,000,000)	-	510,300,000
First interim dividend for the year 2021-2022	(630,000,000)	-	510,300,000
Second interim for the year 2021-2022	(630,000,000)	-	510,300,000
Third interim for the year 2021-2022	(630,000,000)	-	510,300,000
Final dividend for the year 2021-2022	(630,000,000)	-	-
First interim for the year 2022-2023	(1,417,500,000)	395,000,000	-
Second interim for the year 2022-2023	(945,000,000)	-	-
		395,000,000	**2,041,200,000**

33. Capital management

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

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023.

34. Segment information

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

35. Number of employees

The number of employees engaged for the whole year or part there of who received a total salary of TK 36,000 p.a. and above is 412 (previous year:383), among them 76 employees left Marico and 336 (Previous year: 300) existed at 31 March 2023.

36. Subsequent events

No significant events have occurred after the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

37. Financial instruments - fair values and financial risk management

37.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. 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 2023

Particulars	Notes	Carrying amount						
		Fair value hedging instruments	Mandatorily at fair value	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other financial liabilities	Total
		BDT	BDT	BDT	BDT	BDT	BDT	BDT
Financial assets measured at fair value	-	-	-	-	-	-	-	
Financial assets not measured at fair value								
Fixed deposits	9	-	-	-	-	1,614,295,444	-	1,614,295,444
Treasury Bills	9	-	-	-	-	2,450,611,500		2,450,611,500
Loan to employees	9					7,736,276		7,736,276
Trade receivables	9	-	-	-		60,694,023	-	60,694,023
Cash and cash equivalents	11	-	-	-		2,228,805,865	-	2,228,805,865
		-	**-**	**-**	**-**	**6,362,143,108**	**-**	**6,362,143,108**
Financial liabilities measured at fair value		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	15	-	-	-	-	-	4,556,040,771	4,556,040,771
Lease liabilities	14	-	-	-	-	-	103,708,013	103,708,013
		-	**-**	**-**	**-**	**-**	**4,659,748,784**	**4,659,748,784**

31 March 2022

Particulars	Notes	Carrying amount						
		Fair value hedging instruments	Mandatorily at fair value	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other financial liabilities	Total
		BDT	BDT	BDT	BDT	BDT	BDT	BDT
Financial assets measured at fair value	-	-	-	-	-	-	-	
Financial assets not measured at fair value								
Fixed deposits	9	-	-	-		1,942,382,196	-	1,942,382,196
Loan to employees	9	-	-	-	-	1,537,577	-	1,537,577
Trade receivables	9	-	-	-	-	52,229,788	-	52,229,788
Cash and cash equivalents	11	-	-	-	-	505,194,161	-	505,194,161
		-	**-**	**-**	**-**	**2,501,343,721**	**-**	**2,501,343,721**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

Particulars	Notes	Carrying amount						
		Fair value hedging instru-ments	Man-datorily at fair value	FVOCI-debt instru-ments	FVO-CI-equity instru-ments	Financial assets at amor-tized cost	Other financial liabilities	Total
		BDT	BDT	BDT	BDT	BDT	BDT	BDT
Financial liabilities measured at fair value		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	15	-	-	-	-	-	3,539,898,923	3,539,898,923
Lease liabilities	14	-	-	-	-	-	128,118,161	128,118,161
		-	**-**	**-**	**-**	**-**	**3,668,017,084**	**3,668,017,084**

37.2 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

37.2.1 Credit risk

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

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

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

Financial assets	Notes	**As at**	
		March 31, 2023 BDT	**March 31, 2022 BDT**
Fixed deposits	9	1,614,295,444	1,942,382,196
Treasury Bills	9	2,450,611,500	
Loans to employees	9	7,736,276	1,537,577
Trade receivables	9	60,694,023	52,229,788
Cash and cash equivalents	11	2,228,805,865	505,194,161
Total		**6,362,143,108**	**2,501,343,722**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

37.2.2 Liquidity risk

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

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

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

Particulars	Notes	Carrying amount	Expected cash flow	6 months or less	6-12 months	1- 2 years	2- 5 years	More than 5 years
		BDT	BDT	BDT	BDT	BDT	BDT	BDT
31 March 2023								
Trade and other payables	15	4,556,040,771	4,556,040,771	4,556,040,771	-	-	-	-
Lease liabilities	14	103,708,013	103,708,013	27,909,973	29,400,532	26,134,320	20,263,187	-
		4,659,748,784	**4,659,748,784**	**4,583,950,744**	**29,400,532**	**26,134,320**	**20,263,187**	**-**
31 March 2022		-	-	-	-	-	-	-
Trade and other payables	15	3,539,898,923	3,539,898,923	3,539,898,923	-	-	-	-
Lease liabilities	14	128,118,161	128,118,165	27,628,104	28,352,033	57,413,676	14,724,352	-
		3,668,017,084	**3,668,017,088**	**3,567,527,027**	**28,352,033**	**57,413,676**	**14,724,352**	**-**

37.2.2 Market risk

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

i) Currency risk

The Company's exposures to foreign currency risk at 31 March 2023 are as follows:

Particulars	March 31, 2023 USD	March 31, 2022 USD
Import of goods and services	(2,175,727)	(4,335,687)
Bank balance	325,923	2,179,283
	(1,849,804)	**(2,156,404)**

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

Particulars	Average rate		Year-end spot rate	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Exchange rate (USD/BDT)	98.20	85.37	105.07	86.22

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

ii) Foreign exchange rate sensitivity analysis

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

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

Particulars	Profit/(loss)		Equity	
	Strengthening BDT	Weakening BDT	Strengthening BDT	Weakening BDT
31 March 2023				
USD (1% movement)	(1,943,589)	1,943,589	(1,943,589)	1,943,589
31 March 2022				
USD (1% movement)	(1,859,165)	1,859,165	(1,859,165)	1,859,165

iii) Interest rate risk

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

As at 31 March 2023, the interest rate profile of the Company's interest bearing financial instruments was:

Particulars	March 31, 2023 BDT	March 31, 2022 BDT
Fixed rate instruments		
Financial assets	-	-
Fixed deposit receipts	1,614,295,444	1,942,382,196
Financial liabilities	-	-
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	-

38. Basis of measurement

The financial statements of the Company have been prepared on historical cost basis except for net defined benefit (asset)/liability for which the measurement basis is the fair value of plan assets less the present value of the defined benefit obligation, as explained in note 40.11.

39. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

The following amended standards and interpretations are effective form 1 April 2020.

- Amendments to References To Conceptual Framework in IFRS Standards.
- IFRS 17: Insurance Contracts.
- Definition of Material (Amendments to IAS 1 and IAS 8)

40. Significant accounting policies

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

Note	Particulars
40.01	Foreign currency transactions
40.02	Property, plant and equipment
40.03	Intangible assets
40.04	Right of use assets
40.05	Investment Property
40.06	Inventories
40.07	Cash and cash equivalents
40.08	Financial instruments
40.09	Share capital
40.10	Dividend to the equity holders
40.11	Employee benefits
40.12	Accruals
40.13	Provisions
40.14	Income tax
40.15	Revenue
40.16	Finance income and finance cost
40.17	Lease liabilities
40.18	Impairment
40.19	Contingencies
40.20	Earnings per share
40.21	Events after the reporting period

40.01 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 (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 (BDT) at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

40.02 Property, plant and equipment

i) Recognition and measurement

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

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

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

ii) Subsequent cost

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

iii) Depreciation

No depreciation is charged on land and asset under construction (AuC) as the land has unlimited useful life and AuC has not yet been placed in service /commissioned.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

iv) Derecognition

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

v) Asset under construction

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

vi) Capitalisation of borrowing costs

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

40.03 Intangible assets

i) Recognition and measurement

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

ii) Subsequent costs

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

iii) Amortisation

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

Intangible asset (Computer Software) is amortised at the rate of 20% to 33%.

iv) Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

40.04 Right of use asset

The Company recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liabilities. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, in accordance with the Company's accounting policies.

40.05 Investment Property

Investment property is land or a building (including part of a building) or both that is:

- held to earn rentals or for capital appreciation or both;
- not owner-occupied;
- not used in production or supply of goods and services, or for administration; and
- not held for sale in the ordinary course of business.

Investment property may include investment property that is being redeveloped.

An investment property is measured initially at cost. For subsequent measurement an entity must adopt either the fair value model or the cost model as its accounting policy for all investment properties.

Under the cost model, investment property is measured at cost less accumulated depreciation and any accumulated impairment losses. Fair value is disclosed. Gains and losses on disposal are recognised in profit or loss.

40.06 Inventories

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

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

40.07 Cash and cash euqivalent

Cash and cash equivalents comprise cash balances and call deposits with maturity of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the company in the management of its short term commitments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

40.08 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.

i Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

ii. Classification and subsequent measurement

Financial assets – policy applicable from 1 April 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – business model assessment: policy applicable from 1 April 2018

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets – subsequent measurement and gains and losses: policy applicable from 1 April 2018

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

Financial assets includes cash and cash equivalents, trade and other receivables and short term investment.

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and all cash deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(b) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

(c) 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 carried as financial assets at amortised cost. 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.

iii. Financial liability

All financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

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

Financial liabilities include trade and other payables etc.

(a) Trade and other payables

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

(b) Loans and borrowings

The Company derecognises loans and borrowings when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises loans and borrowings when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

40.09 Share capital

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

40.10 Dividend to the equity holders

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

40.11 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 plan (Gratuity)

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

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

iii) Leave encashment

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

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

iv) Workers’ profit participation and welfare fund

The Company operates fund for workers as workers’ profit participation and welfare fund (“the Fund”)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

and provides 5% of its profit before tax as per provision of the Bangladesh Labour Act 2006. The Company recognises the contribution to the fund as short term employee benefits.

The Fund is governed by Bangladesh Labour Act, 2006 as amended up to 28 September 2015 and the trust deed.

40.12 Accruals

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

40.13 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate thereof can be made.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provisions are reversed."

40.14 Income tax

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

i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for corporate income tax is made following the rate applicable for companies as per Finance Act 2022 i.e 22.5%

ii) Deferred tax

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

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

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.

40.15 Revenue

The Company has initially applied IFRS 15 Revenue from contracts with customers from 1 April 2018. The Company recognises as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, IFRS 15 establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

40.16 Finance income and finance cost

i) Finance income

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

ii) Finance cost

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

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

40.17 Lease liabilities

The lease liabilities is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liabilities is subsequently increased by the interest cost on the lease liabilities and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

40.18 Impairment

i. Financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

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

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ii) Non-financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

40.19 Contingencies

i) Contingent liability

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

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

ii) Contingent asset

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

The Company does not recognise contingent asset.

40.20 Earnings per share

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

40.21 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.

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Ashish Goupal Mr. Elias Ahmed Mr. Sabbir Harun Mr. Saiful Alam
REGISTERED OFFICE	House-1, Road-1, Sector-1 Uttara, Dhaka-1230, Bangladesh Telephone: +88 (02) 9897180, Fax: +88 (02) 9897140
AUDITORS	Ahmed Mashuque & Co.
BANKERS	Citi N.A.

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MBL Industries Limited, (the Company) which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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

Emphasis of Matter

We draw attention to the Note 1.2 the financial statements regarding winding up of the compnay. Our report is not modified in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. But not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 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 purposes 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 statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dated, May 04, 2023
Dhaka

Ahmed Mashuque & Co.
Chartered Accountants
Jahangir Hussain ACA
Partner
Enrolment number: 1960
DVC: 2305091960AS905677

STATEMENT OF FINANCIAL POSITION

As at 31 March, 2023

Particulars	Note	Amount in Taka 31-Mar-23	31-Mar-22
Assets			
Non current assets		-	-
Current assets			
Cash and cash equivalents	4	6,503,791	6,506,791
Total current assets		**6,503,791**	**6,506,791**
Total assets		**6,503,791**	**6,506,791**
Equity & Liabilities			
Equity			
Share capital	5	1,000,000	1,000,000
Retained earnings		3,321,631	3,382,131
Total equity		**4,321,631**	**4,382,131**
Liabilities			
Non current liabilities		-	-
Current liabilities			
Payable for expenses	7	1,304,846	1,247,346
Current tax liabilities	8	877,314	877,314
Total current liabilities		**2,182,160**	**2,124,660**
Total liabilities		**2,182,160**	**2,124,660**
Total equity and liabilities		**6,503,791**	**6,506,791**

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

Director

Director

As per our annexed report of same date.

Dated, May 04, 2023
Dhaka

Ahmed Mashuque & Co.
Chartered Accountants
Jahangir Hussain ACA
Partner
Enrolment number-1960
DVC: 2305091960AS905677

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the period from 01 April 2022 to 31 March 2023

Particulars	Note	Amount in Taka 01 April 2022 to 31 March 2023	Amount in Taka 01 April 2021 to 31 March 2022
Revenue		-	-
Less: Cost of sales		-	-
Gross profit		**-**	**-**
Less: Operation expenses			
General and administrative expenses	8	(60,500)	(181,476)
Net profit/(loss) before income tax		**(60,500)**	**(181,476)**
Less: Income tax expense		-	-
Net profit/(loss) after income tax		**(60,500)**	**(181,476)**
Add: Other comprehensive income		-	-
Total comprehensive income/(loss)		**(60,500)**	**(181,476)**

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

Director　　　　Director

As per our annexed report of same date.

Dated, May 04, 2023
Dhaka

Ahmed Mashuque & Co.
Chartered Accountants
Jahangir Hussain ACA
Partner
Enrolment number-1960
DVC: 2305091960AS905677

STATEMENT OF CHANGES IN EQUITY

For the period from 01 April 2022 to 31 March 2023

		Amount in Taka	
Particulars	**Share capital**	**Retained earnings**	**Total**
Balance as at 1 April 2021	1,000,000	3,563,607	4,563,607
Total comprehensive income/(loss)	-	(181,476)	(181,476)
Balance as at 31 March 2022	**1,000,000**	**3,382,131**	**4,382,131**
Balance as at 01 April 2022	1,000,000	3,382,131	4,382,131
Total comprehensive income/(loss)	-	(60,500)	(60,500)
Balance as at 31 March 2023	**1,000,000**	**3,321,631**	**4,321,631**

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

Director

Director

As per our annexed report of same date.

Dated, May 04, 2023

Dhaka

STATEMENT OF CASH FLOWS

For the period from 01 April 2022 to 31 March 2023

Particulars	Amount in Taka 01 April 2022 to 31 March 2023	Amount in Taka 01 April 2021 to 31 March 2022
Cash flows from operating activities		
Net profit/(loss) before income tax	(60,500)	(181,476)
(Decrease)/Increase in payable for expenses	57,500	(146,152)
Cash generated from/(used in) operating activities	**(3,000)**	**(327,628)**
Income tax paid	-	-
Net cash generated from/(used in) operating activities	**(3,000)**	**(327,628)**
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	**(3,000)**	**(327,628)**
Opening cash and cash equivalents	6,506,791	6,834,419
Closing cash and cash equivalents	**6,503,791**	**6,506,791**

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

Director

Director

As per our annexed report of same date.

Dated, May 04, 2023

Dhaka

Notes, Comprising Significant Accounting Policies & Other Explanatory Information

For the period from 1 April 2022 to 31 March 2023

1. Reporting entity

1.1 Company profile

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

1.2 Nature of business

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

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Date of authorisation

The Board of Directors has authorised these financial statements in its Board of Directors Meeting held on 04 May 2023

2.3 Basis of measurement

The financial statements have been prepared on historical cost basis.

2.4 Functional and presentational currency

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

2.5 Reporting period

The Company presented the financial statements for the period covered twelve months from 01 April 2022 to 31 March 2023.

2.6 Use of estimates and judgments

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

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

Notes, Comprising Significant Accounting Policies & Other Explanatory Information

For the period from 1 April 2022 to 31 March 2023

2.7 Statement of cash flows

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

2.8 Going concern

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

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

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

3. Significant accounting policies

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

3.1 Financial instruments

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

3.1.1 Financial assets

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

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

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

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

Notes, Comprising Significant Accounting Policies & Other Explanatory Information

For the period from 1 April 2022 to 31 March 2023

Cash and cash equivalents

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

3.1.2 Financial liabilities

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

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

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

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

3.2 Provisions

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

3.3 Share capital

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

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

3.4 Taxation

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

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

Notes, Comprising Significant Accounting Policies & Other Explanatory Information

For the period from 1 April 2022 to 31 March 2023

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.

3.6 Comparative information

Comparative information have been disclosed for (for 12 months covering period from 1 April 2022 to 31 March 2023) all numerical information in the financial statements when it is relevant for understanding the current period's financial statements.

4. Cash and cash equivalents

Particulars	31-Mar-23 Taka	31-Mar-22 Taka
Cash at banks:		
Citibank, N.A.	6,503,791	6,506,791
	6,503,791	**6,506,791**

5. Share capital

Particulars	31-Mar-23 Taka	31-Mar-22 Taka
Authorised		
1,000,000 Ordinary shares of Tk 10 each	10,000,000	10,000,000
Issued, subscribed and paid-up		
100,000 Ordinary shares of Tk 10 each fully paid up in cash	1,000,000	1,000,000
Shareholding position of the Company is as follows		
Marico Middle East FZE (MME)	999,960	999,960
Other Shareholders	40	40
	1,000,000	**1,000,000**

6. Payable for expenses

Particulars	31-Mar-23 Taka	31-Mar-22 Taka
Payable for Audit fees & other services	1,304,846	1,247,346
	1,304,846	**1,247,346**

7. Current tax liabilities

Particulars	31-Mar-23 Taka	31-Mar-22 Taka
Provision for income tax (Note 7.1)	5,438,646	5,438,646
Advance income tax (Note 7.2)	(4,561,332)	(4,561,332)
	877,314	**877,314**

Notes, Comprising Significant Accounting Policies & Other Explanatory Information

For the period from 1 April 2022 to 31 March 2023

7.1 Provision for tax		
Opening balance	5,438,646	5,438,646
Add: Provision made during the period	-	-
Less: Adjustment for completed assessments	-	-
	5,438,646	**5,438,646**
7.2 Advance income tax		
Opening balance	4,561,332	3,368,734
Add: Advance income tax paid during the period	-	-
Less: Adjustment for completed assessments	-	-
	4,561,332	**4,561,332**

8 General and administrative expenses

Particulars	Amount in Taka	
	01 April 2022 to 31 March 2023	**01 April 2021 to 31 March 2022**
Professional charges	-	86,250
Govt. fees and others	-	33,576
Statutory audit fees	57,500	57,500
Bank charges	3,000	4,150
	60,500	**181,476**

9 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.

9.1 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:

Notes, Comprising Significant Accounting Policies & Other Explanatory Information

For the period from 1 April 2022 to 31 March 2023

Particular	Note	Amount in Taka 31-Mar-23	31-Mar-22
Cash and cash equivalents (Except cash in hand)	4	6,503,791	6,506,791
		6,503,791	**6,506,791**

9.2 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 31 March 2023	Note	Carrying amount Taka	Contractual cash flows Taka	6 months or less Taka	6 – 12 months Taka	1 – 2 years Taka	2 – 5 years Taka	More than 5 years Taka
Payable for expenses	6	1,304,846	(1,304,846)	-	-	(1,304,846)	-	-
		1,304,846	**(1,304,846)**	**-**	**-**	**(1,304,846)**	**-**	**-**

As at 31 March 2022	Note	Carrying amount Taka	Contractual cash flows Taka	6 months or less Taka	6 – 12 months Taka	1 – 2 years Taka	2 – 5 years Taka	More than 5 years Taka
Payable for expenses	7	1,247,346	(1,247,346)	-	-	(1,247,346)	-	-
		1,247,346	**(1,247,346)**	**-**	**-**	**(1,247,346)**	**-**	**-**

9.3 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.

9.4 Currency risk

The Company is not exposed to any currency risk as the payable to holding company is denominated in a currency which is the functional currency of the Company. The Company has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 31 March 2023.

9.5 Interest rate risk

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

Notes, Comprising Significant Accounting Policies & Other Explanatory Information

For the period from 1 April 2022 to 31 March 2023

10 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.

11 Accounting classification and fair values

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	Taka	Taka	Taka	Taka
Financial assets				
Asset carried at fair value through profit or loss	-	-	-	-
Held to maturity assets	-	-	-	-
Loans and receivables				
Cash and cash equivalents	6,503,791	6,503,791	6,506,791	6,506,791
Available for sale financial assets	-	-	-	-
Financial liabilities				
Liabilities carried at fair value through profit or loss	-	-	-	-
Liabilities carried at amortised costs				
Payable for expenses	1,304,846	N/A*	1,247,346	N/A*

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

12 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.

13 Capital expenditure commitment

There is no such commitment as at 31 March 2023.

14 Events after the reporting period

There is no significant event after the reporting period that requires either disclosure of or adjustment to these financial statements.

MARICO MIDDLE EAST FZE (MME)

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Pawan Agrawal Mr. Saugata Gupta Mr. Binjit Kadakapcedlikayal Mr. Jitendra Mahajan (until April 22, 2022) Ms. Ruby Ritolia (appointed w.e.f. May 8, 2022) Mr. Tarun Aggarwal (until May 8, 2022) Mr. Rahul Jain (appointed w.e.f. May 8, 2022) Mr. Ashish Goupal
SECRETARY & MANAGER	Mr. Venkata Sivaramakrishna
REGISTERED OFFICE	Office No. LB182303 & LB182304, Jebel Ali, Dubai, UAE
AUDITORS	PKF – Chartered Accountant (Dubai Br), UAE
BANKERS	Standard Chartered Bank Citibank NA Pt. Bank Mandiri (Persero) TBK, Indonesia

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Marico Middle East FZE

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MARICO MIDDLE EAST FZE (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the statement of consolidated financial position as at 31 March 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 3 (c) to the financial statements, which states that as at 31 March 2023 the Group's losses aggregated to AED 131,845,938, its current liabilities exceeded its current assets by AED 94,445,943 and it had a net deficit of AED 93,585,825 in equity funds. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

However, the shareholder has agreed to continue with the operations of the Group and has agreed to provide continuing financial support to enable the Group to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with Jebel Ali Free Zone Companies Implementing Regulations 2016, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

INDEPENDENT AUDITOR’S REPORT

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

We further confirm that the financial statements comply with the applicable provisions of the Jebel Ali Free Zone Companies Implementing Regulations 2016.

For PKF

S. D. Pereira
Partner
Registration No. 552
Dubai, United Arab Emirates
19 June 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March, 2023

	Notes	2023 AED	2022 AED
Assets			
Non-current assets			
Property, plant and equipment	7	3,115,121	4,575,072
Current assets			
Inventories	8	5,557,182	6,924,458
Trade and other receivables	9	55,861,361	29,024,624
Other current assets	10	829,262	1,294,241
Amount due from a related party	18	24,141,721	13,122,512
Cash and cash equivalents	11	5,692,134	4,275,077
		92,081,660	54,640,912
Total assets		**95,196,781**	**59,215,984**
EQUITY AND LIABILITIES			
Equity			
Share capital	12	22,000,000	22,000,000
Statutory reserve		1,036,635	886,635
Foreign currency translation reserve		15,223,478	5,901,759
Accumulated losses		(131,845,938)	(134,134,025)
Deficit in equity (net)		**(93,585,825)**	**(105,345,631)**
Non-current liabilities			
Provision for staff end-of-service benefits	13	1,954,652	1,857,803
Lease liabilities	14	300,351	852,969
		2,255,003	**2,710,772**
Current liabilities			
Short-term borrowings	15	134,440,251	111,991,559
Trade and other payables	16	26,777,958	32,733,904
Other current liabilities	17	3,255,870	3,146,137
Amount due to a related party	18	21,642,516	13,313,263
Lease liabilities	14	411,008	665,980
		186,527,603	**161,850,843**
Total liabilities		**188,782,606**	**164,561,615**
Total liabilities less deficit		**95,196,781**	**59,215,984**

The accompanying notes form an integral part of these consolidated financial statements.

The report of the independent auditor is set forth on pages 1 to 3.

We confirm that we are responsible for these consolidated financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved and authorised for issue by the board of directors on 12 June 2023.

For MARICO MIDDLE EAST FZE

Binjit Kumar	**Rahul Jain**
MANAGER	DIRECTOR

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March, 2023

	Notes	2023 AED	2022 AED
Revenue	20	264,647,873	256,792,324
Cost of sales	21	(195,449,964)	(199,745,027)
Gross profit		69,197,909	57,047,297
Other income	22	938,657	459,398
Administrative expenses	23	(61,910,519)	(55,371,418)
Finance costs	24	(5,902,836)	(3,786,070)
PROFIT/ (LOSS) for the YEAR BEFORE TAX		**2,323,211**	**(1,650,793)**
Income tax benefit / (expense)		**114,876**	**(285,157)**
PROFIT/ (LOSS) FOR THE YEAR AFTER TAX		**2,438,087**	**(1,935,950)**
Profit/ (Loss) attributable to:			
Equity holder of the Company		**2,438,087**	**(1,935,950)**
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations		9,321,719	6,870,421
Other comprehensive income for the year		**9,321,719**	**6,870,421**
Other comprehensive income attributable to:			
Equity holder of the Company		**9,321,719**	**6,870,421**
Total comprehensive income for the year		**11,759,806**	**4,934,471**

The accompanying notes form an integral part of these consolidated financial statements.

The report of the independent auditor is set forth on pages 1 to 3.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

		Share capital	Statutory reserve(a)	Foreign currency translation reserve	Accumulated losses	Total
		AED	AED	AED	AED	AED
Balance at 1 April 2021		22,000,000	886,635	(968,662)	(132,198,075)	(110,280,102)
Comprehensive income						
- Loss for the year	(a)	--	--	--	(1,935,950)	(1,935,950)
- Other comprehensive income						
Items that may be reclassified to profit or loss:						
- Foreign currency translation reserve	(b)	--	--	6,870,421	--	6,870,421
Total comprehensive income for the year	(a+b)	**--**	**--**	**6,870,421**	**(1,935,950)**	**4,934,471**
Balance at 31 March 2022		22,000,000	886,635	5,901,759	(134,134,025)	(105,345,631)
Comprehensive income						
- Loss for the year	(c)	--	--	--	2,438,087	2,438,087
- Other comprehensive income						
Items that may be reclassified to profit or loss:						
- Foreign currency translation reserve	(d)	--	--	9,321,719	--	9,321,719
Total comprehensive income for the year	**(c+d)**	**--**	**--**	**9,321,719**	**2,438,087**	**11,759,806**
Transfer		--	150,000	--	(150,000)	--
Balance at 31 March 2023		**22,000,000**	**1,036,635**	**15,223,478**	**(131,845,938)**	**(93,585,825)**

(a) Statutory reserve pertains to below mentioned entities:

	2023	2022
	AED	AED
Marico Gulf LLC	150,000	--
MELCC/MECC	42,496	42,496
EAIIDC	77,867	77,867
MEIC	766,272	766,272
	1,036,635	**886,635**

The accompanying notes form an integral part of these consolidated financial statements.

The report of the independent auditor is set forth on pages 1 to 3.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March, 2023

	2023 AED	2022 AED
Cash flows from operating activities		
Profit/ (Loss) for the year before tax	2,323,211	(1,650,793)
Adjustments for:		
Depreciation of property, plant and equipment	2,036,895	2,014,417
Finance costs	4,099,391	799,624
Gain on disposal of property, plant and equipment (net)	--	(94,778)
Provision for staff end-of-service benefits	194,398	251,936
Operating cash flows before working capital changes	**8,653,895**	**1,320,406**
Changes in:		
- Inventories	1,367,276	(3,281,880)
- Trade and other receivables and other current assets	(26,275,532)	(5,227,530)
- Due from a related party	(11,019,209)	5,214,155
- Trade and other payables and other current liabilities	(5,671,105)	(4,991,290)
- Due to a related party	8,329,253	4,054,244
Staff end-of-service benefits paid	(97,549)	(139,078)
Cash used in operations	(24,712,971)	(3,050,983)
Tax paid	(156,458)	(170,443)
Net cash used in operating activities	**(24,869,429)**	**(3,221,426)**
Cash flows from investing activities		
Payments for property, plant and equipment	(576,944)	(123,727)
Proceeds on disposal of property, plant and equipment	--	98,058
Net cash used in investing activities	**(576,944)**	**(25,669)**
Cash flows from financing activities		
Payment of lease liabilities	(906,742)	(1,054,226)
Receipts of bank overdrafts (net)	4,086,192	25,158,799
Receipt of term loans	18,362,500	--
Repayment of advance to a related party	--	(29,380,000)
Interest paid on bank borrowings	(4,000,239)	(601,526)
Net cash from /(used in) financing activities	**17,541,711**	**(5,876,953)**
Foreign currency translation difference	**9,321,719**	**6,870,422**
Net increase/(decrease) in cash and cash equivalents	1,417,057	(2,253,626)
Cash and cash equivalents at beginning of year	4,275,077	6,528,703
Cash and cash equivalents at end of year (note 11)	**5,692,134**	**4,275,077**

The accompanying notes form an integral part of these consolidated financial statements.

The report of the independent auditor is set forth on pages 1 to 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 LEGAL STATUS AND BUSINESS ACTIVITY

a) **Marico Middle East FZE (the "Parent entity")** is a free zone company (referred to as the "Company") with limited liability registered in Jebel Ali Free Zone under the Implementing Regulation No. 1/99 issued by the Jebel Ali Free Zone Authority pursuant to Law no. 2 of 1986 (repealed by Jebel Ali Free Zone Companies Implementing Regulations 2016). The registered address is P.O. Box 50394, Dubai, UAE. The principal place of business is Office number LB182304 & LB182303 Jebel Ali 50394 , Dubai, United Arab Emirates. The Company was registered on 15 November 2005 and commenced operations since then.

b) The principal activity of the Group is trading of beauty and personal care, hair care, food and health care products, dried vegetables and fruits.

c) The ultimate parent company is Marico Limited ("the Ultimate Parent Company"), a company incorporated in India and listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Mr. Saugata Gupta is the ultimate beneficial owner of the Grou

2 BASIS OF CONSOLIDATION

These consolidated financial statements include the assets, liabilities and the results of operations of Marico Middle East FZE and its controlled subsidiaries (together referred to as the "Group") as mentioned below.

Name of subsidiary	Country of incorporation	Legal ownership	Beneficial ownership	Principal activity	Year end
Egypt American Investment and Industrial Development Company (EAIIDC) (refer (i) and (ii) below)	Egypt	100% (2022:100%)	100% (2022:100%)	Manufacturing of cosmetics, perfumes and aromatic oils.	31 March
Marico Malaysia SDN. BHD (refer (ii) below)	Malaysia	100% (2022:100%)	100% (2022:100%)	Distribution of cosmetics, toiletries and related beauty products	31 March
MBL Industries Limited (refer (ii) below)	Bangladesh	100% (2022:100%)	100% (2022:100%)	Trading of hair oil.	31 March
MEL Consumer Care Company (refer (i) below)	Egypt	100% (2022:100%)	100% (2022:100%)	Producing products related to consumer care and skin care and selling & distribution of these products.	31 March
Marico for Consumer Care Products SAE (refer (i) below)	Egypt	100% (2022:100%)	100% (2022:100%)	Manufacturing of all kinds of cosmetics, extraction of oils, detergents, cosmetics including perfumes and shampoo.	31 March
Marico Egypt For Industries SAE (refer (i) below)	Egypt	100% (2022:100%)	100% (2022:100%)	Manufacturing of cosmetics, perfumes, hair and skin care products, soap, toothpaste, hair shampoo.	31 March
Marico Gulf LLC	United Arab Emirates	100% (2022:100%)	100% (2022:100%)	General trading.	31 March

NOTES
(FORMING PART OF THE FINANCIAL STATEMENTS)

(i) Shares of these entities are held by certain individuals in their personal name for the beneficial interest of the Company.

(ii) These entities were not operational as at 31 March 2023.

b) Control is achieved when the Group is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

c) Foreign currency transactions

Functional and presentation currency

Although the functional currencies of subsidiaries are the local currency of the country of domicile in which they operate, the consolidated financial statements are presented in UAE Dirhams ("AED"), which is also the parent's functional currency and the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

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

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

Foreign operations

The results and financial position of all the foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

NOTES
(FORMING PART OF THE FINANCIAL STATEMENTS)

(i) Assets and liabilities of foreign operations are translated at closing rate at the date of the consolidated statement of financial position;

(ii) Income and expenses of foreign operations are translated at average exchange rates for the year; and

(iii) All resulting exchange differences are recognised in other comprehensive income and presented in foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to equity.

(d) These consolidated financial statements have been prepared from the audited financial statements of the company and the subsidiary companies except in the case of the following companies; for which unaudited financial information have been utilized.

- Egypt American Investment and Industrial Development Company (EAIIDC)
- Marico Malaysia SDN. BHD
- MBL Industries Limited

The total deficit as at the year end and the total loss for the year of these companies amount to AED 533,648 (previous year AED 514,975) and AED 18,673 (previous year AED 37,944) respectively.

3. BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 April 2022 and the requirements of the Jebel Ali Free Zone Companies Implementing Regulations 2016.

b) Basis of measurement

The consolidated financial statements are prepared using historical cost. Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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

c) Going concern

The consolidated financial statements are prepared on a going concern basis.

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

NOTES
(FORMING PART OF THE FINANCIAL STATEMENTS)

As at 31 March 2023 the Group's losses aggregated to AED 131,845,938, its current liabilities exceeded its current assets by AED 94,445,943 and it had a net deficit of AED 93,585,825 in equity funds.

These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, the shareholder has agreed to continue with the operations of the Group and has agreed to provide continuing financial support to enable the Group to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

d) Adoption of new International Financial Reporting Standards

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

The following amendments, improvements and interpretations which became effective for current period, did not have any significant impact on the Group's financial statements:

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 1.
- Reference to the Conceptual Framework – Amendments to IFRS 3.
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37.
- Annual Improvements to IFRS Standards 2018–2020;
  - IFRS 9 Financial Instruments.
  - IFRS 16 Leases.
  - IFRS 1 First-time Adoption of International Financial Reporting Standards.
  - IAS 41 Agriculture.

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

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

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023).
- Amendments to IFRS 17 – Insurance Contracts (1 January 2023).
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023).
- Definition of Accounting Estimates – Amendments to IAS 8 (1 January 2023).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (1 January 2023).
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold to an associate or a joint venture (The IASB postponed the effective date of this amendment indefinitely). (Early adoption is permitted).

NOTES
(FORMING PART OF THE FINANCIAL STATEMENTS)

e) Functional and presentation currency

Although the functional currencies of subsidiaries are the local currency of the country of domicile in which they operate, the consolidated financial statements are presented in UAE Dirhams ("AED"), which is also the parent's functional currency and the Group's presentation currency.

4. SIGNIFICANT ACCOUNTING POLICIES

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

a) Property, plant and equipment

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

Buildings	20 years
Plant and machinery	8 years
Furniture, fixtures and office equipment	3-8 years
Vehicles	4-10 years
Right-of-use asset	4-10 years

The Group has presented right-of-use asset representing the right to use the underlying assets, under property, plant and equipment [Refer notes 4 (g) and 7].

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

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

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

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

NOTES
(FORMING PART OF THE FINANCIAL STATEMENTS)

b) Impairment of tangible assets

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

c) Inventories

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

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

d) Staff benefits

The Group provides staff end-of-service benefits to its employees as per the applicable local laws. The entitlement to these benefits is based on the employees' last drawn salary and length of services which is accrued over the period of employment.

Provision for staff end-of-service benefits is disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave and air fare for eligible employees as per the policy of the Group. Provision relating to annual leave and air fare are disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

e) Statutory reserve

Statutory reserve represents the statutory reserve of the subsidiary companies registered in the UAE and Egypt. It is created by appropriating the profit of the companies as required by the local law. The companies may resolve to discontinue such deduction when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the local laws.

f) Revenue recognition

The Group is in the business of trading of beauty and personal care, hair care, food and health care products, dried vegetables, and fruits.

NOTES
(FORMING PART OF THE FINANCIAL STATEMENTS)

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

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

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

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

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

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

Sale of goods

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

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effect of significant financing components.

Significant financing component

NOTES
(FORMING PART OF THE FINANCIAL STATEMENTS)

The Group receives short-term advance from its customers. As the period between the transfer of promised goods or services to the customer and when the customer pays for those goods or services is expected to be less than one year, the Group has used the practical expedient in IFRS 15 and not adjusted the consideration for significant financing component.

g) Leases

The Group leases office cum warehouse building. Rental contacts are typically made for fixed period of 1 to 3 years but have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets may not be used as security for borrowing purposes.

Right-of-use assets

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

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

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

Lease liabilities

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

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

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

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

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

h) Cash and cash equivalents

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

i) Borrowing costs

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

j) Provisions

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

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

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

k) Contingencies and commitments

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

l) Value added tax

The Group charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Group cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Group files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and

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deposits the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT Payable are offset and the net amount is reported in the consolidated statement of financial position as the Group has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

m) Accounting for taxes on income

Income tax expense represents the sum of the current tax and deferred tax.

Tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either 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.

Current income tax

In case of Group companies, except those incorporated in the UAE, the tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is measured at the amount expected to be paid to the tax authorities, using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

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 consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset 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.

n) Current versus non-current classification

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

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

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All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

o) Financial instruments

Classification

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

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

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

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

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

Recognition

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

Derecognition

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

- The contractual rights to receive cash flows expire or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Group has transferred substantially all the risks and rewards of the asset,

or

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

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

Measurement

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

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

Financial assets at amortised cost

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

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

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

The financial assets at amortised cost comprise of trade and other receivables, amount due from related parties and cash and cash equivalents.

Financial liabilities

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

Financial liabilities at amortised cost consists of bank borrowings, lease liabilities, amount due to related parties and trade and other payables.

Impairment of financial assets

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

Loss allowances are measured on either of the following basis:

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

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

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

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

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

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

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

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

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

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

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

Offsetting

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

Equity

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

p) Fair value measurement

The Group discloses the fair value of financial instruments measured at amortised cost.

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

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

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

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

5. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

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

Classification of financial assets

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

Impairment

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

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

Leases

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

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

The right-of-use assets and lease liabilities are mainly determined based on the Group's expected lease renewal terms derived primarily from the Group's long-term business plans.

Discounting of lease payments
The Group uses the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's weighted average incremental borrowing rate. Generally, the Group uses the average interest rate on bonds.

Management has applied judgments and estimates to determine the IBR at the transition date, using borrowing rates that certain financial institutions would charge the Group against financing the different types of assets it leases over different terms and different ranges of values. IBR is further adjusted for Group's specific risk, term risk and underlying asset risk.

6. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Carrying values of property, plant and equipment

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

Inventory provisions

Management regularly undertakes a review of the Group's inventory, stated at AED 5,557,182 (previous year AED 6,924,458) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment, assumptions are made as to the level of provisioning required.

Impairment

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

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of key assumptions and inputs used are disclosed in note 4(o).

Staff end-of-service benefits

The Group computes the provision for the liability to staff end-of-service benefits stated at AED 1,954,652 (previous year AED 1,857,803), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

7. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use asset[(a)]	Land and buildings	Plant and machinery	Furniture, fix-tures & office equipment	Motor vehicles	Total
	AED	AED	AED	AED	AED	AED
Cost						
At 1 April 2021	2,892,202	2,946,995	6,830,015	1,209,441	164,441	14,043,094
Additions	-	-	-	48,108	75,619	123,727
Disposals	-	-	-	(3,809)	(40,626)	(44,435)
Transfers	-	-	-	-	-	-
At 31 March 2022	2,892,202	2,946,995	6,830,015	1,253,740	199,434	14,122,386
Additions	-	-	380,664	196,280	-	576,944
Disposals	-	-	-	(185,622)	-	(185,622)
At 31 March 2023	**2,892,202**	**2,946,995**	**7,210,679**	**1,264,398**	**199,434**	**14,513,708**
Accumulated depreciation						
At 1 April 2021	809,734	1,665,204	4,029,453	986,728	82,933	7,574,052
Depreciation	820,063	150,949	836,533	187,115	19,757	2,014,417
Adjustment on disposals	-	-	-	(529)	(40,626)	(41,155)
At 31 March 2022	1,629,797	1,816,153	4,865,986	1,173,314	62,064	9,547,314
Depreciation	685,995	544,388	642,074	143,619	20,819	2,036,895
Adjustment on disposals	-	-	-	(185,622)	-	(185,622)
At 31 March 2023	**2,315,792**	**2,360,541**	**5,508,060**	**1,131,311**	**82,883**	**11,398,587**
Carrying amount						
At 1 April 2021	2,082,468	1,281,791	2,800,562	222,713	81,508	6,469,042
At 31 March 2022	**1,262,405**	**1,130,842**	**1,964,029**	**80,426**	**137,370**	**4,575,072**
At 31 March 2023	**576,410**	**586,454**	**1,702,619**	**133,087**	**116,551**	**3,115,121**

(a) Right-of-use asset represents a building for office and a warehouse under operating leases. Lease terms and rental calculations vary between different lease agreements.

8 Inventories

	2023 AED	2022 AED
Finished goods	1,153,238	2,991,912
Consumables	1,433,038	1,819,805
Raw materials	2,944,426	2,097,260
Semi-finished goods	7,032	15,481
Less: provision for obsolete inventories	--	--
	5,537,734	6,924,458
Goods-in-transit	19,448	--
	5,557,182	**6,924,458**

9 Trade and other receivables

	2023 AED	2022 AED
Trade receivables	54,221,888	27,136,253
Staff advances	420,121	236,589
Deposits	584,924	736,164
Other receivables	634,428	915,618
	55,861,361	**29,024,624**

An age analysis of trade receivables as at the reporting date is as follows:

• Not past due	36,680,533	26,405,394
• Past due but not impaired (0–60 days)	17,541,355	730,859
	54,221,888	**27,136,253**

10 Other current assets

	2023 AED	2022 AED
Prepayments	425,974	799,349
Advance for goods and services	307,062	2,190
VAT receivable (net)	--	492,702
Deferred tax assets	96,226	--
	829,262	**1,294,241**

11 Cash and Cash equivalents

	2023 AED	2022 AED
Cash on hand	28,285	10,572
Bank balances in current accounts	5,663,849	4,264,505
	5,692,134	**4,275,077**

12 Share Capital

	2023 AED	2022 AED
Paid up:		
22 shares of AED 1,000,000 each held by		
Marico Limited	**22,000,000**	**22,000,000**

13 Provision for staff end-of-service benefits

	2023 AED	2022 AED
At 1 April	1,857,803	1,744,945
Provision for the year	194,398	251,936
Paid during the year	(97,549)	(139,078)
At 31 March	**1,954,652**	**1,857,803**

14 Lease liabilities

	2023 AED	2022 AED
Lease liabilities for long-term lease	711,359	1,518,949
Disclosed in the consolidated statement of financial position as follows:		
Non-current liabilities	300,351	852,969
Current liabilities	411,008	665,980
	711,359	**1,518,949**
A reconciliation of the movements in the lease liabilities is as follows:		
At 1 April	1,518,949	2,375,077
Interest for the year	99,152	198,098
Payments made during the year	(906 ,742)	(1,054,226)
At 31 March	**711,359**	**1,518,949**
A maturity analysis of undiscounted lease liabilities is as follows:		
Less than one year	539,450	872,902
Between one and five years	484,979	1,151,958
Total	**1,024,429**	**2,024,860**
Reconciliation of undiscounted lease liabilities to the lease liabilities as stated in the consolidated statement of financial position is as follows:		
Lease payments due	1,024,429	2,024,860
Less: Finance cost on leases	(313,070)	(505,911)
Disclosed in the statement of financial position	711,359	1,518,949
	711,359	**1,518,949**

15 Short-Term Borrowings

	2023 AED	2022 AED
Bank overdrafts	37,119,001	33,032,809
Term loans	97,321,250	78,958,750
	134,440,251	**111,991,559**
A maturity analysis of short-term borrowings is as follows:		
Overdrafts	37,119,001	33,032,809
1 – 3 months	62,432,500	44,070,000
3 months – 1 year	34,888,750	34,888,750
Total	**134,440,251**	**111,991,559**
An analysis by bank of amounts outstanding is as follows:		
Standard Chartered Bank- Dubai	37,119,001	33,032,809
Citibank UAE - Dubai	97,321,250	78,958,750
	134,440,251	**111,991,559**

Bank borrowings represent term loans and overdraft availed from the banks for the purchases made by the Group and these are repayable within 365 days from the reporting date Bank borrowings are subject to floating interest rates at levels generally obtained in the UAE. These bank borrowings are secured by way of corporate guarantee from the Ultimate Parent Company.

16 Trade and other payables

	2023 AED	2022 AED
Trade payables	11,640,197	6,697,545
Accruals	1,519,218	94,463
Other payables	13,618,543	25,941,896
	26,777,958	**32,733,904**

The entire trade and other payables are due for settlement within one year from the reporting date.

17 Other Current Liabilities

	2023 AED	2022 AED
Employee benefit payable	2,357,073	2,695,108
Advance received from customers	682,708	79,545
VAT payable (net)	19,713	--
Provision for tax liabilities	196,376	233,759
Deferred tax liabilities	--	137,725
	3,255,870	**3,146,137**

18 Related Parties

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

Related parties comprise ultimate parent company, fellow subsidiaries, entities under common ownership and/or common management control and directors.

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

	Ultimate parent company	Fellow subsidiaries	Total 2023	Total 2022
	AED	AED	AED	AED
Due from a related party	--	24,141,721	24,141,721	
(Marico Bangladesh Limited)	--	13,122,512		13,122,512
Due to a related party	21,642,516	--	21,642,516	
(Marico Limited)	13,313,263	--		13,313,263

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 25.

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

	Directors	Ultimate parent company	Fellow subsidiaries	Total 2023	Total 2022
	AED		AED	AED	AED
Revenue	-	-	118,929,968	118,929,968	
	-	-	125,505,778		125,505,778
Purchase of inventories	-	49,153,185	905,827	50,059,012	
	-	43,864,922	-		43,864,922
Directors' remuneration	4,058,168	-	-	4,058,168	
	1,968,022	-	-		1,968,022
Royalty expense	-	2,941,452	-	2,941,452	
	-	2,481,524	-		2,481,524
Marketing fee income	-	252,807	-	252,807	
	-	16,078	-		16,078
Purchase of assets	-	158,595	53,580	212,175	
	-	-	-		-

The Group also provides funds to/receives funds from related parties as working capital facilities at agreed rates.

19. Management of capital

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

Capital, which is unchanged from the previous year, comprises equity funds as presented in the consolidated statement of financial position. Debt comprises total amounts owed by the Group, net of cash and cash equivalents.

The Group is subject to externally imposed capital requirements as per provisions of the bank facilities availed. The Group has complied with all the capital requirements to which it is subject to.

Funds generated from internal accruals together with funds received from shareholder, net of funds provided to the shareholder and net of dividends declared are retained in the business, to limit bank borrowings within covenants and according to the business requirements and maintain capital at desired levels. The nature of such covenants is set out in note 18.

20. Revenue

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

	2023 AED	2022 AED
Primary Geographical segments		
- Asia	228,242,879	217,158,365
- Others	36,404,994	39,633,959
	264,647,873	**256,792,324**
Major goods		
- Beauty and personal care, hair care, food and health care products Interest for the year	264,647,873	256,792,324
Timing of revenue recognition		
- At a point in time	264,647,873	256,792,324

21 COST OF SALES

	2023 AED	2022 AED
Material cost	195,449,964	199,745,027

22 Other Income

	2023 AED	2022 AED
Marketing fee income *	252,807	16,078
Gain on disposal of property, plant, and equipment	--	94,778
Miscellaneous income	685,850	348,542
	938,657	**459,398**

*This represents amounts received from the ultimate parent company against sales support services provided by the Group.

23 ADMINISTRATIVE EXPENSES

	2023 AED	2022 AED
Staff salaries and benefits (a)	16,149,152	15,462,711
Staff end-of-service benefits	194,398	251,936
Depreciation of property, plant and equipment	2,036,895	2,014,417
Advertising and promotion	30,428,824	26,510,245
Freight, clearing and forwarding expenses	4,757,265	3,003,873
Legal and professional fees	2,267,349	2,611,184
Royalty (refer note 18)	2,941,452	2,481,524
Repair and maintenance	870,213	1,563,003
Insurance	432,557	408,529
Printing and stationery	326,580	404,038
Travel expenses	983,284	453,899
Rent	292,156	--
Others	230,394	206,059
	61,910,519	**55,371,418**

(a) Include remuneration and other benefits to key management personnel amounting to AED 4,058,168 (previous year AED 1,968,022)

24 FINANCE COSTS

	2023 AED	2022 AED
Foreign exchange loss – net	577,254	1,940,322
Bank charges and others	1,226,191	1,046,124
Interest on bank borrowings	4,000,239	601,526
Interest on lease liabilities (refer note 14)	99,152	198,098
	5,902,836	**3,786,070**

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

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

	At amortised cost	
	2023	2022
	AED	AED
Financial Assets		
Trade and other receivables	55,861,361	29,024,624
Cash and cash equivalents	5,692,134	4,275,077
Due from a related party	24,141,721	13,122,512
	85,695,216	**46,422,213**

	At amortised cost	
	2023	2022
	AED	AED
Financial Liabilities		
Short-term borrowings	134,440,251	111,991,559
Trade and other payables	26,777,958	32,733,904
Lease liabilities (current and non-current)	711,359	1,518,949
Due to a related party	21,642,516	13,313,263
	183,572,084	**159,557,675**

Fair value measurements and disclosures

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, trade and other receivables, trade and other payables and short term lease liabilties approximate their carrying amounts largely due to the short-term maturities of these instruments.

As at the reporting date, the carrying value of all long-term liabilities are not materially different from their fair values.

Financial risk management

Risk management objectives

Risk is inherent in the Group's activities but is managed through a process of ongoing identification, measurement, and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability. The Group's risk management focusses on actively securing short to medium term cash flows by minimising the exposure to financial markets.

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

The management of the Group reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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

Financial assets that potentially expose the Group to concentrations of credit risk comprise principally cash and cash equivalents and trade and other receivables.

The Group’s bank accounts and deposits are placed with high credit quality financial institutions.

The management assesses the credit risk arising from trade and other receivables taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

At the reporting date, there is no significant concentration of credit risk either by individual customer or by industry.

At the reporting date, there is no significant concentration of credit risk from customers outside the industry in which the Group operates.

The Group uses an allowance matrix to measure the expected credit losses of trade receivables, which comprise a number of balances. Loss rates are calculated using a ‘flow rate’ method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting financial obligations due to shortage of funds. The Group’s exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Group’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 Group’s reputation. The Group manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group limits its liquidity risk by ensuring adequate bank facilities are available.

The table below summarises the maturities of the Group’s undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year		One to five years		Total	
	2023 AED	2022 AED	2023 AED	2022 AED	2023 AED	2022 AED
Trade and other payables	26,777,958	32,733,904	-		26,777,958	32,733,904
Due to a related party	21,642,516	13,313,263	-		21,642,516	13,313,263
Bank borrowings	134,440,251	111,991,559	-		134,440,251	111,991,559
Lease liabilities	411,008	665,980	300,351	852,969	711,359	1,518,949
	183,271,733	**158,694,706**	**300,351**	**852,969**	**183,572,084**	**159,557,675**

Market risk

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

Currency risk

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

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

Bank borrowings are subject to floating interest rates at levels generally obtained in the UAE and are therefore exposed to cash flow interest rate risk.

At the reporting date, if interest rates had been 1% higher or lower, interest expense on bank borrowings would have been AED 134,440 (previous year AED 111,992) higher or lower resulting in equity being lower or higher by AED 134,440 (previous year AED 111,992).

26 Contingent Liabilities

	2023 AED	2022 AED
Financial guarantees	**50,000**	**50,000**

27. Comparative Information

Previous year's figures have been reclassified wherever necessary to make them comparable to those of the current year.

28. Corporate Tax

On 9 December 2022, the UAE Ministry of Finance issued the Federal Decree-Law No. (47) of 2022 introducing Corporate Tax, effective for financial years commencing on or after 1 June 2023. The rate of corporate tax is 9% on the taxable income exceeding AED 375,000 and 0% for qualifying free zone companies on their qualifying income, subject to meeting specified conditions. There is no impact of this law on the consolidated financial statements of the Group for the year ended 31 December 2022. Management will assess the implications of this Federal Corporate Tax for the Group in due course.

For MARICO MIDDLE EAST FZE

Binjit Kumar
MANAGER

Rahul Jain
DIRECTOR

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Jitendra Mahajan (until April 21, 2022) Mr. Ashish Goupal (appointed w.e.f. May 8, 2022) Mr. Binjit Kadakapcedlikayal Mr. Tarun Aggarwal (until May 8, 2022) Mr. Rahul Jain (appointed w.e.f. May 8, 2022)
MANAGER	Mr. Binjit Kadakapcedlikayal
REGISTERED OFFICE	P.O. Box: 50394, Dubai, UAE
AUDITORS	PKF – Chartered Accountant (Dubai Br), UAE
BANKERS	Standard Chartered Bank

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of MARICO GULF L.L.C

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MARICO GULF L.L.C (the "Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Other matter

The financial statements of the Company for the year ended 31 March 2022, were audited by another auditor who expressed an unmodified opinion on those financial statements on 5 July 2022.

Other Information

Management is responsible for the other information. Other information comprises the Directors' report as required by the UAE Federal Law No. (32) of 2021, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with the requirements of UAE Federal Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that:

i) we have obtained all the information we considered necessary for the purpose of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Directors' report is consistent with the books of account of the Company;

v) the Company has not purchased or invested in shares during the financial year ended 31 March 2023;

vi) note 9 to the financial statements reflects material related party transactions and balances, and the terms under which they were conducted;

vii) the Company has not made any social contributions during the financial year ended 31 March 2023; and

viii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2023 any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2023 and there are no penalties imposed on the Company.

For PKF

S. D. Pereira
Partner
Registration No. 552
Dubai
United Arab Emirates
19 May 2023

STATEMENT OF FINANCIAL POSITION

As of 31 March, 2023

(In United Arab Emirates Dirhams)

	Notes	2023 AED	2022 AED
Assets			
Current assets			
Inventories	6	19,448	--
Trade and other receivables	7	18,924,252	212,671
Other current assets	8	--	253
Due from related parties	9	734,936	--
Cash and cash equivalents	10	254,811	300,000
		19,933,447	**512,924**
Total assets		**19,933,447**	**512,924**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	300,000	300,000
Statutory reserve		150,000	--
Retained earnings		3,247,701	(5,514)
Equity		**3,697,701**	**294,486**
Non-current liabilities			
Provision for staff end-of-service benefits	12	18,311	--
		18,311	**--**
Current liabilities			
Due to related parties	9	--	171,354
Trade and other payables	13	15,705,292	36,704
Other current liabilities	14	512,143	10,380
		16,217,435	218,438
Total liabilities		16,235,746	218,438
Total equity and liabilities		**19,933,447**	**512,924**

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

The report of the independent auditor is set forth on pages 2 to 5.

Approved and authorised for issue by the shareholder on 12 May 2023.

For Marico Gulf L.L.C

Binjit Kumar Kadakapcedlikayal Ajit Babu Kadakapcedlikayal

Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended March 31, 2023

(In United Arab Emirates Dirhams)

	Notes	01.04.2022 to 31.03.2023 (note 19) AED	26.08.2021 to 31.03.2022 (note 19) AED
Revenue	16	43,390,163	202,544
Cost of goods sold		**(23,374,010)**	**(81,651)**
Gross profit		20,016,153	120,893
Administrative expenses	17	(16,612,938)	(126,407)
PROFIT/ (LOSS) FOR THE YEAR/ PERIOD		**3,403,215**	**(5,514)**
Other comprehensive income:			
Other comprehensive income for the year		--	--
Total comprehensive income for the year		**3,403,215**	**(5,514)**

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

The report of the independent auditor is set forth on pages 2 to 5.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2023

(In United Arab Emirates Dirhams)

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
	300,000	-	-	300,000
Net loss for the period	-	-	(5,514)	(5,514)
Balance at 31 March 2022	300,000	-	(5,514)	294,486
Comprehensive income				
- Profit	-	-	3,403,215	3,403,215
Total comprehensive income for the year	-	-	3,403,215	3,403,215
Transfer:				
- to statutory reserve	-	150,000	(150,000)	-
Balance at 31 March 2023	**300,000**	**150,000**	**3,247,701**	**3,697,701**

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

The report of the independent auditor is set forth on pages 2 to 5.

Statement of Cash Flows

FOR THE PERIOD ENDED MARCH 31, 2023

(In United Arab Emirates Dirhams)

	01.04.2022 to 31.03.2023 (note 19) AED	26.08.2021 to 31.03.2022 (note 19) AED
Cash flows from operating activities		
Profit/(loss) for the year	3,403,215	(5,514)
Provision for staff end-of-service benefits	18,311	-
	3,421,526	**(5,514)**
Changes in:		
− Inventories	(19,448)	-
− Trade and other receivables	(18,711,581)	(212,671)
− Other current assets	253	(253)
− Trade and other payables	15,668,588	36,704
− Other current liabilities	501,763	10,380
Cash generated from operations	**861,101**	**(171,354)**
Net cash from/(used in) operating activities	**861,101**	**(171,354)**
Cash flows from investing activities		
Payments to related parties	(734,936)	-
Net cash used in investing activities	**(734,936)**	**-**
Cash flows from financing activities		
Proceeds from issuance of shares	-	300,000
(Payments)/receipts from related parties	(171,354)	171,354
Net cash (used in)/from financing activities	**(171,354)**	**471,354**
Net (decrease)/increase in cash and cash equivalents	(45,189)	300,000
Cash and cash equivalents at beginning of year	300,000	-
Cash and cash equivalents at end of year	**254,811**	**300,000**
Cash and cash equivalents comprise		
Cash and cash equivalents (note 10)	254,811	300,000
	254,811	**300,000**

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

for the period ended March 31, 2023

1. LEGAL STATUS AND BUSINESS ACTIVITY

a) **MARICO GULF L.L.C** (the ''Company'') is a limited liability company registered in Dubai, United Arab Emirates, in accordance with the provision of UAE Federal Law No. (2) of 2015 (repealed by UAE Federal Law No. (32) of 2021). The registered office address is Ras Al Khor Industrial Third, Dubai, UAE. The principal place of business is Office no. 2303-2304, JAFZA View-18 Building, Jebel Ali Free Zone, PO Box 50394, Dubai, UAE. The company was registered on August 18, 2021 and operates under commercial license number 975333 issued on August 26, 2021 by Department of Economic Development, Dubai.

b) The principal activity of the company is General Trading.

c) The parent company is Marico Middle East FZE and the ultimate parent company is Marico Limited.

d) UAE Federal Law No. (32) of 2021 was issued on 20 September 2021 and came into effect on 2 January 2022 to entirely replace the UAE Federal Law No. (2) of 2015. Accordingly, the Company has complied with the UAE Federal Law No. (32) of 2021.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 April 2022, and the requirements of UAE Federal Law No. (32) of 2021.

b) Basis of measurement

The financial statements are prepared using historical cost.

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

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

c) Going concern

The financial statements are prepared on a going concern basis.

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

d) Adoption of new International Financial Reporting Standards

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

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

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 1.

Notes to the Financial Statements

for the period ended March 31, 2023

- Reference to the Conceptual Framework – Amendments to IFRS 3.
- Annual Improvements to IFRS Standards 2018–2020;
  - IFRS 9 Financial Instruments.
  - IFRS 16 Leases.
  - IFRS 1 First-time Adoption of International Financial Reporting Standards.
  - IAS 41 Agriculture.

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

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

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023).
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023).
- Definition of Accounting Estimates – Amendments to IAS 8 (1 January 2023).

e) Functional and presentation currency

The financial statements are presented in UAE Dirhams ("AED") which is also the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

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

a) Inventories

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

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

b) Staff benefits

The Company provides staff end-of-service benefits to its non-UAE national employees as per the applicable local laws, the entitlement to these benefits is based on the employees' last drawn salary and length of services which is accrued over the period of employment. Provision for staff end of services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave and air fare for eligible employees as per the policy of the Company. Provision relating to annual leave is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

Notes to the Financial Statements

for the period ended March 31, 2023

c) Statutory reserve

In accordance with the U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, the Company is required to establish a statutory reserve by appropriation of 5% (previous year 10% as per UAE Federal Law No. (2) of 2015) of net profit until the reserve equals 50% of the share capital. The shareholder may resolve to discontinue such deduction when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law.

d) Revenue recognition

The Company is in the business general trading.

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

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

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

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

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

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

Sale of goods

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

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated.

e) Leases

As a lessee

The Company leases its registered office. Rental contracts are typically made for fixed periods of 1 year but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants.

Short-term leases

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

f) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank current accounts.

g) Foreign currency transactions

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

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

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

h) Borrowing costs

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

i) Provisions

General

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

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

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

j) Contingencies and commitments

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

k) Value added tax

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person.

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Company files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposits the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT Payable are offset and the net amount is reported in the statement of financial position as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

l) Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

Notes to the Financial Statements

for the period ended March 31, 2023

A liability is current when:

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

The Company classifies all other liabilities as non-current.

m) Financial instruments

Classification

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

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

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This assessment is performed at an instrumental level.

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

Financial liabilities are classified as financial liabilities at fair value through profit or loss or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

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

Derecognition

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

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

(a) the Company has transferred substantially all the risks and rewards of the asset,

or

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

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

Measurement

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

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

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

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

Financial assets

Financial assets at amortised cost

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

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

All other financial assets are subsequently measured at fair value.

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

The financial assets at amortised cost comprise of trade and other receivables, due from related parties and cash and cash equivalents.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise of trade and other payables and due to related parties.

Notes to the Financial Statements

for the period ended March 31, 2023

Impairment of financial assets

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

Loss allowances are measured on either of the following basis:

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

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

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

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

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

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

- The customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

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

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

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset. For financial assets carried at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income, instead of reducing the carrying amount of the asset.

Offsetting

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

Equity

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

n) Fair value measurement

The Company measures financial instruments, such as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income at fair value at each reporting date. The Company also discloses the fair value of financial instruments measured at amortised cost.

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

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

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

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

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

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Notes to the Financial Statements

for the period ended March 31, 2023

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

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

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

Classification of financial assets

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

Impairment

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

Recognition of revenue and allocation of transaction price

Identification of performance obligations

The Company determined that the sale of goods is provided as a single component to customers and accordingly it becomes single performance obligation in respect of the goods being sold.

Determine timing of satisfaction of performance obligation

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

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Inventory provisions

Management regularly undertakes a review of the Company's inventory, stated at AED 19,448 (previous year AED Nil) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss

Notes to the Financial Statements

for the period ended March 31, 2023

rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 3(m).

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 18,311 (previous year AED Nil), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

6. INVENTORIES

Particulars	2023 AED	2022 AED
Goods in transit	19,448	19,448
An age analysis of inventories as at the reporting date is as follows:		
0 - 180 days	**19,448**	**-**

7. TRADE AND OTHER RECEIVABLES

Particulars	2023 AED	2022 AED
Trade receivables	18,802,135	212,671
	18,802,135	**212,671**
Staff advances	122,117	-
	18,924,252	**212,671**
An age analysis of trade receivables as at the reporting date is as follows:		
Trade receivables not past due	13,262,193	212,671
Trade receivables past due but not impaired		
- 0 to 45 days	4,241,365	-
- 45 days to 60 days	1,298,577	-
	18,802,135	**212,671**

The Company does not hold any collateral against trade receivables.

8. OTHER CURRENT ASSETS

Particulars	2023 AED	2022 AED
Advances to Government authorities	-	253
	-	**253**

9. RELATED PARTIES

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

Related parties comprise the parent company, ultimate parent company, directors, companies under common ownership and/or common management control.

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

	Parent company AED	Ultimate parent company AED	Total 2023 AED	Total 2022 AED
Due from related parties	734,936	-	**734,936**	
	-	-	-	-
Due to related parties	-	-	**-**	-
	104,780	66,574	-	171,354
Trade and other payables	-	4,816,792	**4,816,792**	-

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 18.

Significant transactions with parent company during the year were as follows:

Particulars	Total 01.04.2022 to 31.03.2023 (note 19) AED	Total 26.08.2021 to 31.03.2022 (note 19) AED
Purchases	**11,759,217**	**-**
	-	61,510
Royalty expense	**1,070,979**	**-**
	-	5,064

The Company also provides funds to/receives funds from related parties as working capital facilities as per agreed rates.

Certain administrative and staff related services are availed from/provided to a related party free of cost.

10. CASH AND CASH EQUIVALENTS

Particulars	2023 AED	2022 AED
Cash on hand	183	-
Bank balances in current accounts	254,628	300,000
	254,811	**300,000**

11. SHARE CAPITAL

Particulars	2023 AED	2022 AED
Issued and paid up		
300 shares of AED 1,000 each held by Marico Middle East FZE		
	300,000	**300,000**

12. PROVISION FOR STAFF END-OF-SERVICE BENEFITS

Particulars	2023 AED	2022 AED
Opening balance	-	-
Provision for the year	18,311	-
Closing balance	**18,311**	**-**

13. TRADE AND OTHER PAYABLES

Particulars	2023 AED	2022 AED
Trade payables	15,705,292	28,704
Accruals	-	8,000
	15,705,292	**36,704**

The entire trade and other payables are due for settlement within one year from reporting date.

14. OTHER CURRENT LIABILITIES

Particulars	2023 AED	2022 AED
Advance received from customers	301,403	-
VAT payable (net)	103,282	10,380
Accrual for staff benefits	107,458	-
	512,143	**10,380**

15. MANAGEMENT OF CAPITAL

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

Capital, which is unchanged from the previous year, comprises equity funds as presented in the statement of financial position. Debt comprises total amounts owed by the Company, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Article 308 of the UAE Federal Law No. (32) of 2021.

16. REVENUE

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

Particulars	01.04.2022 to 31.03.2023 AED	26.08.2021 to 31.03.2022 AED
Primary Geographical segments		
- UAE	36,984,136	202,544
- Outside UAE	6,406,027	-
	43,390,163	**202,544**
Timing of revenue recognition		
- At a point in time	**43,390,163**	**202,544**

The fair values of trade and other receivables, other financial assets, cash and cash equivalents, trade and other payables , approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

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

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally cash and cash equivalents, trade and other receivables and amount due from related parties.

The Company's bank accounts are placed with high credit quality financial institutions and hence have low credit risk.

The management assesses the credit risk arising from trade and other receivables taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

At the reporting date, the Company's maximum exposure to credit risk from such receivables situated outside the UAE is as follows:

Particulars	2023 AED	2022 AED
Asia	1,076,030	-
Other Middle East Countries	1,263,933	-
	2,339,963	**-**

At the reporting date, 88% of trade receivables were due from one customer (previous year 100% due from one customer)

At the reporting date 100% of amount due from related parties are due from one related party (previous year Nil).

At the reporting date, the Company's trade receivable balances are from customers engaged in similar business in which the Company operates.

The Company uses an allowance matrix to measure the expected credit losses of trade receivables, which comprise a number of balances. Loss rates are calculated using a 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

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 Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year	
Particulars	2023 AED	2022 AED
Trade and other payables	15,705,292	36,704

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

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

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

The Company is not subject to any significant interest rate risks.

19. COMPARATIVE INFORMATION

a) The previous financial year was from 26 August 2021 to 31 March 2022, whereas the current year is for a period of 12 months. Hence, the comparative information is not entirely comparable.

b) Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable to those of the current period.

20. SIGNIFICANT EVENTS

Corporate tax

On 9 December 2022, the UAE Ministry of Finance issued the Federal Decree-Law No. (47) of 2022 introducing Corporate Tax, effective for financial years commencing on or after

1 June 2023. The rate of corporate tax is 9% on the taxable income exceeding AED 375,000 and 0% for qualifying free zone companies on their qualifying income, subject to meeting specified conditions. There is no impact of this law on the financial statements of the Company for the year ended 31 March 2023. Management will assess the implications of this Federal Corporate Tax for the Company in due course.

For Marico Gulf L.L.C

Binjit Kumar Kadakapcedlikayal Ajit Babu Kadakapcedlikayal

Director

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Binjit Kadakapcedlikayal Mr. Mohamed El-Arabi Ms. Marwa Hussein (representing MME) Mr. Ayman Sameh Zaki (representing MME) (until December 12, 2022) Mr. Noran ElBosseli (representing MME) (appointed w.e.f.December 12, 2022)
REGISTERED OFFICE	Unit No. 31, 3rd Floor, Tower No. 4, Bavaria Town, Plot 10 A, Katameya Investment Area, Ring Road, El Basateen, Cairo.
AUDITORS	KPMG Hazem Hassan
BANKERS	HSBC
LEGAL ADVISORS	Yasser Maharem Office for Accounting & Auditing, Nassef Law Firm

INDEPENDENT AUDITOR'S REPORT

To the shareholders of MEL Consumer Care

Report on the Financial Statements

We have audited the accompanying separate financial statements of MEL Consumer Care S.A.E., which comprise the separate statement of financial position as at March 31, 2023, the separate statements of income, comprehensive income, changes in shareholders' equity and cash flows for the financial 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. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes 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 Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 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 on the financial statements.

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the unconsolidated financial position of MEL Consumer Care S.A.E. as at March 31, 2023, and of its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these financial statements.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company; the Separate Financial Statements are in agreement thereto.

INDEPENDENT AUDITOR’S REPORT

As explained in note No. (20) of the notes to the financial statements which indicate that the company incurred loss amounted to LE 20 850 558 for the year ended March 31, 2023, and cumulative losses reached to LE 154 592 625 as of March 31, 2023 which exceeded the half of the company’s equity amounting to LE 227 155. In such cases the Egyptian companies law No. 159 for 1981 and it’s executive regulations and the company’s Article of Incorporation requires the company’s management should promptly convoke the Extra-Ordinary Meeting for consideration of the continuance of the company.

The financial information included in the Board of Directors’ report, prepared in accordance with Law No. 159 of 1981 and its executive regulation, is in agreement with the Company’s books of account.

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Cairo, **KPMG Hazem Hassan**

June 20, 2023 Public Accountants & Cunsultants

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 March, 2023

	Note No.	As at March 31, 2023 LE	2022 LE
Non current assets			
Fixed assets	(6 - 20)،(8)	9	9
Investments in subsidiaires	(12 - 20)،(9)	1 506 718	1 506 718
Total Non current assets		**1 506 727**	**1 506 727**
Current assets			
Debit balances	(13 - 20),(10)	556 445	556 897
Cash and cash equivalents	(14 -20)،(12)	2 259	1 430
Total current assets		**558 704**	**558 327**
Total Assets		**2 065 431**	**2 065 054**
Equity			
Issued & paid-up capital	(13)	250 000	250 000
Legal reserve	(11 -20)	204 310	204 310
Retained losses		(154 592 625)	(133 742 067)
Total Equity		**(154 138 315)**	**(133 287 757)**
Non-Current liabilities			
Due to related parties	(15 -20)،(11B)	53 514 005	31 333 293
Total non-current liabilities		**53 514 005**	**31 333 293**
Current liabilities			
Credit balances	(15 -20)،(15)	58 015	62 748
Due to related parties	(15 -20)،(11B)	101 974 468	103 299 512
Provisions	(10 -20)،(14-1)	657 258	657 258
Total current liabilities		**102 689 741**	**104 019 518**
Total liabilities		**156 203 746**	**135 352 811**
Total equity and liabilities		**2 065 431**	**2 065 054**

The accompanying disclosures from (1) to (21) form an integral part of these financial statements.

Head of Finance	Chairman
Mohamed El-Arabi	**Binjit Kumar Kadakapcedlikayal**

SEPARATE INCOME STATEMENT

For the financial year ended 31 March 2023

		For the year ended	March 31,
	Note No.	2023 EGP	2022 EGP
Other income	(3)	1 487 146	456 258
General and administrative expenses	(4)	(157 031)	(135 755)
Operating losses		**1 330 115**	**320 503**
Finance expense	(5),(20-4)	(22 180 673)	(4 567 130)
Net finance income		**(22 180 673)**	**(4 567 130)**
Loss for the year		**(20 850 558)**	**(4 246 627)**
Losses per share	(6)	**(83 402)**	**(16 987)**

The accompanying disclosures from (1) to (21) form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2023

	Note No.	For the year ended March 31, 2023 LE	2022 LE
Net loss for the year		(20 850 558)	(4 246 627)
Comprehensive income items:			
Other comprehensive income		-	-
Total comprehensive losses for the year	(6)	**(20 850 558)**	**(4 246 627)**

The accompanying notes from page (1) to page (21) form an integral part of these financial statements.

SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the financial year ended 31 March 2023

Description	Share capital	Legal reserve	Retained (losses)	Total
	LE	LE	LE	LE
Balance as at 1 April 2021	**250 000**	**204 310**	**(129 495 440)**	**(129 041 130)**
Total comprehensive income				
Net loss for the year	-	-	(4 246 627)	(4 246 627)
Other comprehensive income	-	-	-	-
Total comprehensive income	**-**	**-**	**(4 246 627)**	**(4 246 627)**
Total transactions with shareholders	-	-	-	-
Balance as at 31 March 2022	**250 000**	**204 310**	**(133 742 067)**	**(133 287 757)**
Balance as at 1 April 2022	**250 000**	**204 310**	**(133 742 067)**	**(133 287 757)**
Total comprehensive income				
Net loss for the year	-	-	(20 850 558)	(20 850 558)
Other comprehensive income	-	-	-	-
Total comprehensive income	**-**	**-**	**(20 850 558)**	**(20 850 558)**
Total transactions with shareholders	-	-	-	-
Balance as at 31 March 2023	**250 000**	**204 310**	**(154 592 625)**	**(154 138 315)**

The accompanying notes from page (1) to page (21) form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2023

	Note No.	Year ended 2023 LE	March 31, 2022 LE
Cash Flows From Operating Activities :			
Net (Loss) for the year		(20,850,558)	(4,246,627)
Adjustments for:			
Impairment in related parties		(1,481,906)	(456,258)
Changes In			
Debit balances		452	282 611
Credit balances		(4,733)	(9,211)
Due from related parties		1,481,906	455,806
Due to related parties		1,325,044	3,972,859
Net cash used in operating activities		**22,179,883**	(820)
Net decrease in cash and cash equivalents		**22,179,883**	(820)
Cash and cash equivalents at the beginning of the year	(14 -20)،(12)	**1,430**	2,250
Cash and cash equivalents at the end of the year	(14 -20)،(12)	**22,178,453**	1,430

The accompanying notes from page (1) to page (21) form an integral part of these financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

1- General

1-1 Reporting entity

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. 88050 dated 1/10/2006.

1-2 Purpose of the Company

The company's main objective is to produce products related to consumer care and skin care at third part'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 the affiliated there to according to the provision of low and executive regulations.

1-3 The Company's duration

The period of the company is 25 years starting from 1/10/2006 till 30/09/2023.

1-4 Company's location

Plot No. 3 - Square No. 1141 - Sheraton - El Nozha Department - Cairo.

The headquarter is changed and mentioned in the commercial register to be Tower 4 - Bavarian Town – Maadi- Ring Road - Cairo.

2. Basic of Accounting

2-1 Compliance with laws and regulations

The separate financial statements are prepared in accordance with Egyptian Accounting Standards, and relevant Egyptian laws and regulations.

These separate financial statements were authorized by the board of directors for issue on the May 9, 2022.

2-2 Basis of Measurement

The Separate Financial Statements have been prepared on historical cost basis .

2-3 Functional and Presentation Currency

These separate financial statements are presented in Egyptian Pounds, which is the company's functional currency.

2-4 Use of estimates and judgments

The preparation of the financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that may affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

The estimates and underlying assumptions are reviewed on an ongoing basis.

- Revisions to accounting estimates are recognized in the year in which the estimate is revised, if the revision affects the year under revision and future periods, these differences are recognized only in the year under revision and future periods.

2-4-1 Judgments

- Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:
- Note No (20-2): Recognition of revenue.

The uncertainty assumptions and estimates

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 March 2023 is included in the following notes:

- Note No (20-5): Income tax.
- Note No (20-10): Provisions.
- Note No (20-9): Expected credit losses on assets.
- Note No (20-7): Expected credit losses on trade receivables.

Measurement of Fair Value

The financial statements have been prepared on the historical cost basis except for a number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of EAS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's audit committee

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

Level 1:	quoted prices (unadjusted) in active markets for identical assets or 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

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

The Company recognizes 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 notes:

Note (20-7) : Financial instruments

Note (20-2): Recognition of revenue.

3- Other income

Particulars	2023 L.E	2022 L.E
Impairment in related parties	1,481,906	456,258
Impairment in other expenses	5,240	-
	1,487,146	**456,258**

4- General and administrative expenses

Particulars	2023 L.E.	2022 L.E.
Salaries and wages	83, 550	56,314
Legal expenses	17, 600	17,013
Consulting services	55, 000	60,000
Other expenses	881	2,428
	157, 031	**135,755**

5- Finance expense

Particulars	2023 L.E.	2022 L.E.
Debit interest	441,522	282,611
Forex	21,739,151	4,284,519
	22,180,673	**4,567,130**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

6- Losses per share

The company present the basic earning or losses per share for its ordinary shares. the earning per share calculated by dividing the gain or (loss) of the company after deducting the Employee's share profit and BOD remuneration over the weighted average for the ordinary shares' numbers during the year.

Particulars	**2023** **L.E.**	**2022** **L.E.**
Net losses for the year (LE)	(20 850 558)	(4 246 627)
	(20 850 558)	(4 246 627)
The outstanding number of shares during the year	**250**	250
Losses per share for the year (EGP/share)	**(83 402)**	(16 987)

7- Reconciliation of effective tax rate

Particulars	**Tax Rate**	**31/3/2023 L.E.**	**Tax Rate**	**31/3/2022 L.E.**
Net loss before income tax		**(20 850 558)**		(4 246 627)
Income tax on accounting loss	22.5%	(4 691 376)	22.5%	(955 491)
Non – deductible expenses		333 35		30 545
Others		651 990 4		1 027 604
Provision and impairment		(608 334)		(102 658)
Income tax	**% 0**	**-**	**% 0**	**-**

8- Fixed Assets

	Computers & Software L.E.	**Total L.E.**
Cost as at 1/4/2021	342 867	342 867
Cost as at 31/3/2022	**342 867**	**342 867**
Cost as at 1/4/2022	342 867	342 867
Cost as at 31/3/2023	**342 867**	**342 867**
Accumulated depreciation as at 1/4/2021	342 858	342 858
Accumulated depreciation as at 31/3/2022	**342 858**	**342 858**
Accumulated depreciation as at 1/4/2022	342 858	342 858
Accumulated depreciation as at 31/3/2023	**342 858**	**342 858**
Net book Value at 31/3/2022	9	9
Net book Value at 31/3/2023	**9**	**9**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

9- Investments in subsidiaries

Particulars	31/3/2023 L.E.	31/3/2022 L.E.
Marico Egypt for Industries Company	1,506,718	1,506,718
Marico for Consumer Care Products	56,078,015	56,078,015
	57,584,733	**57,584,733**
(Less): -		
Impairment in investments in subsidiaries	(56,078,015)	(56,078,015)
	1,506,718	**1,506,718**

*The percentage of ownership in Marico Egypt for Industries Company is 99 %.

*The percentage of ownership in Marico for Consumer Care Products Company is 99 %.

*In accordance with the decision of the General Authority for Investment No 4/525 for year 2016, approved on 15 May 2017 the change of the legal form of Marico for Consumer Care Products from Partnership company to Joint Stock Company, under the provision of law No. 72 of 2017, and the increase in the capital of Marico for Consumer Care Products Company from the credit current account due to MEL Consumer Care Company by L.E. 55 018 560.

10- Debit Balances

Particulars	31/3/2023 L.E.	31/3/2022 L.E.
Due from Board of Directors	556,445	556,445
Other debit balances	-	452
	556,445	**556,897**

11- Related parties transactions

A summary of significant transactions with related parties is as follows: -

Related party	Nature of Relationship	Type of transactions	Significant transactions during the year ended 31/3/2023 L.E.	Significant transactions during the year ended 31/3/2022 L.E.
Marico for Consumer Care Products	Affiliated Company	Others	(1 481 907)	(456 258)
Marico Middle East Company-MME	Affiliated Company	Present value loan interest	452	282 611
Marico Middle East Company-MME	Affiliated Company	Others	21 739 151	4 284 530
Marico Egypt for Industries Company	Affiliated Company	Others	(1 325 045)	(311 671)

Those transactions resulted in the following balances as at 31 March 2023:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

A) Due from related parties:

Particulars	Note No.	31/3/2023 LE	31/3/2022 LE
Marico for Consumer Care Products		54,743,545	56,225,452
Egyptian American Company for investment and industrial development		3,529,683	3,529,683
		58,273,228	**59,755,135**
(Less):			
Impairment in related parties	(14-3)	(58,273,228)	(59,755,135)
		-	-

B) Due to related parties:

Particulars	Note No.	31/3/2023 LE	31/3/2022 LE
Long Term Loans			
Marico Middle East Company-MME			
		53,514,005	59,755,135
Short Term Loans			
Marico Egypt for Industries Company		101,974,468	103,299,512
		155,488,473	**134,632,805**

12- Cash and cash equivalents

Particulars	31/3/2023 L.E.	31/3/2022 L.E.
Banks - current accounts	2,259	1,430
	2,259	**1,430**

13- Share capital

A. Authorized capital of the company is L.E. 2 500 000.

B. The issued and fully paid capital of the company is L.E. 250 000 Egyptian pounds represented in 250 shares, at par value L.E. 1000 , and The percentage of foreigners' contribution is 100%.

Shareholders	Number of quotas	Par Value L.E	Percentage of Participation %
Sujata Gupta	1	1,000	0‹004
Fiftyk Anant Karvey	1	1,000	0‹004
Vijay Sankar Super Amanam	1	1,000	0‹004
Marico Middle East	247	247,000	0‹988
	250	**250,000**	**1**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

14- Provisions and impairment in assets

		Balance as at 1/4/2022 L.E.	No longer Required L.E.	Balance as at 31/3/2023 L.E.
14-1	Claims provision	657,258	-	657,258
		657,258	**-**	**657,258**
14-2	Impairment in investment in subsidiaries	59,755,135	(1,481,907)	58,273,228
14-3	Impairment in related parties	**59,755,135**	**(1,481,907)**	**58,273,228**

15- Credit balances

Particulars	31/3/2023 L.E.	31/3/2022 L.E.
Accrued expenses	55,000	61,381
Social insurance authority	3,016	1,367
	58,016	**62,748**

16- Tax position

a) Corporate Tax:

Years from commencement of operation till 31/3/2021

- The tax inspection has not been done for this period and no tax claims were received.

- The company submits declarations on legal dates.

b) Sales Tax:

Years from commencement of operation till 31/8/2013:

The tax inspection was done for this period and the company paid all the resulting differences.

Period from 1 September 2013 to 2021

- The tax inspection has not been done for this period.
- The company submits declarations on legal dates.

c) Value added tax

On 7 September 2016, value added tax law no. 67 of 2016 was issued, which superseded law no. 11 of 1991 of sales tax.

d) Payroll tax:

Years from commencement of operation till 31/03/2008:

The tax inspection was done for this period and the company paid all the resulting differences.

Years from 1/04/2008 till 2022

- The tax inspection has not yet been done for this period.
- The company submits declarations on legal dates.

e) Stamp duty tax:

Years from commencement till 31/3/2020:

The tax inspection was done for this period and the company paid all the resulting differences.

Years from 1/04/2020 till 31/3/2022

- The tax inspection has not been done for this period and no tax claims were received.

17- Financial instruments and management of risk related to them

Financial instruments are represented in the balances of cash and cash equivalent, due to/from affiliates and subsidiaries and other monetary items included in debtors and creditors accounts and the book value of these financial instruments represents a reasonable estimate of their fair values. Note No. (20) of the notes to the Separate Financial Statements includes the major accounting policies used in recording and measurement of the significant financial instruments and the related revenues and expenses.

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from trade receivables and other related undertakings. This risk is considered nil as there is no balances due from customers.

b) Foreign exchange risk

This risk is represented in the risk of fluctuation in exchange rates, which in turn affects the company's cash inflows and outflows as well as the translation of its monetary foreign currency assets and liabilities. As of the balance sheet date the company has monetary, foreign currency, assets and liabilities equivalent to No thing and L.E 53 955 488 respectively.

The net balances of foreign currencies at the balance sheet date are shown below:

Foreign Currency	**Deficit**
US Dollars	1,751,858

And as stated in note (20-1) "Foreign Currency Translation", the above-mentioned balances of monetary foreign currency assets and liabilities were translated using the prevailing exchange rate at the balance sheet date.

c) Interest risk

This risk is represented in the changes in interest rates which may influence the result of operations and the value of financial assets and liabilities. The company reduces this risk by settling the accrued liabilities to the banks whenever possible.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

d) Liquidity risk

Liquidity risk is represented in the inability of the company to settle its liabilities at its due date. The company's approach in liquidity management is to – whenever possible – assure that it has sufficient liquidity to settle its liabilities at their due date in normal and stressed conditions without bearing any unacceptable losses or damage the company's reputation. Company also assures the availability of the sufficient cash to face expected operating expenditures for a suitable period of time including the financial liabilities encumbrances, excluding from that the effects of severe circumstances that cannot be predicted reasonably as natural disasters.

The carrying amount of the following short-term financial liabilities represents the liquidity as at the balance sheet date is as follows:

	Book value	
	2023	**2022**
	L.E.	**L.E.**
Credit balances	58,016	62,748
Due to related parties	155,488,473	134,632,805
	155,546,489	**134,695,553**

18- Going Concern

The company achieved a net loss for the fiscal year ending on March 31, 2023, an amount of EGP 20 850 558. Thus, the accumulated losses on the same date amounted to EGP 154 592 625, exceeding half of the Paid in capital according to the company's last annual financial statements, amounting to EGP 227 155. Most of the company's liabilities are concentrated in the amount due to the parent company, which at the date of the balance sheet amounted to EGP 53 514 005 . The company's management relies on its continued practice of the activity on the support of the parent company. According to the Companies Law No. 159 of 1981, its implementing regulations, and the articles of association of the company, the company's management must invite the extraordinary general assembly to consider the liquidation or continuity of the company.

The financial statements are prepared on the assumption that the company will continue as a going concern in the foreseeable future.

19- Significant events

The Central Bank of Egypt decided, in its session held on October 27, 2022, to announce the application of a flexible exchange rate for pricing foreign exchange, provided that the buying and selling prices of currencies are determined in Egyptian pounds based on the conditions of supply and demand, and accordingly the exchange rate of the dollar and other foreign currencies began to rise in against the Egyptian pound, which led to an increase in the dollar exchange rate from 19.69 Egyptian pounds to about 23 Egyptian pounds at the end of October 27, 2022, and to an increase in the dollar exchange rate against the Egyptian pound until the end of the year to reach 24.7272 pounds. Egyptian at the end of December 31, 2022, which charged the gain / loss of the translation differences of balances in foreign currencies during the fiscal year ending on December 31, 2022.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

20- Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated Separate Financial Statements.

20-1 Foreign Currency

Foreign Currency Transaction

Transactions in foreign currencies are translated into the respective functional currencies of the company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognized in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective
- Qualifying cash flow hedges to the extent that the hedges are effective.

20-2 Revenue

- Revenue is recognized once the goods have 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.

20-3 Employees Benefits

- Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid 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.

20-4 Finance income and finance costs

The company's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- dividends on preference shares issued classified as financial liabilities;
- the net gain or loss on the disposal of available-for-sale financial assets;
- the net gain or loss on financial assets at fair value through profit or loss;
- the foreign currency gain or loss on financial assets and financial liabilities;
- the gain on the re-measurement to fair value of any pre-existing interest in an acquiree in a business combination;
- the fair value loss on contingent consideration classified as a financial liability;
- impairment losses recognized on financial assets (other than trade receivables);
- the net gain or loss on hedging instruments that are recognized in profit or loss; and
- the reclassification of net gains previously recognized in OCI.

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

20-5 Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the statement of income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

20-6 Fixed assets and depreciation

1-Recognition and measurement

Owned fixed assets held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less accumulated depreciation and accumulated impairment losses Note No. (20-9). Cost includes all costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets in the course of construction for production, rental or administration purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees as well as all directly attributable costs. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2-Subsequent expenditure

Expenditures incurred to replace a fixed asset or a component of an item of a fixed asset that is accounted for separately, including major inspection and overhaul expenditures are capitalized. Other subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the item of fixed asset. All other expenditures are recognized in the income statement as expenses when incurred.

3-Depreciation

Depreciable assets are depreciated using the straight- line method over the estimated useful life of each type of asset and recognized in profit or loss. land is not depreciated. The estimated useful lives of the assets for depreciation calculation are as follow:-

Asset	Years
Computer & software	2

Depreciation commences when the fixed asset is completed and made available for its intended use.

- Gains and losses on disposal of fixed assets are determined by comparing net disposal proceeds and the carrying amounts and are included in the statement of income.
- Leasehold improvements are depreciated according to the year of the lease contract or their productive life whichever is lower.

4- Construction contracts in progress

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Projects under construction are transferred to property, plant and equipment caption when they are completed and are ready for their intended use.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

20-7 Financial Instruments

Financial Instruments - initial recognition and subsequent measurement

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.

i) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12- months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at/air value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortized cost

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

20-8 Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with Egyptian Accounting Standard No.(24) “ Income Tax”.

20-9 Impairment

1) I-Financial assets

All impairment losses are recognized in statement of income. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred statement of income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in income statement. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

2) II-Non-financial assets

The carrying amounts of the Company’s non-financial assets, other than, 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 then the asset’s recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income statement.

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

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

20-10 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event and it is probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. The provisions balances are reviewed on a going basis at the reporting date to disclose the best estimation on the current period.

20-11 Legal reserve

As per the Company's statutes, 10% of the annual net profit is set aside to form a legal reserve; the transfer to such reserve ceases once it reaches 50% of the Company's issued share capital. If the reserve falls below 50%, the Company should resume setting aside 10% of its annual net profit. The reserve can be utilized in covering losses or increasing the Company's share capital.

20-12 Investments

- Investment in subsidiaries and associates are stated at cost and the book value is decreased in the event of permanent decline in the value of these investments. Each investment is valued individually.
- Held to maturity investment are valued at cost. Investment income is recognized when received, after the acquisition date.

20-13 Due from related parties , debtors and debit balances

Due from related parties , debtors and debit balances, that do not carry an interest are stated at cost less impairment losses for any amounts expected to be uncollectible.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

20-14 Cash and cash equivalents

The company considers all cash on hand, bank balances and time deposits with maturity less than three months as cash and cash equivalents.

20-15 Due to related parties ,creditors and credit balances

Due to related parties, creditors and credit balances are stated at their cost.

20-16 Cash flow statement

Cash flows statement is prepared using the indirect method For the purpose of preparing the statement of cash flows, the Company considers all cash, bank balances and time deposits with maturity less than three months as cash and cash equivalents.

20-17 Employees' retirements benefits

The Company contributes to government social insurance system in accordance with the Social Insurance Law No. 148 for 2019 as amended; the Company's obligations for contributions to this defined contribution pension plan are recognized as an expense in the income statement as incurred, the Company's obligation is confined to making such contribution.

20-18 Cash dividends

Dividends are recognized as a liability in the period it's declared.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

21- New issues and amendments issued to the Egyptian accounting standards (EAS).

On March 6, 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian Accounting Standards, the following is a summary of the most significant amendments:

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets " and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	1- These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets. - This resulted in amendment of the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, which are as follows: - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (49) "LeasingContracts" 2- In accordance with the amendments made to the Egyptian Accounting Standard No. (35) amended 2023 "Agriculture", paragraphs (3), (6) and (37) of Egyptian Accounting Standard No. (10) "Fixed assets " have been amended, and paragraphs 22(a), 80(c) and 80(d) have been added to the same standard, in relation to agricultural produce harvested.	Management is currently studying the possibility of changing the applied accounting policy and using the revaluation model option stated in those standards and assessing the potential impact on the financial statements in case of using this option.	The amendments of adding the option to use the revaluation model are effective for financial periods starting **on or after January 1, 2023, retrospectively,** cumulative impact of the preliminary applying of the revaluation model shall be **added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	- The Company is not required to disclose the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) for the current period, which is the period of the financial statements in which the Egyptian Accounting Standard No. (35) amended 2023 and Egyptian Accounting Standard No. (10) amended 2023 are applied for the first time in relation to agricultural produce harvested. However, the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) should be disclosed for each comparative period presented.	Management is currently assessing the potential impact on the financial statements from the application of amendments to the standard.	These amendments are effective for annual financial periods starting **on or after January 1, 2023, retrospectively,** cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this treatment for the first time**.
	- The company may elect to measure an agricultural produce harvested item at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the company have been applied the above-mentioned amendments for the first time and to use that fair value as its deemed cost on that date. Any difference between the previous carrying amount and the fair value in the opening balance should be recognized by adding it to the revaluation surplus account in equity at the beginning of the earliest period presented.		
Egyptian Accounting Standard No. (34) amended 2023 "Investment property"	1- This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property. 2- This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows: - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates"		

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	- Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting " - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations" - Egyptian Accounting Standard No. (49) "Leasing Contracts"		
Egyptian Accounting Standard No. (35) amended 2023 "Agriculture".	This standard was reissued in 2023, where paragraphs (1-5), (8), (24), and (44) were amended and paragraphs (5a) - (5c) and (63) were added, with respect to the accounting treatment of agricultural produce harvested, (Egyptian Accounting Standard (10) "Fixed assets " was amended accordingly).	Management is currently assessing the potential impact on the financial statements from the application of amendments to the standard.	These amendments are effective for annual financial periods starting **on or after January 1, 2023 retrospectively,** cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this treatment for the first time.**
Egyptian Accounting Standard No. (50) "Insurance Contracts".	1- This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully reflects those contracts. This information provides users of the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position, financial performance, and cash flow. 2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". 3- Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).	Management is currently evaluating the potential impact on the financial statements from the application of the standard.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting **on or after July 1, 2024,** and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the company should disclose that fact.

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	4- The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows: - Egyptian Accounting Standard No. (10) "Fixed Assets ". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) " Investment property ".		

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Binjit Kadakapcedlikayal Mr. Mohamed El-Arabi Ms. Marwa Hussein (representing MME) Mr. Ayman Sameh Zaki (representing MME) (until December 12, 2022) Mr. Noran ElBosseli (representing MME) (appointed w.e.f. December 12, 2022)
REGISTERED OFFICE	Unit No. 31, 3rd Floor, Tower No. 4, Bavaria Town - Plot 10 A, Katameya Investment Area, Ring Road, El Basateen, Cairo
AUDITORS	KPMG Hazem Hassan
BANKERS	HSBC QNB Al-Ahly CIB Egypt Misr Bank
LEGAL ADVISORS	Yasser Maharem Office for Accounting & Auditing Nassef Law Firm

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Marico Egypt For Industries (An Egyptian Joint Stock Company)

Report on the Financial Statements

We have audited the accompanying financial statements of Marico Egypt For Industries

-An Egyptian Joint Stock Company - which comprise the financial position as at 31 March 2023, and the statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies applied as declared in Note (19) from other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standards no.(19) and in the light of the prevailing Egyptian laws, management 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; management responsibility also includes 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 Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 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 on the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marico Egypt For Industries as of 31 March 2023 and its financial performance and its cash flows for the year then ended in accordance with the Accounting Policies described in note 19.

Emphasis of matter

Without qualifying our opinion. As explained in note No (18) of the notes to the financial statement which indicate that the company incurred the combined losses on March 31, 2023 amounted to 20 062 872 Egyptian pounds, which exceeds half of the equity according to the company's latest annual financial statements The amount of 8,614,669

INDEPENDENT AUDITOR'S REPORT

Egyptian pounds. Also The company's activity has been transferred to a Associate company and the nature of its activity has been reconsidered, restructuring or adding a new activity to it, and accordingly it has stopped the activity at the present time. The company is not going in the near future and accordingly the financial statements have been prepared in accordance with the accounting policies.

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KPMG Hazem Hussan

Cairo 20 June 2023.

Public Accountants and Cunsultants

STATEMENT OF FINANCIAL POSITION

As at 31 March, 2023

	Notes No.	As at March 31, 2023 L.E.	2022 L.E.
Assets			
Current assets			
Debit balances	(19-2),(10)	467 473	467 473
Cash and cash equivalents	(19-12)،(12)	20 614	13 338
Current assets		**488 087**	**480 811**
Total Assets		**488 087**	**480 811**
Equity			
Issued & paid-up capital	(13)	12 287 690	12 287 690
Legal reserve	(19-13)	4 941 647	4 941 647
Retained losses		(20 062 872)	(21 478 655)
Total equity		**(2 833 535)**	**(4 249 318)**
Liabilities			
Current liabilities			
Trade & Other Payable	(19-7),(15)	77 256	240 471
Provisions	(19-3),(14)	3 244 366	4 489 658
Total current liabilities		**3 321 622**	**4 730 129**
Total liabilities		**3 321 622**	**4 730 129**
Total equity and liabilities		**488 087**	**480 811**

The accompanying notes from page (8) to page (22) form an integral part of these financial statements.

Head of Finance	**Chairman**
Mohamed El-Arabi	**Binjit Kumar Kadakapcedlikayal**

INCOME STATEMENT

For the financial year ended 31 March, 2023

Particulars	Notes No	For the year ended March 31, 2023 L.E.	2022 L.E.
Other income	(3)	2 571 604	329 776
General & Administrative expenses	(4)	(155 041)	(291 887)
Other expenses	(5)	(1 001 767)	-
Operating profit/(loss)		**1 414 796**	**37 889**
Finance income	(6),(19-14)	987	199
Net finance income		**987**	**199**
Net income after tax		**1 415 783**	**38 088**
Profits / (loss)es per share	(19-11),(8)	**1.15**	**0.03**

The accompanying notes from page (8) to page (22) form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March, 2023

Particulars	2023 LE	2022 LE
Net loss after tax	1 415 783	38 088
Comprehensive income items:		
Other comprehensive income items	-	-
Total Comprehensive Profit for the year	**1 415 783**	**38 088**

The accompanying notes from page (8) to page (22) form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March, 2023

Description	Issued & paid-in- capital LE	Legal reserve LE	Retained Losses LE	Total LE
Balance as of 1 April 2021	**12 287 690**	**4 941 647**	**(21 516 743)**	**(4 287 406)**
Comprehensive Income				
Net loss for the period	-	-	38 088	38 088
Other comprehensive income items	-	-	-	-
Total comprehensive income			**38 088**	**38 088**
Total transactions with shareholders				
Balance as of 31 March 2022	**12 287 690**	**4 941 647**	**(21 478 655)**	**(4 249 318)**
Balance as of 1 April 2022	**12 287 690**	**4 941 647**	**(21 478 655)**	**(4 249 318)**
Comprehensive Income				
Net income / loss for the year	-	-	1 415 783	1 415 783
Other comprehensive income items	**-**	**-**	-	-
Total comprehensive income	**-**	**-**	**1 415 783**	**1 415 783**
Total transactions with shareholders				
Balance as of 31 march 2023	**12 287 690**	**4 941 647**	**(20 062 872)**	**(2 833 535)**

The accompanying notes from page (8) to page (22) form an integral part of these financial statements.

STATEMENT OF CASH FLOW

For the financial year ended 31 March, 2023

Particulars	Notes No	Year ended March 31, 2023 EGP	2022 EGP
Cash Flows From Operating Activities :			
Net Income after tax		1 415 783	38 088
Adjustments for:			
Provisions no longer required / fomed	(14)	(1 245 292)	(22 377)
		170 491	**15 711**
Changes In:			
Trade and other receivables		-	2 156
Trade and other payables		(163 215)	2 720
Net cash from/ (used in) operating activities		**7 276**	**20 587**
Cash Flows From Financing Activities			
Payments to bank overdraft		-	(17 600)
Net cash used in financing activities		**-**	**(17 600)**
Net change in cash and cash equivalents		7 276	2 987
Cash and cash equivalents at the beginning of the year	(12),(19 -12)	13 338	10 351
Cash and cash equivalents at the end of the year	**(12),(19 -12)**	**20 614**	**13 338**

The accompanying notes from page (8) to page (22) form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

1- General

1-1 Company's background

- "Pyramids for modern Industries 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.
- On 17/12/2006, the contract of the company was approved to amend the articles No (2), (5), (7) which was ratified in public notary office under ratification No 25/A for year 2007, and the chairman of the General Authority of Investment decree No 61/E of year 2007 to change the name of the company to Mel for Consumer Care products & its partners "Pyramids modern Industries" (PMI) and changing the legal entity of the company to general partnership.
- According to the decision of the partners meeting which was held on 29/11/2007 for approving the changing of the legal status of the company from general partnership Co to joint stock according to the law No 8 year 1997.
- On 1/6/2008, the partners meeting approved the resolution of the Chairman of the General Authority For Investment No. 1646/4 for year 2006 that resulted of company's net equity amounted to L.E. 12 287 690 as of 31/12/2007, approving the changing of the legal status of the company from general partnership Co to joint stock according to the law No 8 year 1997, and changing the company's name to Marico Egypt for Industries Company (S.A.E).
- On 3/11/2008, the Chairman of the General Authority For Investment decree No 532/2 of year 2008 approved the amendments related to the contract.

1-2 Purpose of the Company

General trade in all legally permitted, manufacturing for others and export and import. The company adheres to the regulations of Law No. 121 of 1982 of the importers 'register. The establishment of the company does not create any right to practice its purpose except after obtaining the necessary licenses to practice its activity from the concerned authorities according to the laws regulating for this purpose, without breach the law, and its executive regulations, and with the necessary licenses to practice these activities, and the company may participate in any way with the companies and others that carry out activities similar to its business or that may help it to achieve its purpose in Egypt or abroad, and it may also merge with it or buy it or join it; and that's is according to law and its executive regulations.

1-3 The Company's duration

– The period of the company is 25 years starting from 26/2/1998 till 25/2/2023.

1-4 Company's location

– The company is located at plot no. 6004, 6005 6th industrial zone – Sadat district – Menoufia. The extraordinary general assembly decided to transfer the location of the company to plot No. 3 – 23 Abdelrahman ST – Sheraton – Nozha –Cairo. This was indicated in the commercial register.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

– The address has been modified and has been referred to in the Commercial Registry to Unit No. 31, 3rd Floor, Tower No. 4 Bavaria Town - Plot 10 A - Katameya Investment Area - Ring Road - El Basateen - Cairo.

2. Basis of preparation

2-1 Statement of compliance

These financial statements have been prepared in accordance with Accounting Policies Described in note 19.

These financial statements were authorized by the board of directors for issue on May 9, 2022.

2-2 Basis of measurement

These financial statements have been prepared on historical cost basis

2-3 Function and presentation currency

These financial statements are presented in Egyptian pound (LE), which is the Company's functional currency.

2-4 Use of estimates and judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's 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 estimates are recognised prospectively.

A. Judgements

Information about judgements in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 March 2023 is included in the following notes.

Note (19-8)	Income tax
Note (19-3)	Provisions
Note (19-4)	Impairment of assets

(i) ***Measurement of Fair Value***

The financial statements have been prepared on the historical cost basis except for a number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities,

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of EAS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's audit committee.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1:	quoted prices (unadjusted) in active markets for identical assets or 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 inputs).

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

The Company 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 notes:

Note (19-6)	Financial instruments

3- Other income

Particulars		2023 L.E	2022 L.E
Provision reverse		1,246,560	-
Impairment in related parties	(11)	1,325,044	311, 671
Others		-	18,105
		2, 571, 604	**329,776**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

4- General and administrative expenses

Particulars	2023 L.E.	2022 L.E.
Salaries and wages	7,258	119,102
Consulting and governmental services	102,936	135,781
Other expenses	44,847	37,004
	155,041	**291,887**

5- Other expenses

Particulars	2023 L.E.	2022 L.E.
Tax difference	1,000,500	-
Provisions formed during the year	1,267	-
	1,001,767	**-**

6- Finance income

Particulars	2023 L.E.	2022 L.E.
Foreign currency exchange gain	987	199
	987	**199**

7- Income Tax

7-1 Reconciliation of effective tax rate

Particulars	Tax Rate	2023 L.E.	Tax Rate	2022 L.E.
Net Income before income tax	22.5%	**1 415 784**	22.5%	38 088
Income tax on accounting profit		318 552		8 570
Unrecognized tax losses		315 359		61 556
Provisions & impairments		(689 633)		(70 126)
Other		(222)		-
Income tax / effective tax rate	**% 0**	**-**	**% 100**	**-**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

8- Profit / (Losses) per share

The company present the basic earning or losses per share for its ordinary shares. the earning per share calculated by dividing the gain or (loss) of the company after deducting the Employee's share profit and BOD remuneration over the weighted average for the ordinary shares numbers during the year.

Particulars	2023 L.E.	2022 L.E.
Net Income/(losses) for the year (L.E.)	1,415,784	38,088
	1, 415, 784	38,088
Weighted average for the ordinary shares numbers	**1, 228,769**	769,228,1
Net Profit per share (L.E. / Share)	**1.15**	0.03

9- Unrecognized deferred tax assets

Particulars	2023 EGP	2022 EGP
Claims provision	729,982	1,010,173
Retained tax	2,609,354	2,293,995
Impairment loss on related parties	22,944,255	23 242 390
	26,283,591	**26,546,558**

Deferred tax assets have not been recognized in respect of these items because there is no sufficient certainties that the company can utilize the benefits therefrom.

10- Debit Balances

Particulars	2023 EGP	2022 EGP
Tax authority – withholding tax	463,715	463,715
Employees' imprest funds	3,758	3,758
	467,473	**467,473**

11- Related parties transactions

The company deals with related parties represented in associate companies, shareholders and entities owned by shareholders (affiliate companies).

A summary of significant transactions with related parties during 2023 is as follows:-

Related party	Country	Type of transactions	Significant transactions during the year 2022 L.E.	Significant transactions during the year 2021 L.E.
- MEL Company Egypt	- Egypt	- Others	(1,325,044)	(311,671)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

Those transactions resulted in the following balances as at March 31, 2023:

A) Due from related parties:

Particulars	31/3/2023 LE	31/3/2022 LE
MEL Consumer Care Company- Egypt	101,974,468	103,299,512
Less:		
Impairment loss on related parties	(101,974,468)	(103,299,512)
	-	-

12- Cash and cash equivalents

Particulars	31/3/2023 L.E.	31/3/2022 L.E.
Banks - current accounts	20,614	13,338
	20,614	**13,338**

13- Share capital

A. The authorized capital of the company is L.E. 20 million.

B. The issued and fully paid capital of the company is L.E. 12 287 690 Egyptian pounds represented in 1 228 769 shares, at par value L.E. 10.

- The share capital is presented as the following :

Name	No. of Shares	Share Value L.E.
- MEL For Consumer Care Products S.A.E	1, 216,481	12,164,810
- Mr. Padmanabh Suresh Maydeo	6,144	61,440
- Mr. Binjit Kumar Kadakapcedlikayal	6,144	61,440
Total	**1,228,769**	**12,287,690**

The percentage of Egyptian shareholder share is 99 %

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

14- Provisions and impairment in assets and allowance for inventory

	Balance as at 1/4/2022 L.E.	Provision no longer required L.E.	Provisions formed L.E.	Balance as at 31/3/2023 L.E.
Claims provision	4,443,609	(1,246,559)	1,267	3,198,317
Others provision	46,049	-	-	46,049
	4,489,658	**(1,246,559)**	**1,267**	**3,244,366**
Impairment loss on related parties	**103,299,512**	**(1,325,044)**	**-**	**101,974,468**

15- Trade and other payables

Particulars	**31/3/2023 L.E.**	**31/3/2022 L.E.**
Suppliers	17,600	17,100
others	55,161	53,938
Salaries & bonus of expats	-	166,819
Social insurance authority	4,495	2,614
	77 256	**240,471**

16- Tax position

a) Corporate Tax:

The company has tax exemption from 1 January 2007 till 31 December 2016 according to the company's tax card.

The company is submitting tax returns regularly on the legal dates.

Y**ears from commencement of operation till 2008**

The company wasn't inspected for those years.

Years from 2009 till 2010:

The company was estimated to be inspected and books and re-inspected.

Years from 2011 till 2016:

The company was inspected and resulted with differences and the company paid all the resulting differences.

Years from 2017 till 2022:

The company wasn't inspected for those years.

b) Value added Tax:

Years from commencement of operation till 2015:

The tax inspection was done for this period and the company paid all the resulting differences and final settlement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

Period from 2016 till 2022:

The tax inspection has not yet been done for this period and no tax claims were received.

The company is submitting the VAT returns regularly on the legal dates.

c) Payroll tax:

Years from commencement of operation till 2012:

The tax inspection was done for this period and the company paid all the resulting differences and final settlement.

Years from 2013 till 2020

The company is under inspection and no tax claims were received till that date.

The company is submitting the payroll tax regularly on the legal dates.

Years from 1/1/2020 till 31/3/2022

The tax inspection has not yet been done for this period and no tax claims were received.

d) Stamp duty tax:

Years from commencement till 31/3/2019:

The tax inspection was done, and the company paid all the resulting differences.

Year 2020 till 2022:

The company wasn’t inspected for this year.

The company is submitting the tax according to the established form.

e) Withholding tax:

The company is submitting forms No. (41) regularly on the legal dates.

Years from commencement till 31/12/2017:

The inspection was completed from inception till 31/12/2017, and the company paid all the resulting differences.

Years from 2018 till 2022:

The tax inspection has not yet been done for these years and no tax claims were received.

17- Financial instruments and management of risk related to them

Financial instruments are represented in the balances of cash and cash equivalent, trade & notes receivables, trade and notes payable, due to/from affiliates and subsidiaries and other monetary items included in debtors and creditors accounts and the book value of these financial instruments represents a reasonable estimate of their fair values. Note No. (19) of the notes to the financial statements includes the major accounting policies used in recording and measurement of the significant financial instruments and the related revenues and expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

A) Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from trade receivables and other related undertakings. This risk is considered nil as there is no balances due from customers.

B) Foreign exchange risk

This risk is represented in the risk of fluctuation in exchange rates, which in turn affects the company's cash inflows and outflows as well as the translation of its monetary foreign currency assets and liabilities. As of the balance sheet date the company has monetary, foreign currency, assets and liabilities equivalent to L.E. 2,416 and nil respectively.

The net balances of foreign currencies at the balance sheet date are shown below:

Foreign Currency	Surplus
GBP	79

And as stated in note (19-1) "Foreign Currency Translation", the above mentioned balances of monetary foreign currency assets and liabilities were translated using the prevailing exchange rate at the balance sheet date.

C) Interest risk

This risk is represented in the changes in interest rates which may influence the result of operations and the value of financial assets and liabilities. The company reduces this risk by settling the accrued liabilities to the banks whenever possible.

D) Liquidity risk

Liquidity risk is represented in the inability of the company to settle its liabilities at its due date. The company's approach in liquidity management is to – whenever possible – assure that it has sufficient liquidity to settle its liabilities at their due date in normal and stressed conditions without bearing any unacceptable losses or damage the company's reputation. Company also assures the availability of the sufficient cash to face expected operating expenditures for a suitable period of time including the financial liabilities encumbrances, excluding from that the effects of severe circumstances that cannot be predicted reasonably as natural disasters.

The carrying amount of the following short term financial liabilities represents the liquidity as at the balance sheet date is as follows:

Particulars	Book Value 31/03/2023 L.E.	Book Value 31/03/2022 L.E.
Trade and other creditors	77, 256	240,471
	77, 256	**240,471**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

18- Going concern

The company achieved a net profit for the fiscal year ending on March 31, 2023, an amount of EGP 1 415 783 Thus, the accumulated losses on the same date amounted to EGP 20 062 872, exceeding half of the Paid in capital according to the company's last annual financial statements, amounting to EGP 8 614 669. The company's activity has also been transferred to a another entity of the group and the nature of its activity has been reconsidered, restructuring or adding a new activity to it, and these matters indicate a Significant doubt in the company's ability to continue its activity. The company's management is currently studying the various alternatives available for the company's activity. Therefore, the attached financial statements have been prepared assuming that the company will not continue in the near future. Accordingly, the financial statements were prepared in accordance with the applicable accounting policies Mentioned in Note No. (19) of the notes to the financial statements.

19- Significant accounting policies

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

19-1 Foreign Currency

Foreign Currency Transaction

Transactions in foreign currencies are translated into the respective functional currencies of the company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

19-2 Trade receivables, notes receivables, debtors and other debit balances

Trade receivables, and debtors & other debit accounts are primary stated at their fair value plus direct transaction cost and subsequently measured by depreciated cost using the actual interest rate and reduced by estimated impairment losses from its value.

19-3 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event and it is probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. The provisions balances are reviewed on a going basis at the reporting date to disclose the best estimation on the current period.

19-4 Impairment of assets

I. Non-financial assets

The carrying amounts of the Company's non-financial assets, other than, 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 then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income statement.

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

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

19-5 Expenses

Operating expenses including general & administrative expenses recognized as an expense in the income statement as incurred.

19-6 Financial Instruments

Financial Instruments - initial recognition and subsequent measurement

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.

i) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCl are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12- months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at/air value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortized cost

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

19-7 Trade payable, notes payable, social &other credit balance

Trade payables and accruals are recognized initially at fair value and subsequently measured by depreciated cost using the actual interest rate".

19-8 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the statement of income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized

19-9 Employees Retirement Benefit

The Company contributes to government social insurance system in accordance with the Social Insurance Law No. 79 for 1975 as amended; the Company's obligations for contributions to this defined contribution pension plan are recognized as an expense in the income statement as incurred, the Company's obligation is confined to making such contribution

19-10 Dividends

Dividends are recognized as a liability in the period in which they are declared.

19-11 Earning and losses per share

the earning and losses per share calculated by dividing the gain or (loss) of the company after deducting the Employee's share profit and BOD remuneration over the weighted average for the ordinary shares numbers during the year

19-12 Statement of Cash flows

Cash flows statement is prepared using the indirect method. For the purpose of preparing the statement of cash flows, the Company considers all cash, bank balances and time deposits with maturity less than three months as cash and cash equivalents.

19-13 Legal reserve

As per the Company's statutes, 5% of the annual net profit is set aside to form a legal reserve; the transfer to such reserve ceases once it reaches 50% of the Company's issued share capital. If the reserve falls below 50%, the Company should resume setting aside 5% of its annual net profit. The reserve can be utilized in covering losses or increasing the Company's share capital.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

19-14 Finance income and finance costs

The company's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- dividends on preference shares issued classified as financial liabilities;
- the net gain or loss on the disposal of available-for-sale financial assets;
- the net gain or loss on financial assets at fair value through profit or loss;
- the foreign currency gain or loss on financial assets and financial liabilities;
- the gain on the re-measurement to fair value of any pre-existing interest in an acquiree in a business combination;
- the fair value loss on contingent consideration classified as a financial liability;
- impairment losses recognized on financial assets (other than trade receivables);
- the net gain or loss on hedging instruments that are recognized in profit or loss; and
- the reclassification of net gains previously recognized in OCI.

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

20- Reclassification of comparative balances

Particulars	31/12/2022 Before Adj	31/12/2022 After Adj
Statement of financial position		
Provisions	3,952,730	4,489,658
suppliers & other credit balances	777,399	240,471

21- Significant Events

The Central Bank of Egypt decided, in its session held on October 27, 2022, to announce the application of a flexible exchange rate for pricing foreign exchange, provided that the buying and selling prices of currencies are determined in Egyptian pounds based on the conditions of supply and demand, and accordingly the exchange rate of the dollar and other foreign currencies began to rise in against the Egyptian pound, which led to an increase in the dollar exchange rate from 19.69 Egyptian pounds to about 23 Egyptian pounds at the end of October 27, 2022, and to an increase in the dollar exchange rate against the Egyptian pound until the end of the year to reach 30.799 pounds. Egyptian at the end of March 31, 2023, which charged the gain / loss of the translation differences of balances in foreign currencies during the fiscal year ending on March 31, 2023

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Binjit Kadakapcedlikayal Mr. Mohamed El-Arabi Ms. Marwa Hussein (representing MME) Mr. Ayman Sameh Zaki (representing MME) (until December 12, 2022) Mr. Noran ElBosseli (representing MME) (appointed w.e.f. December 12, 2022)
REGISTERED OFFICE	Unit No. 31, 3rd Floor, Tower No. 4, Bavaria Town, Plot 10 A, Katameya Investment Area, Ring Road, El Basateen, Cairo.
AUDITORS	KPMG Hazem Hassan
BANKERS	HSBC QNB Al-Ahly
LEGAL ADVISORS	Yasser Maharem Office for Accounting & Auditing, Nassef Law Firm

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Marico for Consumer Care Products

Report on the financial statement

We have audited the accompanying financial statements of Marico for Consumer Care Products S.A.E., which comprise the statement of financial position as at March 31, 2023, the statements of income, comprehensive income, changes in shareholders' equity and cash flows for the financial 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. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes 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 Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 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 on the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marico for Consumer Care Products S.A.E. as at March 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these financial statements.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company; the financial statements are in agreement thereto. The Company maintains proper costing accounts and the inventory was counted by management in accordance with methods in practice.

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company; the financial statements are in agreement thereto. The Company maintains proper costing accounts and the inventory was counted by management in accordance with methods in practice.

As explained in note No. (30) of the notes to the financial statements which indicate that the company incurred net loss amounted to LE 26 996 389 for the year ended March 31, 2023, and cumulative losses reached to L.E 102 732 376 as of March 31, 2023 which exceeded the half of the company's equity amounting to LE 77 236 479. In such cases the Egyptian companies law No. 159 for 1981 and its executive regulations and the company's Article of Incorporation requires the company's management should promptly convoke the Extra-Ordinary Meeting for consideration of the dissolution of the company or its continuance.

The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulation, is in agreement with the Company's books of account.

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KPMG Hazem Hassan

Cairo, June 15,2023

Public Accountants & Consultants

STATEMENT OF FINANCIAL POSITION

As at 31 March,2023

Particulars	Notes No.	2023 L.E.	2022 L.E.
Non current assets			
Fixed assets (Net)	(31-7,14)	15,421,876	15,417,730
Rights of use (Net)	(31-9,15)	2,555,438	4,235,111
Intangible assets	(31-8,16)	10,125	27,785
Projects under implementation		4,547,704	-
Deferred tax assets	(5-31, 13A)	809,844	-
Debit balances		240,000	420,000
Total Non current assets		**23,584,987**	**20,100,626**
Current assets			
Inventories	(31-6,17)	42,632,257	32,285,728
Trade and other receivables	(31-16,18)	35,135,251	22,586,163
Prepayments	(31-16,19)	4,381,529	3,880,703
Investments held to maturity	(31-2,21)	8,789,977	20,130,104
Cash and cash equivalents	(31-17,22)	37,740,419	5,672,804
Total current assets		**128,679,433**	**84,555,502**
Total Assets		**152,264,420**	**104,656,128**
Shareholders' Equity			
Issued & paid-up capital	(23)	14,453,300	14,453,300
Reserves	(31-15)	19,658	19,658
Retained (losses)		(102,732,376)	(75,735,987)
Total shareholders' Equity		**(88,259,418)**	**(61,263,029)**
Working Capital		**-**	**-**
Total Investment		**-**	**-**
Liabilites			
Non current Liabilities			
Operating lease liabilities	(31-13,25)	1,379,943	3,471,050
Deferred Tax liabilites	(31-5,13A)	-	683,601
due to related parties		49,412,943	28,967,338
Total Non current Liabilities		**50,792,886**	**33,121,989**
Current lliabilites			
Lease liabilities	(31-13,25)	2,090,083	1,877,540
Banks overdraft	(26)	5,483,713	7,994,898
Trade and other payables	(31-18,27)	47,942,315	49,593,305
Due to related parties	(31-18,20A)	123,200,106	61,076,203
Provisions	(31-14,24)	11,014,735	12,255,222
Total current liabilities		**189,730,952**	**132,797,168**
Total liabilities		**240,523,838**	**165,919,157**
Total equity and liabilities		**152,264,420**	**104,656,128**

The accompanying disclosures from (1) to (34) form an integral part of these financial statements.

Auditor's report attached

Head of Finance	**Chairman**
Mohamed El-Arabi	**Binjit kumar kadakapcedlikayal**

INCOME STATEMENT

For the financial year ended 31 March, 2023

	Notes No.	2023 L.E.	2022 L.E.
Revenues	(3), (31-2)	212,677,698	168,862,742
Less			
Cost of sales	(4)	149,681,567	109,651,475
Gross profit of activity		**62,996,031**	**59,211,267**
Other income	(5)	5,701,428	558,840
Selling & distribution expenses	(6)	(40,497,980)	(37,272,171)
General & administrative expenses	(7)	(16,525,485)	(14,490,200)
Other expenses	(8)	(4,846,029)	(5,102,247)
Operating profit		**6,827,965**	**2,905,489**
Finance income	(9), (31-4)	3,894,696	2,996,098
Finance cost	(10), (31-4)	(38,436,375)	(5,666,296)
Net finance income / (cost)		**(34,541,679)**	**(2,670,198)**
(Loss) before tax		**(27,713,714)**	**235,291**
Income tax expense	**(31-5,11)**	**717,325**	**(362,091)**
(Loss) for the year		**(26,996,389)**	**(126,800)**
losses per share for the year	(12)	**(18.68)**	(0.09)

The accompanying disclosures from (1) to (34) form an integral part of these financial statements.

Auditor's report attached

Head of Finance	**Chairman**
Mohamed El-Arabi	**Binjit kumar kadakapcedlikayal**

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March, 2023

Particulars	2023 L.E.	2022 L.E.
Net (losses) profits for the year	(26,996,389)	(126,800)
Comprehensive Income items:		
Other comprehensive income items	-	-
Total Comprehensive (loss) /Profit for the year	**(26,996,389)**	(126,800)

The accompanying disclosures from (1) to (34) form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March, 2023

Particular	Issued & paid in capital EGP	Genral reserve EGP	Retained earnings EGP	Total EGP
Balance as at 1 April 2021	14,453,300	19,658	(75,609,187)	(61,136,229)
Comprehensive income				
Net loss for the year 2021	-	-	(126,800)	(126,800)
Other comprehensive income items	-	-	-	-
Total comprehensive income	**-**	**-**	**(126,800)**	**(126,800)**
Balance as at 31 March 2022	**14,453,300**	**19,658**	**(75,735,987)**	**(61,263,029)**
Transactions with shareholders				
Total transactions with shareholders	**-**	**-**	**-**	**-**
Balance as at 31 March 2022	**14,453,300**	**19,658**	**(75,735,987)**	**(61,263,029)**
Balance as at 1 April 2022	14,453,300	19,658	(75,735,987)	(61,263,029)
Comprehensive income				
Net (loss) for the year 2022	-	-	(26,996,389)	(26,996,389)
Other comprehensive income	-	-		
Total comprehensive income	**-**	**-**	**(26,996,389)**	**(26,996,389)**
Transactions with shareholders				
Total transactions with shareholders	**-**	**-**	**-**	**-**
Balance as at 31 March 2023	**14,453,300**	**19,658**	**(102,732,376)**	**(88,259,418)**

The accompanying disclosures from (1) to (34) form an integral part of these financial statements.

STATEMENT OF CASH FLOW

For the financial year ended 31 March, 2023

	Notes No	2023 L.E.	2022 L.E.
<u>Cash Flows From Operating Activities :</u>			
Net (loss) profit for the year		(27 713 714)	235 291
<u>Adjustments for:</u>			
Fixed assets depreciation	(14)	3 212 953	3 867 512
Intangible assets amortization	(16)	17 660	12 516
Rights of use amprtization	(15)	1 679 673	1 679 673
Capital losses/(gain)		(15 778)	-
Refund Liability	(3)	1 802 107	1 598 076
Customer rebates	(27)	9 910 675	5 404 527
Claims provision	(24)	4 846 029	5 102 247
Provisions no longer required		(4 819 238)	-
Write-down/ (Reversal of write-down) on inventories	(24)	2 418 266	829 911
Return on treasury bills		(442 879)	-
operating lease debit interest		547 035	744 984
Other income		-	(151 604)
<u>Changes In</u>			
Inventories		(12 306 087)	(18 557 505)
Used from Write-down of inventories	(24)	(458 708)	(170 547)
Trade and other receivables		(12 802 969)	(6 325 356)
Prepayments		(2 969 220)	(1 254 033)
Trade and other payables		(14 139 892)	(1 619 418)
Related parties		82 569 508	4 457 503
Provisions used	(24)	(1 267 278)	(1 412 930)
Cash provided by (used in) operating activities		**30 068 143**	**(5 559 153)**
<u>Cash Flows From Investing Activities :</u>			
Payments for purchase of fixed assets,Intangible assets and projects under construction		(7 764 804)	(1 556 777)
Proceeds from fixed assets		15 778	
Proceeds from investments held to maturity		20 130 104	26 115 592
Payments for purchase of investments held to maturity		(25 029 840)	(20 123 770)
Net cash (used in) provided by in investing activities		**(12 648 762)**	**4 435 045**
<u>Cash Flows From Financing Activities</u>			
Finance lease payments		(2 425 599)	(2 266 919)
Payments for / proceeds from bank overdraft		(2 511 185)	7 951 289
Net cash provided by (used in) financing activities		**(4 936 784)**	**5 684 370**
Net change in cash and cash equivalents		**12 482 597**	**4 560 262**
Cash and cash equivalents at the beginning of the year	(31-17,22)	**5 672 804**	**1 112 542**
Cash and cash equivalents at the end of the year	(31-17,22)	**18 155 401**	**5 672 804**

The accompanying Disclosures from (1) to (34) form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

1. General

1.1 Company's background

The company was incorporated according to the law No (8) year 1997 of investment guarantees and its executive regulations and was registered in the commercial register under No (114) on 16/5/2005 and issued tax card No 250/93/5 in tax investment office under the name "Naeema Abdu Mohamed Matter and partner (Limited Partnership Company).

The contract of the company was amended by leaving partners and entering others according to the general authority of investment and free zones chairman decree No 1160/E year 2007 which approved to amend the articles No(2),(5),(7) from company's contract according to the decision of the partners meeting which was held on 19/7/2007 and the approving of the amendment project dated 22/7/2007 which was ratified in Heliopolis notary office under ratification No 4002/E year 2007 dated 24/7/2007 to change the name of the company to Wind Co.(MEL Consumer Care & Partners Wind)" Partnership company.

According to the decision of the partners meeting which was held on 20/7/2016 for approving the changing of the legal status of the company from Partnership company to joint stock company using the book value of the assets and liabilities as of 31/12/2015.

On 30 October 2017, the partners meeting approved the change of the legal status of the company from general partnership company to joint stock company as per the resolution No 4/525 for year 2016, and the resolution of the Chairman of the General Authority For Investment No. 72 for the year 2017 that resulted in the company's net equity amounted to L.E. 14 453 300 as of 31/12/2015.

On 18 December 2017 the company was registered in the commercial register under No 31640 and changing the name of the company to Marico for Consumer Care Company (S.A.E).

1.2 Purpose of the Company

Establishing and operating factory for the manufacture, treatment and extraction of all kinds of oil, detergents and all kinds of cosmetics including perfumes, gill and shampoo.

1.3 The Company's duration

The period of the company is 25 years starting from 10/4/2008 till 9/4/2033.

1.4 Company's location

The main building of the company is located at plot No 6004, 6005 Six Industrial settlement – Sadat – Monofya.

The main branch of the company is located at unit No 31 – third floor – tower 4 Bavaria town – plot 94A – kattameya investment district- ring road – El-Basaten

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Egyptian Accounting Standard and relevant Egyptian laws and regulations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

These financial statements were authorized by the board of directors for issue on May 9, 2022.

2.2 Basis of measurement

These financial statements have been prepared on historical cost basis.

2.3 Function and presentation currency

These financial statements are presented in Egyptian pound (LE), which is the Company's functional currency.

2.4 Use of estimates and judgments

The preparation of the financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that may affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

- The estimates and underlying assumptions are reviewed on an ongoing basis.
- Revisions to accounting estimates are recognized in the year in which the estimate is revised, if the revision affects the year under revision and future periods, these differences are recognized only in the year under revision and future periods.

Measurement of Fair Value

- The fair value of The financial instruments measured based on The market value of The financial instrument or similar financial instrument on The date of The financial statements without deducting any evaluated future cost of sales. The financial assets value measured based on The current purchase price of these assets, while The value of The financial liabilities measured based on The current prices that these liabilities could be settled.
- In The absence of an active market to determine The fair value of The financial instruments, The fair value is estimated using various valuation techniques considering The prices of recent transactions occurred, and according to The current fair value of other similar instruments substantially – The discounted cash flows – or any other ways for evaluation, resulting In values that can rely on.
- When using The discounted cash flows as a measurement technique, The future cash flows are evaluated based on The best estimates of management. Used discounted rates is evaluated In The light of The prevailing market price at The date of The financial statements for similar financial instruments In nature and conditions

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March, 2023

3. Revenues

Particulars	2023 L.E.	2022 L.E.
Domestic sales	341,984,868	283,796,124
Exports sales	8,795,169	6,681,382
Intercompany sales	521,638	642,823
Commission sales	265,377	
Less:		
Sales discount	(140,691,561)	(120,659,511)
Return of sales provision	1,802,107	(1,598,076)
	212,677,598	**168,862,742**

4. Cost of sales

Particulars	2023 L.E.	2022 L.E.
Raw materials & packing	117,787,325	96,351,524
The cost of purchasing a finished product	2,108,749	
Depreciation	2,909,465	3,452,892
Salaries and wages	5,488,130	4,374,484
Out sourcing labor	8,944,702	7,514,467
Other manufacturing cost	3,892,350	3,473,719
Others expenses	3,860,528	4,083,614
	144,991,249	**119,250,700**
Change in finsh goods and work in progress inventory	4,690,318	(9,599,225)
	149,681,567	**109,651,475**

5. Other income

Particulars	2023 L.E.	2022 L.E.
Reversal of impairment in fixed assets	15,778	
Reversal of provisions no longer required	4,819,239	
Scrap sales	866,411	407,236
Others		151,604
	5,701,428	**558,840**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

6. Selling and distribution expenses

Particulars	2023 L.E.	2022 L.E.
Salaries and wages	7,372,750	4,738,626
Advertising and marketing expense	17,539,139	24,474,147
Agency Commissions	7,933,542	2,141,133
Transportation and freight	2,940,835	2,879,802
Other expenses	3,465,255	3,038,463
	39,251,521	**37,272,171**

7. General and administrative expenses

Particulars	2023 L.E.	2022 L.E.
Salaries and wages	5,653,748	5,741,985
Travel expenses	363,631	114,477
Consulting services	4,941,790	2,629,292
Insurance expenses	521,370	419,968
Medical expenses	889,587	761,876
Maintenance expense	726,708	670,567
Depreciation of fixed Assets	303,487	414,622
Amortization of right of use	1,679,673	1,679,673
Amortization of intangible assets	17,659	12,516
Other expenses	2,674,291	2,045,224
	17,771,944	**14,490,200**

8. Other expenses

Particulars	2023 L.E.	2022 L.E.
Provision formed during the year	4,846,029	5,102,247
	4,846,029	**5,102,247**

9. Finance income

Particulars	2023 L.E.	2022 L.E.
Credit interest	3,894,696	2,996,098
	3,894,696	**2,996,098**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

10. Finance Cost

Particulars	2023 L.E.	2022 L.E.
Interest on lease contracts	547,035	744,984
Debit interest	364,422	230,440
Foreign currency translation	37,524,918	4,690,872
	38,436,375	**5,666,296**

11. Income Tax

11.1 Income Tax for the year

Particulars	2023 L.E.	2022 L.E.
Deferred tax	1,493,445	254,157
Treasury bills tax	(776,120)	(616,248)
	717,325	**(362,091)**

11.2 Reconciliation of effective tax rate

Particulars	Tax Rate	2023 L.E.	Tax Rate	2022 L.E.
Net loss before Income Tax		(27 713 714)		235 291
Net profit /(loss) before income tax	22.5%	(6,235,586.00)	22.5%	52,940.00
Income tax on accounting profit		13,225.00		106,711.00
Non – deductible expenses		32,997.00		(24,519.00)
Separate tax pool		(1,693,685.00)		(1,789,718.00)
Unrecognized tax losses		256,907.00		978,453.00
Provisions & impairments		8,443,107.00		1,055,446.00
Others		(1,534,290.00)		(17,222.00)
Income tax	**3%**	**(717,325)**	**154%**	**362,091**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

12. (losses) / Earning per share for the year

The company present the basic earning or losses per share for its ordinary shares. the earning per share calculated by dividing the gain or (loss) of the company after deducting the Employee's share profit and BOD remuneration over the weighted average for the ordinary shares' numbers during the year.

Particulars	2023 L.E.	2022 L.E.
Net (loss) / profit of the Year (LE)	(26,996,390)	(126,800)
Less:		
Employees share of profits	-	-
Board of directors remunerations	-	-
	(26,996,390)	**(126,800)**
Number of shares outstanding during the year (share)	**1,445,330**	**1,445,330**
(Losses) / Earning per share (L.E. / Share)	**(18.68)**	**(0.09)**

13. Deferred tax asset / (liabilities)

A. Recognized deferred tax assets/ (liabilities)

Particulars	Assets / (Liabilities)	
	2023 L.E.	2022 L.E.
Fixed assets	(604,062)	(934,134)
Operating lease liabilities	(205,782)	250,533
Net deferred tax liabilities	**(809,844)**	**(683,601)**
Less:		
Adjustments on begininng balance		
Deferred tax previously charged	(683,601)	(937,758)
Deferred tax charged to the statement of Income	**(126,243)**	**254,157**

B. Unrecognized deferred tax assets

Particulars	Assets / (Liabilities)	
	2023 L.E.	2022 L.E.
Write-down of inventories	909786	468,885
Provision	2478315	2,757,425
Retained losses	10,287,288	11,980,973
	13,675,389	**15,207,283**

Deferred tax assets have not been recognized in respect of these items because there is no sufficient assurance that the company can utilize the benefits therefrom.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

14. **Fixed assets (net)**

(L.E.)

Description	Land	Buildings & Constructions	Machinery & Equipment	Tools & Equipment	Office Furniture, Equipment	Computers & Software	Lab Equipment	Office Equipment	Motor Vehicles	Total
Cost as of 1 April 2021	**578 340**	**13 552 188**	**23 831 480**	**5 238 766**	**1 395 523**	**382 937**	**646 072**	**121 131**	**250 000**	**45 996 437**
Additions during the year	-	-	1,140,730.00	15,784.00	-	369,912.00	-	-	-	1 526 426
Cost as of 31 March 2022	**578 340**	**13 552 188**	**24 972 210**	**5 254 550**	**1 395 523**	**752 849**	**646 072**	**121 131**	**250 000**	**47 522 863**
Cost as of 1 April 2022	**578 340**	**13 552 188**	**24 972 210**	**5 254 550**	**1 395 523**	**752 849**	**646 072**	**121 131**	**250 000**	**47 522 863**
Additions during the year	-	-	3,085,521	-	-	131,579	-	-	-	3 217 100
Disposals during the year	-	-	-	-	-	(13,382)	-	-	-	- 13 382
Cost as of 31 March 2023	**578 340**	**13 552 188**	**28 057 731**	**5 254 550**	**1 395 523**	**871 046**	**646 072**	**121 131**	**250 000**	**50 726 581**
<u>Accumulated depreciation</u>										
Accumulated depreciation as of 1 April 2021	**-**	**7,840,279**	**13,704,008**	**4,300,300**	**1,095,191**	**357 141**	**644 834**	**114 570**	**181 249**	**28 237 572**
Depreciation for the year	-	677,298	1,948,708	825,949	267,595	118,121	937	3,904	25,000	3 867 512
Accumulated depreciation as of 31 March 2022	**-**	**8 517 577**	**15 652 716**	**5 126 249**	**1 362 786**	**475 262**	**645 771**	**118 474**	**206 249**	**32 105 084**
Accumulated depreciation as of 1 April 2022	**-**	**8 517 577**	**15 652 716**	**5 126 249**	**1 362 786**	**475 262**	**645 771**	**118 474**	**206 249**	**32 105 084**
Depreciation for the year	-	677,299	2,156,932	75,003	32,163	243,720	233	2,603	25,000	3 212 953
Accumulated depreciation	-	-	-	-	-	(13,381)	-	-	-	- 13 381
Accumulated depreciation as of 31 March 2023	**-**	**9 194 876**	**17 809 648**	**5 201 252**	**1 394 949**	**705 601**	**646 004**	**121 077**	**231 249**	**35 304 656**
Impairement of fixed assets										
Impairement of fixed assets as of 31/3/2021	-	-	49	-	-	-	-	-	-	49
Impairement of fixed assets as of 31/3/2022	**-**	**-**	**49**	**-**	**-**	**-**	**-**	**-**	**-**	**49**
Carrying amount as of 31 March 2021	**578 340**	**5 034 611**	**9 319 445**	**128 301**	**32 737**	**277 587**	**301**	**2 657**	**43 751**	**15 417 730**
Carrying amount as of 31 March 2022	**578 340**	**4 357 312**	**10 248 034**	**53 298**	**574**	**165 445**	**68**	**54**	**18 751**	**15 421 876**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

14- Fixed assets (net)

The cost of fully depreciated carrying assets includes the following :

Particulars	Assets / (Liabilities) 2023 L.E.	2022 L.E.
Buildings & Constructions	6,214	6,214
Machinery & Equipment	8,799,774	8,494,824
Tools & Equipment	2,723,879	2,200,889
Office Furniture, Equipment	1,395,523	327,594
Computers & Software	467,277	428,768
Lab Equipment	646,072	642,332
Office Equipment	121,131	105,519
Motor Vehicles	150,000	150,000
	14,309,870	**12,356,140**

15- Rights of use (Net)

Particulars	Building and Construction L.E.
Cost as of 1 April 2021	10,016,135
Additions for the year	-
Disposals for the year	(1,617,769)
Cost as of 31 March 2022	**8,398,366**
Coat as of 3 April 2022	8,398 366
Additions for the year	-
Coat as of 31 Marcil 2023	**8,398,366**
Accumulated amortization as of 1 April 2021	3,433,249
Adjustments on beginning balance	(949,667)
Amortization for the year	1,679,673
Accumulated amortization as of 31 March 2022	**4,163,255**
Accumulatad amortization as of 1 April 2022	4,163,255
Amortization for the year	1, 679,673
Accumulated amortization as of 31 March 2023	**5,842,928**
Net rights of use assets at 31 March 2023	**4,235,111**
Net rights of use assets at 31 March 2023	**2,555,438**

The company signed a lease contract for a warehouse in the fourth industrial zone in Sadat City for a period of 5 years ending in 2024 and the right of use assets have been recorded at the present value of the lease payments according to the contract.

The company signed a lease contract for a unit in the Katameya investment area, the Ring Road, to be used as an administrative headquarters office for a period of 5 years ending in 2025, and the right of use assets have been recorded at the present value of the lease payments according to the contract.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

16- Intangible assets

Particulars	Software Licenses L.E.
Cost as of 1 April 2021	97,717
Additions during the year	30,351
Cost as of 31 March 2022	**128,068**
Cost as of 1 April 2022	128,068
Additions during the year	-
Cost as of 31 March 2023	**128,068**
Accumulated amortization as of 1 April 2021	87,768
Amortization for the year	12,515
Accumulated amortization as of 31 March 2022	**100,283**
Accumulated amortization as of 1 April 2022	100,283
Amortization for the year	17,660
Accumulated amortization as of 31 March 2023	**117,943**
Net intangible assets at 31 March 2022	**27,785**
Net intangible assets at 31 March 2023	**10,125**

17- Inventories

Particulars	31/3/2023 L.E.	31/3/2022 L.E.
Raw materials	22,248,258	9,739,565
Packing materials	10,932,095	8,403,941
Work in process	58,575	19,123
Finished goods	9,393,329	14,123,099
	42,632,257	**32,285,728**

Inventories were written-down by an amount of L.E 4 043 494 for the year ended March 31, 2023 (31/3/2022: L.E. 2 083 935) Note No. (24).

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

18- Trade and other receivables

Particulars	31/3/2023 L.E.	31/3/2022 L.E.
Trade Receivable	26,130,231	17,291,984
Trade Receivable-Intercompany	-	25,106
Deposits with others	2,902,275	-
Other debit balances	32,809	7,100
Tax Authority (withholding &VAT)	6,144,634	5,135,937
Others debit balance	348,312	115,165
	35,558,261	**22,575, 292**

19- Prepayments

Particulars	31/3/2023 L.E.	31/3/2022 L.E.
Prepayments	511,570	1,901,496
Suppliers – advance payments	6,349,223	1,990,078
	6,860,793	**3,891,574**

20- Related parties transactions

The company transactions with related parties during 2022 represented in MEL Company-Egypt for consumer care products – Egypt (Holding company), Marico Limited company – India (Affiliate company), Marico Middle east company – UAE (Affiliate company) and Marico Egypt company (Affiliate company).

A summary of significant transactions with related parties is as follows:-

	Related party	Country	Type of transactions	Significant transactions during the year 2023 L.E.	Significant transactions during the year 2022 L.E.
-	Mel Company-Egypt	- Egypt	- Payments	(1,481,907)	(456,259)
-	Marico Middle east Company	- UAE	- Finance	360,295	230,619
-	Marico Limited Company	- India	- Royality expense	1,048,891	846,966
-	Marico Limited Company	- India	- Payments	(2,205,788)	(1,856,716)
-	Marico Limited Company	- India	- Others	397,836	(1,431)
-	Marico Limited Company	- India	- Payment of expenses on behalf of the company	3,623,033	1,242,053
-	Marico Middle east Company	- UAE	- Others	2,691,999	(8,502)
-	Marico Middle east Company	- UAE	Exchange Rate difference	34,461,020	4,460,722

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March, 2023

Those transactions resulted in the following balances as at March 31, 2023:

A) Due to related parties:

Particulars	31/3/2023 L.E.	31/3/2022 L.E.
Marico Middle East Company-UAE	113,792,681	32,605,238
Marico Limited-India	4,076,823	1,212,852
MEL Consumer Care Company	54,743,545	56,225,451
	172,613,049	**90,043,541**

21- Investments held to maturity-Treasury Bills

Bank Name	Maturity Date	Paid Amount L.E.	Accured Interest L.E.	Total as at 31/3/2023 L.E.
QNB Bank	**November 24, 2023**	50,000	1,052	51,052
QNB Bank	**August 4, 2023**	200,000	7,890	207,890
QNB Bank	**September 5, 2023**	902,160	38,825	940,985
HSBC Bank	**January 30, 2024**	822,900	28,377	851,277
HSBC Bank	**February 13, 2024**	5,740,560	159,160	5,899,720
HSBC Bank	**February 20, 2024**	819,740	19,314	839,054
TOTAL		**8,535,360**	**254,618**	**8,789,978**

22- Cash and cash equivalents

Particulars	31/3/2023 L.E.	31/3/2022 L.E.
Banks-current accounts	18,155,401	5,668,988
Cash on Hand	-	3,816
Treasury bills due within 3 months	16,682,742	
	34,838,143	**5,672,804**
Treasury bills due within 3 months	16,682,742	-
Net cash and cash equivalents in the statement of cash flows	**18,155,401**	5,672,804

23- Issued & Paid in Capital

A. Authorized capital of the company is EGP 50 million.

B. TB. The issued and fully paid capital of the company is L.E. 14 453 300 represented in 1 445 330 shares, at par value L.E. 10. The share capital of the company is represented in the net assets and liabilities of the company according to the evaluation of the committee that was formed from the General Authority For Investment and Free Zones No. 4/525 for the year 2016 for the net assets and liabilities of the company by net book value at 31 December 2015, for the purpose of changing the legal form of the company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

The share capital is presented as the following :

Name	No. of Shares	Par value L.E.
MEL Consumer Care Company (S.A.E.)	1,430,878	14,308,780
Mr. Durgesh Chugh	7,226	72,260
Mr.Padmanabh Suresh Maydeo	7,226	72,260
Total	**1,445,330**	**14,453,300**

24- Provisions and impairment in assets and allowance for inventory

Particulars	Balance at 31/3/2022 L.E.	Formed during the year L.E.	Used during the year L.E.	Provision no longer required L.E.	Balance at 31/3/2023 L.E.
Claims provision	12,164,558	4,403,060	(934,190)	(4,734,963)	10 898 465
other provision	90,664	442,969	(333,088)	(84,276)	116 269
Total	**12,255,222**	**4,846,029**	**(1,267,278)**	**(4,819,239)**	**11 014 734**
Write-down of inventories	2,083,936	2,418,266	(458,708)	-	4 03 494
Impairment in fixed assets	49	-	-		49

25- Lease liabilities

The company made a lease contract for a warehouse in the fourth industrial zone in Sadat City for a period of 5 years ending in 2024, and the right of use assets were recorded at the current value of the lease payments according to the contract.

The following is a statement of the operating lease obligations until the end of contracts:

Particulars	2022 L.E.	2023 L.E.	2024 L.E.	2026 L.E.	Total L.E.
Operating lease liabilities	2,425,602	2,342,935	1,244,644	209,727	6,222,908
	2,425,602	**2,342,935**	**1,244,644**	**209,727**	**6,222,908**

The following is a statement of operating lease commitments, in present value until the end of the contracts:

Particulars	2024 L.E.	2025 L.E.	2026 L.E.	Total L.E.
Lease liabilities	2,090,083	1,171,061	208,882	3,470,026
	2,090,083	**1,171,061**	**208,882**	**3,470,026**

Non-current liabilities represents an amount of LE 1,379,943 and current liabilities.

- The following is a statement of the charge on the income statement during the year:

Particulars	31/3/2023 L.E.	31/3/2022 L.E.
Interest on lease contracts	547,035	744,984
Amortization of right of use	1,679,673	1,679,673
	2,226,708	**2,424,657**

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March, 2023

- The following is a statement of the charged on the Income statement during the year:

Particulars	31/3/2023 L.E.	31/3/2022 L.E.
Lease Payments	2,425,599	2,266,919
	2,425,599	**2,266,919**

26- Bank overdarft

Particulars	31/3/2023 L.E.	31/3/2022 L.E.
QNB Bank	-	1,272,028
HSBC Bank	5,483,713	6,722,870
	5,483,713	**7,994,898**

27- Trade and other payables

Particulars	31/3/2023 L.E.	31/3/2022 L.E.
Trade payables	24, 545, 004	28,154,169
Trade payables-Intercompany*	1,952,163	733,503
Accrued expenses	5,445,520	5,528,208
Accrued Customer rebates	9,910,675	5,404,527
Salaries & bonus of expats	949,578	1,098,223
Tax authority	1,407,649	2,954,556
Return liability **	3,089,754	4,891,861
Other credit balance	641,972	828,258
	47,942,315	**49,593,305**

* The trade payables-Intercompany accounts includes purchases transactions during the year amounted L.E. 5,910,386 (2022: 3,124,605)

* The refund liability represented in the expected sales return resulted from applying the sales with a right of return in accordance with the new Egyptian Standard No. (48) “revenue from contracts with customers”.

28- Tax position

a) Corporate Tax:

Years from commencement of operation till 2018

- The company has tax exemption for ten years starts from 1/1/2009 to 31/12/2018.
- The company wasn’t inspected from the inception till now.

  The company submits the tax returns regularly on due dates pursuant to the law No. (91) for year 2005 and its executive regulations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

b) Value added tax

Years from commencement of operation till 31/12/2016:

The company was inspected for that period and paid all the resulting differences.

Years 1/1/2017 till 31/3/2022

The company is being inspected for these years.

The company submits the tax returns regularly on due dates pursuant to the law No. (91) for year 2005 and its executive regulations.

c) Payroll tax:

Years from commencement of operation till 2012

The company was inspected for that period and paid all the resulting differences.

Years from 2013 to 2020:

These years are currently under inspection.

The company is regular in paying the payroll tax on the due dates

d) Stamp duty tax:

Years from commencement till 31/12/2020:

The inspection was done for this period and the resulting differences were paid.

Years 1-4-2020 till 31-3-2022

The inspection was not conducted for that period and therefore no claims were received

e) Withholding tax:

Years from commencement till 31/12/2016:

The company was inspected for that period and paid all the resulting differences.

Years 1-1-2017 till 31-3-2022

The company was not inspected for that period.

The company submits withholding tax return regularly on the due dates.

29- Financial instruments and management of risk related to them

Financial instruments are represented in the balances of cash and cash equivalent, trade & notes receivables, trade and notes payable, due to/from affiliates and subsidiaries and other monetary items included in debtors and creditors accounts and the book value of these financial instruments represents a reasonable estimate of their fair values. Note No. (31) of the notes to the financial statements includes the major accounting policies used in recording and measurement of the significant financial instruments and the related revenues and expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

A) Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from trade receivables and other related undertakings. This risk is considered nil as there is no balances due from customers.

B) Foreign exchange risk

This risk is represented in the risk of fluctuation in exchange rates, which in turn affects the company's cash inflows and outflows as well as the translation of its monetary foreign currency assets and liabilities. As of the balance sheet date the company has monetary, foreign currency, assets and liabilities equivalent to L.E. 124008021.9 and L.E. 52829.15 respectively.

The net balances of foreign currencies at the balance sheet date are shown below:

Foreign Currency	(deficit) / surplus
US Dollars	3,989,990.39
Euro	(650)

And as stated in note (31-1) "Foreign Currency Translation", the above-mentioned balances of monetary foreign currency assets and liabilities were translated using the prevailing exchange rate at the balance sheet date.

C) Interest risk

This risk is represented in the changes in interest rates which may influence the result of operations and the value of financial assets and liabilities. The company reduces this risk by settling the accrued liabilities to the banks whenever possible.

D) Liquidity risk

Liquidity risk is represented in the inability of the company to settle its liabilities at its due date. The company's approach in liquidity management is to – whenever possible – assure that it has sufficient liquidity to settle its liabilities at their due date in normal and stressed conditions without bearing any unacceptable losses or damage the company's reputation. Company also assures the availability of the sufficient cash to face expected operating expenditures for a suitable period of time including the financial liabilities encumbrances, excluding from that the effects of severe circumstances that cannot be predicted reasonably as natural disasters.

The carrying amount of the following short term financial liabilities represents the liquidity as at the balance sheet date is as follows:

Particulars	Book Value 31/3/2023 EGP	Book Value 31/3/2022 EGP
Trade and other creditors	47,942,349	49,593,305
Due to related parties	123,200,106	61,076,203
Bank facilities	5,483,713	7,994,898
	176,626,168	**118,664,406**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

30- Going concern

The company achieved a net loss for the fiscal year ending on March 31, 2023, an amount of EGP 2 699 389 Thus, the accumulated losses on the same date amounted to EGP 102 732 376, exceeding half of the Paid in capital according to the company's last annual financial statements, amounting to EGP 7 236 479. Most of the company's liabilities are concentrated in the amount due to the parent company, which at the date of the balance sheet amounted to EGP 54 743 545. The company's management relies on its continued practice of the activity on the support of the parent company. According to the Companies Law No. 159 of 1981, its implementing regulations, and the articles of association of the company, the company's management must invite the extraordinary general assembly to consider the liquidation or continuity of the company.

The financial statements are prepared on the assumption that the company will continue as a going concern in the foreseeable future.

31- Significant accounting policies

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

31-1 Foreign Currency

Foreign Currency Transaction

Transactions in foreign currencies are translated into the respective functional currencies of the company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognized in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss);

  a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective

  Qualifying cash flow hedges to the extent that the hedges are effective.

31-2 Revenue

Revenues are recognized from sale of goods when the risk and benefits related to the ownership of the sold goods are transferred to the customers and the invoice is issued, when asserting in a reliable manner the collection of the sold goods value and estimating the costs related thereto.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

Revenues from interest on bank deposits are recognized on accrual basis.

31-3 Employees Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid 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.

31-4 Finance income and finance costs

The company's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- dividends on preference shares issued classified as financial liabilities;
- the net gain or loss on the disposal of available-for-sale financial assets;
- the net gain or loss on financial assets at fair value through profit or loss;
- the foreign currency gain or loss on financial assets and financial liabilities;
- the gain on the re-measurement to fair value of any pre-existing interest in an acquiree in a business combination;
- the fair value loss on contingent consideration classified as a financial liability;
- impairment losses recognized on financial assets (other than trade receivables);
- the net gain or loss on hedging instruments that are recognized in profit or loss; and
- the reclassification of net gains previously recognized in OCI.

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

31-5 Income taxes

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

i. Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

ii. Deferred tax

Deferred tax is recognized 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 not recognized for:

- The initial recognition of good well,
- Or the initial recognition of assets and liabilities for the operations that:

1) Are not business combination
2) And don't affect the net accounting profit nor taxable profit(taxable loss).

Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Deferred tax assets are recognized for unused tax losses, unused 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 used. Future taxable profits are determined based on business plans for individual subsidiaries in the company. 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 realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

31-6 Inventories

Inventories are valued at the lower of cost or net realizable value, also the cost of inventory includes expenditure incurred in acquiring the inventories and bringing it to its existing location and condition on the following basis:

- Inventories of raw materials and packing materials using weighted average method.
- Inventories of finished products at manufacturing cost.

Net realizable value is determined based on the expected selling price during the normal course of business less any cost to complete the selling process.

31-7 Fixed assets and depreciation

1- Recognition and measurement

Fixed assets are stated at historical cost and presented net of accumulated depreciation and any impairment.

If significant parts of an item of fixed assets have different useful lives, then they are accounted for as items (major components) of fixed assets.

Any gain or loss on disposal of an item of fixed assets is recognized in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

2- Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

3- Depreciation

Depreciable assets are depreciated using the straight- line method over the estimated useful life of each type of asset and recognized in profit or loss. land is not depreciated. The estimated useful lives of the assets for depreciation calculation are as follow:-

Asset	Periods
Building and constructions	20
Machinery, tools and equipment	8
Tools and equipment	4
office furniture and equipment	4
computer & software	3
Lab equipment	4
office equipment	2
Motor Vehicles	5

4- Construction contracts in progress

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Projects under construction are transferred to property, plant and equipment caption when they are completed and are ready for their intended use.

31-8 Intangible assets

Computer Software Licenses

Computer software licenses are stated at cost of acquisition , and it is represented in the balance sheet less the accumulated depreciation and any impairment in value , and it is amortized on a straight-line method over two years.

31-9 Rights of use Assets

Rights of use assets that are represented at the present value of operating lease liabilities and shown in the balance sheet and deducted from it the accumulated amortization and any impairment in their value, and it is amortized using the straight-line method over the number of years of the contract.

31-10 Financial Instruments

- The company classifies non-derivative 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

1) Non-derivative financial assets and financial liabilities – Recognition and de-recognition

The company initially recognizes loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the company is recognized as a asset or liability.

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. .

2) Non-derivative financial assets – Measurement Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.

Held-to-maturity financial assets

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Loans and receivables

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Available-for-sale financial assets

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognized in OCI and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2021

3) Non-derivative financial liabilities – Measurement

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognized in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

4) Derivative financial instruments and hedge accounting

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affects profit or loss or the hedged item affects profit or loss.

If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss

31-11 Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with Egyptian Accounting Standard No.(24) “ Income Tax”.

31-12 Impairment

1) Non-derivative financial assets

- Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March, 2023

- Objective evidence that financial assets are impaired includes:
  - default or delinquency by a debtor;
  - restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
  - indications that a debtor or issuer will enter bankruptcy;
  - adverse changes in the payment status of borrowers or issuers;
  - the disappearance of an active market for a security because of financial difficulties; or
  - observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.
- For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortized cost

The company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

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

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

2) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

31-13 Lease liability

The leased asset recognized as company's asset and liability which is represents the current lease liability not paid.

31-14 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

31-15 Legal reserve

As per the Company's statutes, 5% of the annual net profit is set aside to form a legal reserve; the transfer to such reserve ceases once it reaches 50% of the Company's issued share capital. If the reserve falls below 50%, the Company should resume setting aside 5% of its annual net profit. The reserve can be utilized in covering losses or increasing the Company's share capital.

31-16 Receivables, due from related parties, debtors and debit balances

Receivables, due from related parties , debtors and other debit balances, that do not carry an interest are stated at cost less impairment losses for any amounts expected to be uncollectible.

31-17 Cash and cash equivalents

The company considers all cash on hand, bank balances and time deposits with maturity less than three months as cash and cash equivalents.

31-18 Payables, due to related parties ,creditors and credit balances

Payables, due to related parties, creditors and other credit balances are stated at their cost.

31-19 Cash flow statement

Cash flow statement is prepared according to the indirect method.

31-20 Cash dividends

Dividends are recognized as a liability in the period it's declared.

34- New versions and amendments to the Egyptian Accounting Standards

On March 6, 2023, Prime Minister Decision No. (883) of 2023 was issued to amend and re-issue some provisions of Egyptian Accounting Standards. The following is a summary of these amendments:

New or reissued standards	Summary of the most important modifications	Potential impact on the financial statements	Application date
Egyptian Accounting Standard No. (10) Amended 2023 "Fixed Assets and Their Depreciation" and Egyptian Accounting Standard No. (23) Amended 2023 "Intangible Assets".	1- These standards were re-issued in 2023, allowing the use of the revaluation model upon the subsequent measurement of fixed assets and intangible assets. - Egyptian , - The company may choose to measure an item of fruiting plants at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the company first applied the above adjustments and use that fair value as its default cost at that date. Any difference between the previous carrying amount and fair value must be recognized in the opening balance by adding it to the revaluation surplus account alongside equity at the beginning of the earliest period presented. - Egyptian Accounting Standard No. (49) "Lease Contracts"Accounting Standard No. (49) "Lease Contracts" 2- In line with the amendments made to the amended Egyptian Accounting Standard No. (35) 2023 "Agriculture", paragraphs (3), (6) and (37) of the Egyptian Accounting Standard No. (10) "Fixed assets and their depreciation" have been amended Paragraphs 22 (a), 80 (c) and 80 (d) were added to the same standard, with regard to fruiting plants. - The company is not required to disclose the quantitative information required under Paragraph 28 (f) of the Egyptian Accounting Standard No. (5) for the current period, which is the period of the financial statements in which the amended Egyptian Accounting Standard No. (35) 2023 and the Egyptian Accounting Standard No. (10) are applied for the first time) Amendment 2023 in respect of bearing plants. However, the quantitative information required by paragraph 28(f) of IAS 5 must be disclosed for each prior period presented. As a result, the paragraphs related to the use of the revaluation model option were amended by some Egyptian accounting standards in force. The following is a description of those standards: - Egyptian Accounting Standard No. (5) "Accounting policies, changes in accounting estimates and errors." - Egyptian Accounting Standard No. (24) "Income Taxes" - Egyptian Accounting Standard No. (30) "Interim Financial Statements" , 2- In line with the amendments made to the amended Egyptian Accounting Standard No. (35) 2023 "Agriculture", paragraphs (3), (6) and (37) of the Egyptian Accounting Standard No. (10) "Fixed assets and their depreciation" have been amended Paragraphs 22 (a), 80 (c) and 80 (d) were added to the same standard, with regard to fruiting plants. - The company is not required to disclose the quantitative information required under Paragraph 28 (f) of the Egyptian Accounting Standard No. (5) for the current period, which is the period of the financial statements in which the amended Egyptian Accounting Standard No. (35) 2023 and the Egyptian Accounting Standard No. (10) are applied for the first time) Amendment 2023 in respect of bearing plants. However, the quantitative information required by paragraph 28(f) of IAS 5 must be disclosed for each prior period presented. - The company may choose to measure an item of fruiting plants at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the company first applied the above adjustments and use that fair value as its default cost at that date. Any difference between the previous carrying value and fair value must be recognized in the opening balance by adding it to the revaluation surplus account alongside equity at the beginning of the earliest period presented. "	The management is currently studying the possibility of changing the accounting policy followed and using the re-evaluation model option included in those standards, and evaluating the potential impact on the financial statements if that option is used.	The amendments to add the option to use the revaluation model will be applied to the fiscal periods beginning **on or after January 1, 2023, retrospectively,** with the cumulative effect of applying the revaluation model initially by **adding it to the revaluation surplus account next to equity at the beginning of the financial period in which The company applied this model for the first time.** These amendments shall be applied for the annual periods beginning **on or after January 1, 2023,** with retrospective effect, with the cumulative effect of the accounting treatment of fruiting plants being initially recorded by **adding it to the profit or loss balance carried forward at the beginning of the financial period in which the company applies this treatment for the first time.**

New or reissued standards	Summary of the most important modifications	Potential impact on the financial statements	Application date
Egyptian Accounting Standard No. (36), amended 2023 Exploration and evaluation of mineral resources.	1- This standard was re-issued in 2023, allowing the use of the revaluation model when subsequent measurement of exploration and evaluation assets. 2- The company applies either the cost model or the revaluation model for exploration and evaluation assets, provided that the evaluation is carried out by experts specialized in evaluation and valuation among those registered in a register designated for that in the Ministry of Petroleum, and in the case of applying the revaluation model (whether the model contained in the Egyptian Accounting Standard) 10) “Fixed assets and their depreciation” or the form mentioned in Egyptian Accounting Standard (23) “Intangible Assets”” must be consistent with the classification of assets according to Paragraph No. (15) of Egyptian Accounting Standard No. (36) Amended 2023 .”	The management is currently studying the possibility of changing the accounting policy followed and using the option of the fair value model mentioned in the standard, and evaluating the potential impact on the financial statements if that option is used.	The amendments to add the option to use the fair value model are applied to the financial periods beginning **on or after January 1, 2023,** with retrospective effect, with the cumulative effect of applying the fair value model initially by adding it to the balance of profits or losses carried forward at the beginning of the financial period in which the company applying this model for the first time.
Egyptian Accounting Standard No. (35), amended 2023	This standard was re-issued in 2023, as paragraphs (1-5), (8), (24), and (44) were amended, and paragraphs (5a) - (5c) and (63) were added, with regard to accounting treatment. For bearing plants, (and amended accordingly to Egyptian Accounting Standard (10) “Fixed Assets and Their Depreciation”).	Management is currently assessing the potential impact on the financial statements of applying the amendments to the standard.	These amendments shall be applied for the annual periods beginning **on or after January 1, 2023,** with retrospective effect, with the cumulative effect of the accounting treatment of fruiting plants being initially recorded by adding it to the profit or loss balance carried forward at the beginning of the financial period in which the company applies this treatment for the first time.
Egyptian Accounting Standard No. (50) “Insurance Contracts”	“1- This standard defines the principles for establishing insurance contracts within the scope of this standard, and determines their measurement, presentation and disclosure. The objective of the standard is to ensure that the company provides appropriate information that faithfully reflects those contracts. This information provides users of financial statements with the necessary basis for evaluating the impact of contracts This insurance covers the company’s financial position, financial performance and cash flows. 2- The Egyptian Accounting Standard No. (50) replaces and cancels the Egyptian Accounting Standard No 37 “Insurance Contracts”. 3- Any reference in other Egyptian Accounting Standards to Egyptian Accounting Standard No. (37) shall be replaced by Egyptian Accounting Standard No. (50). 4- The following amendments have been made to the Egyptian Accounting Standards to comply with the application requirements of Egyptian Accounting Standard No. (50) “Insurance Contracts”, which are as follows: - Egyptian Accounting Standard No. (10) “Fixed Assets and Their Depreciation”. - And Egyptian Accounting Standard No. (23) “Intangible Assets”. - Egyptian Accounting Standard No. (34) “Real Estate Investment”. “The Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No.37” insurance contracts “ 3 - any reference to egyptian accounting standars no . 37 In other egyptian accounting standards to be replaced by egyptian accounting standard no. 50 4- the following egyptian accounting standardss have been amended to comply with the requirments of the application of egyptian accounting standard no 50 insurance contracts, as follows -egyptian accounting standard	Management is currently assessing the potential impact on the financial statements of applying the standard.	“The Egyptian Accounting Standard No. (50) must be applied for the annual financial periods beginning **on or after July 1, 2024,** and if the Egyptian Accounting Standard No. (50) is applied for an earlier period, the company must disclose that fact.”

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Saugata Gupta Mr. Pawan Agrawal Mr. John Richard Mason (until June 30, 2023) Mr. Mandla Richard Mashilo
REGISTERED OFFICE	Unit 1-5, Site 2 East, Riverside Business Park, 74 Prince Umhlangane Road, Avoca, Durban 4051
POSTAL ADDRESS	P. O. Box 401093, Redhill, 4071
REGISTRATION NO.	2007/025470/07
AUDITORS	KPMG Inc.
BANKERS	Standard Bank of South Africa Limited
LEGAL ADVISORS	Adams & Adams – Patent and Trademark Attorneys Norton Rose, Commercial Attorneys Shepstone & Wylie – Litigation Attorneys PCSS Pty Limited – Secretarial Services Deloitte & Touche - Tax

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INDEPENDENT AUDITOR'S REPORT

To the shareholder of Marico South Africa Consumer Care Proprietary Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Marico South Africa Consumer Care Proprietary Limited (the Group and Company) set out on pages 8 to 42, which comprise the statement of financial position as at 31 March 2023, 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, significant accounting policies and notes to the financial statements.

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, as at 31 March 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors’ Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Marico South Africa Consumer Care Proprietary Limited Audited Consolidated and Separate Annual Financial Statements for the year ended 31 March 2023", which includes the Directors’ Report as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

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

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

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

KPMG Inc.

Per Liaaqat Inaiethoola
Chartered Accountant (SA)
Registered Auditor
Associate Director
6 June 2023

(Registration number: 2007/025470/07)

Consolidated and Separate Annual financial statements for the year ended 31 March 2023

Consolidated and Separate Statements of Financial Position as at 31 March 2023

(Figures in Rand)

		Group		Company	
	Note(s)	2023	2022	2023	2022
Assets					
Non-current assets					
Property, plant and equipment	3	695,841	632,063	-	-
Right-of-use assets	4	6,348,931	10,990,131	-	-
Goodwill	5	17,926,857	17,926,857	-	-
Intangible assets	6	81,564,722	81,564,722	-	-
Investments in subsidiaries	7	-	-	80,064,957	80,064,957
		106,536,351	**111,113,773**	**80,064,957**	**80,064,957**
Current assets					
Increase in inventories	8	55,256,054	44,681,544	-	-
Increase in trade and other receivables	9	32,015,700	27,712,514	-	-
Current tax receivable		975,862	770,652	-	-
Cash and cash equivalents	10	12,801,788	11,348,729	23,352	23,782
		101,049,404	**84,513,439**	**23,352**	**23,782**
Total Assets		**207,585,755**	**195,627,212**	**80,088,309**	**80,088,739**
Equity and Liabilities					
Equity					
Share capital	11	133,860,269	133,860,269	133,860,269	133,860,269
Retained income		(11,500,637)	(29,001,982)	(53,771,960)	(53,771,530)
		122,359,632	**104,858,287**	**80,088,309**	**80,088,739**
Liabilities					
Non-current liabilities					
Borrowings	12	3,630,475	-	-	-
Lease Liability	4	2,191,128	7,043,195	-	-
Deferred Tax	13	7,822,778	8,339,930	-	-
		13,644,381	**15,383,125**	**-**	**-**
Current liabilities					
Increase in trade and other payables	14	60,625,359	54,487,288	-	-
Borrowings	12	6,101,700	16,433,875	-	-
Lease Liability	4	4,854,683	4,464,637	-	-
		71,581,742	**75,385,800**	**-**	**-**
Total liabilities		**85,226,123**	**90,768,925**	**-**	**-**
Total equity and liabilities		**207,585,755**	**195,627,212**	**80,088,309**	**80,088,739**

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Consolidated and Separate Annual financial statements for the year ended 31 March 2023

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive income for the year ended 31 March 2023

(Figures in Rand)

		Group		Company	
Particulars	**Note(s)**	**2023**	**2022**	**2023**	**2022**
Revenue	15	363,823,147	308,682,204	-	-
Cost of sales		(240,540,321)	(199,762,132)	-	-
Gross profit		**123,282,826**	**108,920,072**	**-**	**-**
Other Operating (losses) / gains	16	(1,914,784)	(253,315)	-	-
Impairment loss on trade receivables	17	354,693	10,306	-	-
Other operating expenses		(96,208,927)	(88,031,413)	(1,624)	(1,551)
Operating profit / (loss)	17	**25,513,808**	**20,645,650**	**(1,624)**	**(1,551)**
Investment income	18	313,634	176,864	1,194	719
Finance costs	19	(1,955,245)	(2,207,799)	-	-
Profit / (loss) before taxation		**23,872,197**	**18,614,715**	**(430)**	**(832)**
Taxation	20	(6,370,852)	(5,201,461)	-	-
Profit / (loss) for the year		**17,501,345**	**13,413,254**	**(430)**	**(832)**
Other Comprehensive Income		-	-	-	-
Total comprehensive income / (loss) for the year		**17,501,345**	**13,413,254**	**(430)**	**(832)**

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Consolidated and Separate Annual financial statements for the year ended 31 March 2023

Consolidated and Separate Statements of Changes in Equity

(Figures in Rand)

Group	Share capital	Share premium	Total Share Capital	Accumulated loss	Total equity
Balance at 1 April 2021	**90,060,369**	**43,799,900**	**133,860,269**	**(42,415,236)**	**91,445,033**
Profit for the year	-	-	-	13,413,254	13,413,254
Other comprehensive income	-	-	-	-	-
Total comprehensive Income for the year	**-**	**-**	**-**	**13,413,254**	**13,413,254**
Balance at 1 April 2022	**90,060,369**	**43,799,900**	**133,860,269**	**(29,001,982)**	**104,858,287**
Profit for the year	-	-	-	17,501,345	17,501,345
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**17,501,345**	**17,501,345**
Balance at 31 March 2023	**90,060,369**	**43,799,900**	**133,860,269**	**(11,500,637)**	**122,359,632**
Note	11	11	11		

(Figures in Rand)

Company	Share capital	Share premium	Total Share Capital	Accumulated loss	Total equity
Balance at 1 April 2021	**90,060,369**	**43,799,900**	**133,860,269**	**(53,770,698)**	**80,089,571**
Loss for the year	-	-	-	(832)	(832)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	**(832)**	**(832)**
Balance at 1 April 2022	**90,060,369**	**43,799,900**	**133,860,269**	**(53,771,530)**	**80,088,739**
Loss for the year	-	-	-	(430)	(430)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**(430)**	**(430)**
Balance at 31 March 2023	**90,060,369**	**43,799,900**	**133,860,269**	**(53,771,960)**	**80,088,309**
Note	11	11	11		

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Consolidated and Separate Annual financial statements for the year ended 31 March 2023

Consolidated and Separate Statements of Cash Flows

(Figures in Rand)

Particulars	Note(s)	Group		Company	
		2023	2022	2023	2022
Cash flow from operating activities					
Cash generated from / (used in) operations	21	21,800,415	20,260,713	(1,624)	(1,551)
Interest income		313,634	176,864	1,194	719
Finance costs		(1,274,853)	(1,585,452)	-	-
Tax paid	22	(7,093,214)	(6,121,305)	-	-
Net cash from operating activities		**13,745,982**	**12,730,820**	**(430)**	**(832)**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(448,810)	(571,509)	-	-
Proceeds on sale of property, plant and equipment	3	-	9,538	-	-
Net cash from investing activities		**(448,810)**	**(561,971)**	**-**	**-**
Cash flow from financing activities					
Repayment of borrowings		(6,701,700)	(6,701,700)	-	-
Payment on lease liabilities		(5,142,413)	(5,404,585)	-	-
Net cash utilised in financing activities		**(11,844,113)**	**(12,106,285)**	**-**	**-**
Total cash movement for the year		**1,453,059**	**62,564**	**(430)**	**(832)**
Cash at the beginning of the year		11,348,729	11,286,165	23,782	24,614
Total cash at end of the year	**10**	**12,801,788**	**11,348,729**	**23,352**	**23,782**

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Annual Financial Statements for the year ended 31 March 2023

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March, 2023

Accounting Policies

Corporate information

Marico South Africa Consumer Care Proprietary Limited is domiciled in South Africa. The group and company's registered office is Units 1-5, Site 2 East, Riverside Business Park, 74 Prince Umhlangane Road, Avoca, Durban, 4051. The group is involved in the distribution of a wide range of personal care and affordable complementary health care products.

The consolidated and separate annual financial statements are approved by the board of directors on 06 June 2023 and were signed by J R Mason and M R Mashilo, authorised directors.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with the International Financial Reporting Standards ("IFRS") and the Companies Act of South Africa, as amended.

The consolidated and separate financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the group and company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The 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.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March, 2023

loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Impairment of non-financial assets

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

1.3 Consolidation

Basis of consolidation

The financial statements incorporate the consolidated and separate financial statements of the company and its subsidiary. The subsidiary is an entity (including structured entities) which is controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated and separate financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated and separate financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March, 2023

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses.

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

1.4 Goodwill

Goodwill arises on the acquisition of the subsidiary and the acquisition of assets and liabilities in terms of a business combination. Goodwill represents the excess of the cost of the acquisition over the Company’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is initially recognised as an asset at cost and is subsequently measured as cost less accumulated impairment losses. An impairment loss is recognised for goodwill is not reversed in a subsequent period.

On disposal of a business the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	5 - 12 years
Leasehold improvements	Straight line	5 years
Plant and machinery	Straight line	5 - 15 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	3.33 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.6 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof

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For the year ended 31 March, 2023

is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the group is a lessee are presented in note 4 Leases (group as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate. The company determines its incremental borrowing rate by obtaining interest rates from external financing sources and makes certain adjustments to reflect the terms of the lease and the type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;
- the exercise price of purchase options, if the group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

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The lease liability is presented as a separate line item on the Consolidated and Separate Statements of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of- use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Consolidated and Separate Statements of Financial Position.

Lease payments included in the measurement of the right-of-use asset comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;

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For the year ended 31 March, 2023

- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.7 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

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NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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The amortisation period and the amortisation method for intangible assets are reviewed every period-end. Currently, the Brands have an indefinite useful life. Should managements assessment change, the Brands would be amortised using the straight line method over the determined useful life.

1.8 Increase in inventories

Increase in inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of increase in inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the increase in inventories to their present location and condition.

When increase in inventories are sold, the carrying amount of those increase in inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the group ,as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost.

Financial liabilities:

- Amortised cost.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Trade and other receivables

Classification

Increase in trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 9).

Recognition and measurement

Increase in trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

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They are subsequently measured at amortised cost.

Trade and other receivables denominated in foreign currencies

When increase in trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating (losses) / gains.

Impairment

The group recognises a loss allowance for expected credit losses on increase in trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for increase in trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on increase in trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The group assumes that credit risk on a financial asset has increased significantly if it is more than 30 days due. The group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the group in full, without recourse by the group to actions such as realising security (if any is held) or:
- the financial asset is more than 90 days past due.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of increase in trade and other receivables, through use of a loss allowance account.

Borrowings

Classification

Borrowings (note 12) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

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Trade and other payables

Classification

Increase in trade and other payables (note 14), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating (losses) / gains.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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Offsetting

Financial assets and liabilities are offset and the net amount disclosed on the statement of financial position, when and only when, the company currently has a legally enforceable right to offset the amounts and intends to settle them on a net basis or to realise and settle the liability simultaneously.

1.10 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

1.11 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

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Current tax liabilities / (assets) for the current and prior periods are measured at the amount expected to be paid to / (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current assets and liabilities are only offset if certain criteria is met.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period.

1.12 Share capital and equity

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

1.13 Revenue from contracts with customers

Revenue is recognised upon transfer of control when performance obligations to customers are met in an amount that reflects the consideration the company expects to receive in exchange for the goods or services rendered. To recognise revenue, we apply the following five step approach:

(1) identify the contract with a customer,

(2) identify the performance obligations in the contract,

(3) determine the transaction price,

(4) allocate the transaction price to the performance obligations in the contract, and

(5) recognize revenues when a performance obligation is satisfied.

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At contract inception, the group assesses its promise to transfer goods and services to a customer to identify separate performance obligations. The group applies judgement to determine whether each good and service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised goods and services are combined and accounted as a single performance obligation. The group allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately.

Revenue performance obligations are met at a point in time when the good is available for use or delivered to the customer location. Control is transferred when the customer takes ownership of the good for both locally and foreign revenue. Export revenues are recorded when the relevant incoterms of each contract is met.

Rebates and discounts are recorded against revenue and receivables when the specific terms of each contract have been met.

Depending on the customer profile, sale contracts are entered into on a variety of payment terms from cash on delivery, 30 days, 60 days etc.

The nature of the goods invoiced are primarily of hair care and health products.

Due to the nature of the bulk supply of goods and quality controls in place, there is minimal obligation for returns of inventory. All rebates earned are recorded against the relevant revenue at the date at which the terms related to the rebate have been met.

There are no significant judgements required in the application of IFRS 15 due to the nature of the goods being sold.

1.14 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.15 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits are recognised in the period in which the service is rendered and are not discounted.

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1.16 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate annual financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.17 Finance income and finance costs

Finance income and finance expense is recognised on a time proportion basis which takes into account the effective yield on the respective asset or liability.

1.18 Related parties

A party is related to the group if any of the following are met:

- Directly, or indirectly through one or more intermediaries, the party controls, is controlled by or is under common control with the group.
- The party is a member of key management personnel of the entity or its parent.
- The party is a close family member of the family or individual referred to the above.

Close family member of the family of an individual includes:

- The individual’s domestic partner and children.
- Children of the individual’s domestic partner and
- Dependents of the individual or the individual’s domestic partner.

The sales to and purchases from related parties are made on terms negotiated between the parties involved. Balances held between related parties are treated under the prevailing accounting policy to the nature of the account held.

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2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1

A subsidiary that uses the cumulative translation differences exemption, may elect in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. The effective date of the amendment is for years beginning on or after 1 January 2022. The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not material.

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included. The effective date of the amendment is for years beginning on or after 1 January 2022. The company has adopted the amendment for the first time in the 2022 financial statements. The impact of the amendment is not material. Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16 The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards.Disclosure of such amounts in now specifically required.

The effective date of the amendment is for years beginning on or after 1 January 2022. The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not material.

Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37

The amendment defined the costs that are included in the cost of fulfilling a contract when determining the amount recognised as an onerous contract. It specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These are both the incremental costs of fulfilling the contract as well as an allocation of other costs that relate directly to fulfilling contracts (for example depreciation allocation).

The effective date of the company is for years beginning on or after 1 January 2022. The company has adopted the amendment for the first time in the 2023 annual financial statements.

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The impact of the amendment is not material.

Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16

The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards.Disclosure of such amounts in now specifically required.

The effective date of the amendment is for years beginning on or after 1 January 2022. The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The group and company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 April 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
- Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	- 01 January 2024	- Unlikely there will be a material impact
- Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	- 01 January 2023	- Unlikely there will be a material impact
- Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2	- 01 January 2023	- Unlikely there will be a material impact
- Definition of accounting estimates: Amendments to IAS 8	- 01 January 2023	- Unlikely there will be a material impact

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3. Property, plant and equipment

(Figures in Rand)

Group	2023			2022		
	Cost or revaluation	Accumulated Depreciation	Carrying Value	Cost or revaluation	Accumulated Depreciation	Carrying Value
Leasehold improvements	1,561,833	(1,453,165)	108,668	1,561,833	(1,414,872)	146,961
Plant and machinery	1,319,717	(1,269,348)	50,369	1,300,267	(1,203,090)	97,177
Office furniture and computer equipment	3,322,718	(2,785,914)	536,804	3,179,020	(2,791,095)	387,925
Motor vehicles	339,046	(339,046)	-	339,046	(339,046)	-
	6,543,314	**(5,847,473)**	**695,841**	**6,380,166**	**(5,748,103)**	**632,063**

Reconciliation of property, plant and equipment - Group - 2023

(Figures in Rand)

Particulars	Opening balance	Additions	Disposals	Depreciation	Closing balance
Leasehold improvements	146,961	-	-	(38,293)	108,668
Plant and machinery	97,177	19,449	-	(66,257)	50,369
Office furniture and computer equipment	387,925	429,361	(10,141)	(270,341)	536,804
	632,063	**448,810**	**(10,141)**	**(374,891)**	**695,841**

Reconciliation of property, plant and equipment - Group - 2022

(Figures in Rand)

Particulars	Opening balance	Additions	Disposals	Depreciation	Closing balance
Leasehold improvements	114,714	153914	-	(121,667)	146961
Plant and machinery	167,758	60,241	-	(130,822)	97,177
Office furniture and computer equipment	301,942	357,354	-	(271,371)	387,925
	584,414	**571,509**	**-**	**(523,860)**	**632,063**

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4. Leases (group only as lessee)

The group has the option to purchase the plant at a nominal amount on completion of the lease term.

Details pertaining to leasing arrangements, where the group is lessee are presented below:

(Figures in Rand)

Group	2023			2022		
	Cost or revaluation	Accumulated Depreciation	Carrying Value	Cost or revaluation	Accumulated Depreciation	Carrying Value
Buildings	21,724,607	(15,375,676)	6,348,931	21,724,607	(10,891,407)	10,833,200
Plant and machinery	-	-	-	1,091,673	(934,742)	156,931
Total	**21,724,607**	**(15,375,676)**	**6,348,931**	**22,816,280**	**(11,826,149)**	**10,990,131**

Reconciliation of right of use assets - 2023

(Figures in Rand)

Particulars	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	10,833,200	-	-	(4,484,269)	6,348,931
Plant and machinery	156,931	-	-	(156,931)	-
	10,990,131	**-**	**-**	**(4,641,200)**	**6,348,931**

Reconciliation of right of use assets - 2022

(Figures in Rand)

Particulars	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	1,447,087	13452809	(81,041)	(3,985,655)	10,833,200
Plant and machinery	470,791	-	-	(313,860)	156,931
	1,917,878	**13,452,809**	**(81,041)**	**(4,299,515)**	**10,990,131**
Other disclosures					
Interest expense on lease liabilities		680,392	622,347	-	-

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Lease liabilities

(Figures in Rand)

Particulars	Additions	Disposals	Depreciation	Closing balance
Reconciliation of lease liabilities				
Opening balance	11,507,832	2,918,331	-	-
Additions	-	13,452,809	-	-
Adjustments	-	(81,070)	-	-
Interest	680,392	622,347	-	-
Repayments	(5,142,413)	(5,404,585)	-	-
	7,045,811	**11,507,832**	**-**	**-**
The maturity analysis of lease liabilities is as follows:				
Within one year	5,189,037	5,142,932	-	-
Two to five years	2,218,516	7,404,938	-	-
	7,407,553	12,547,870	-	-
Less finance charges component	(361,742)	(1,040,038)	-	-
	7,045,811	**11,507,832**	**-**	**-**
Non-current liabilities	2,191,128	7,043,195	-	-
Current liabilities	4,854,683	4,464,637	-	-
	7,045,811	**11,507,832**	**-**	**-**

Refer to note 17 for information on the low values leases.

The incremental borrowing rate used in the calculation of the lease liabilities was prime + 0,5% (2022: prime + 0,5%)

5. Goodwill

(Figures in Rand)

Group	2023			2022		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	75,613,680	(57,686,823)	17,926,857	75,613,680	(57,686,823)	17,926,857

Reconciliation of goodwill - Group - 2023 **(Figures in Rand)**

Particuars	Opening balance	Impairment loss	Total
Goodwill	17,926,857	-	17,926,857

Reconciliation of goodwill - Group - 2022 **(Figures in Rand)**

Particuars	Opening balance	Impairment loss	Total
Goodwill	17,926,857	-	17,926,857

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During the 2018 financial year, Marico South Africa Proprietary Limited purchased the assets and liabilities of JM Products Proprietary Limited. Goodwill arose as a result of the purchase price exceeding the fair value of the identifiable assets and liabilities acquired.

Goodwill is tested for impairment annually or when there is an indication of impairment. The recoverable amounts of the cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order: first, to reduce the carrying amount of any goodwill allocated to the cash generating unit and then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in that unit. The key assumptions used in the value-in-use calculations were as follows:

Growth rate in activities: a terminal growth rate of 4,5% (2022: 4,5%)* Discount rate: 20,95% (2022: 20,95%)**

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

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

The value in use calculation at 31 March 2023 did not indicate any additional impairment.

6. Intangible assets (Figures in Rand)

Group	2023			2022		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Brands	**83,646,924**	**(2,082,202)**	**81,564,722**	**83,646,924**	**(2,082,202)**	**81,564,722**

Reconciliation of intangible assets - Group - 2023 **(Figures in Rand)**

	Opening balance	Additions	Amortisation	Impairment loss	Closing balance
Brands	81,564,722	-	-	-	81,564,722

Reconciliation of intangible assets - Group - 2022 **(Figures in Rand)**

	Opening balance	Additions	Amortisation	Impairment loss	Total
Brands	81,564,722	-	-	-	81,564,722

The group has classified its intangible assets as having indefinite useful lives. This conclusion is supported by the fact that the group is expected to be able to use the brands for the foreseeable future and that the typical product life cycles for the brands, acquired from public information on estimates of useful lives, indicate that the intangible asset has an indefinite period of foreseeable usage. This is further supported by the stability and the strong demand in markets within which these products are marketed and sold. Detailed impairment testing is performed for the indefinite-life intangible assets annually or whenever an indicator of impairment exists. The impairment review process is as follows:

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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:

Particulars	**Group**		**Company**	
	2023	**2022**	**2023**	**2022**
Growth rate (%) *	**4,50**	4,50	**-**	-
Discount rate (%) **	**20,95**	20,95	**-**	-

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

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

A sensitivity analysis was performed over the following items per brand:

- 1% increase to discount rate whilst keeping projected cash flow and growth rate constant;
- 5% decrease in the projected cash flow whilst keeping the growth rate and discount rate constant an
- 1% decrease to the growth rate whilst keeping the projected cash flow and discount rate constant.

The above all resulted in no impairment.

7. Interest in subsidiary **(Figures in Rand)**

Name of company	**% holding 2023**	**% holding 2022**	**Carrying amount 2023**	**Carrying amount 2022**
Marico South Africa Proprietary Limited	100,00 %	100,00 %	80,064,957	80,064,957

The Investment in subsidiary is tested for impairment annually or when there is an indication of impairment. The recoverable amounts of the cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order: first, to reduce the carrying amount of any investment in a subsidiary allocated to the cash generating unit and then, to the other assets of the unit, pro-rata on the basis of the carrying amount of each asset in that unit. The key assumptions used in the value-in-use calculations were as follows:

Growth rate in activities: a terminal growth rate of 4,5% (2021: 4,5%)

Post tax discount rate: 20,95% (2021: 20,95%)

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8. Increase in inventories

(Figures in Rand)

Particulars	Group		Company	
	2023	2022	2023	2022
Raw materials	36,920,496	30,881,480	-	-
Work in progress	319,201	165,849	-	-
Finished goods	22,083,678	17,151,795	-	-
	59,323,375	48,199,124	-	-
Inventories (write-downs)	(4,067,321)	(3,517,580)	-	-
	55,256,054	**44,681,544**	**-**	**-**

9. Increase in trade and other receivables

(Figures in Rand)

Particulars	Group		Company	
	2023	2022	2023	2022
Financial instruments:				
Trade receivables	27,206,190	25,369,174	-	-
Loss allowance	(86,329)	(306,021)	-	-
Trade receivables at amortised cost	27,119,861	25,063,153	-	-
Other receivables	4,271,390	2,047,781	-	-
Non-financial instruments:			-	-
VAT	519,114	372,832	-	-
Prepayments	105,335	228,748		
Total trade and other receivables	**32,015,700**	**27,712,514**	**-**	**-**

Group

Loss allowance aging profile - 2023

(Figures in Rand)

Particulars	Not past due	Past due by 30 days	Past due by 60 days	Total
Net trade receivables	26,854,428	351,762	-	27,206,190
Add back: Rebates	3,470,756	4,455,487	4,359,119	12,285,362
Gross carrying amount	30,325,184	4,807,249	4,359,119	39,491,552
Expected loss% based on gross carrying amount	0.18%	0.31%	0.36%	0.22%
Loss allowance calculated	55,470	14,977	15,882	86,329
Specific allowance	-	-	-	-
	55,470	**14,977**	**15,882**	**86,329**

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Loss allowance aging profile - 2022 **(Figures in Rand)**

Particulars	Not past due	Past due by 30 days	Past due by 60 days	Total
Net trade receivables	24,154,979	1,214,195	-	25,369,174
Add back: Rebates	2,078,775	6,205,355	1,911,008	10,195,138
Gross carrying amount	26,233,754	7,419,550	1,911,008	35,564,312
Expected loss% based on gross carrying amount	0.20%	0.20%	12.44%	0.86%
Loss allowance calculated	53,217	16,879	237,738	306,021
Specific allowance	-	-	-	-
	53,217	**16,879**	**237,738**	**306,021**

Movement in loss allowance **(Figures in Rand)**

Particulars	Not past due	Past due by 30 days	Past due by 60 days	Total
Opening balance	306,021	477,797	-	-
Reversal of prior period loss allowance	(306,021)	(254,267)	-	-
Provision for the year	86,329	82,491	-	-
Closing balance	**86,329**	**306,021**	**-**	**-**

Financial instrument and non-financial instrument components of trade and other receivables

(Figures in Rand)

Particulars	Not past due	Past due by 30 days	Past due by 60 days	Total
At amortised cost	31,391,251	27,110,934	-	-
Non-financial instruments	624,449	601,580	-	-
	32,015,700	**27,712,514**	**-**	**-**

Fair value of trade and other receivables

The fair value of increase in trade and other receivables approximates their carrying amounts.

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10. Cash and cash equivalents

(Figures in Rand)

Particulars	Group		Company	
	2023	2022	2023	2022
Cash and cash equivalents consist of:				
Bank balances	1,481,413	1,297,760	1,408	1,032
Deposits	11,320,375	10,050,969	21,944	22,750
	12,801,788	**11,348,729**	**23,352**	**23,782**
Current assets	12,801,788	11,348,729	23,352	23,782

Group facilities available

(Figures in Rand)

Particulars	Expiry date	R	R
Overdraft	22 August 2023	15,000,000	10,000,000
Card	22 August 2023	300,000	300,000
Fleet card	22 August 2023	200,000	150,000
Guarantee by the Bank	22 August 2023	882,000	882,000
Foreign exchange - Contract PFE	22 August 2023	209,800	209,800
Medium term loan	22 August 2023	13,800,000	17,033,875
Electronic funds transfer services - Credit Run	22 August 2023	5,000,000	5,000,000
		35,391,800	**33,575,675**

Group securities issued

(Figures in Rand)

Particulars	Restriction amount-R	Surety name
Pledge of Standard Bank call deposit Account	Unrestricted	
Cession book debts	Unrestricted	
Guarantee	60,000,000	Marico South Africa Consumer Care Proprietary Limited

11. Share capital

(Figures in Rand)

Particulars	Group		Company	
	2023	2022	2023	2022
Authorised				
30 000 000 no par value shares	30,000,000	30,000,000	30,000,000	30,000,000

The unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

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For the year ended 31 March, 2023

Issued **(Figures in Rand)**

Particulars	Group		Company	
	2023	2022	2023	2022
800 Ordinary shares of R1	800	800	800	800
447 Ordinary shares of R134 361.32	60,059,569	60,059,569	60,059,569	60,059,569
322 Ordinary shares of R93 167.70	30,000,000	30,000,000	30,000,000	30,000,000
Share premium	43,799,900	43,799,900	43,799,900	43,799,900
	133,860,269	**133,860,269**	**133,860,269**	**133,860,269**

12. Borrowings

(Figures in Rand)

Particulars	Group		Company	
	2023	2022	2023	2022
Held at amortised cost				
Standard Bank of South Africa Limited	9,732,175	16,433,875	-	-
Split between non-current and current portions				
Non-current liabilities	3,630,475	-	-	-
Current liabilities	6,101,700	16,433,875	-	-
	9,732,175	**16,433,875**	**-**	**-**

This loan is for a period of 3 years and repayable in monthly instalments of R508 475 per month. It bears interest at 0.5% above the South African prime interest rate.

The carrying amount approximates the fair value and for borrowings, the interest rate is market related.

13. Deferred tax

(Figures in Rand)

Particulars	Group		Company	
	2023	2022	2023	2022
Deferred tax liability				
Purchase price allocation	(9,067,680)	(9,067,680)	-	-
Intangible assets	(4,291,801)	(186,992)	-	-
Prepayments	(18,785)	(10,431)	-	-
Total deferred tax liability	**(13,378,266)**	**(9,265,103)**	**-**	**-**

Deferred tax asset

Particulars	Group 2023	Group 2022	Company 2023	Company 2022
Property, plant and equipment	77,878	99,399	-	-
Provisions	5,289,453	685,994	-	-
Net lease liability	188,157	139,779		
Deferred tax balance from temporary differences other than unused tax losses	5,555,488	925,172	-	-
Total deferred tax asset	**5,555,488**	**925,172**	**-**	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

(Figures in Rand)

Particulars	Group		Company	
	2023	2022	2023	2022
Deferred tax liability	(13,378,266)	(9,265,103)	-	-
Deferred tax asset	5,555,488	925,172	-	-
Total net deferred tax liability	**(7,822,778)**	**(8,339,931)**	**-**	**-**

Reconciliation of deferred tax liability **(Figures in Rand)**

Particulars	Group		Company	
	2023	2022	2023	2022
At beginning of year	(8,339,930)	(8,696,131)	-	-
Deductible temporary difference movement on lease liability	48,378	(140,348)	-	-
Taxable/ (deductible) temporary difference movement on purchase price allocation	-	335,840	-	-
Taxable / (deductible) temporary difference movement on tangible fixed assets	(21,521)	27,755	-	-
Taxable / (deductible) temporary difference movement on prepayments	(8,354)	13,341	-	-
Taxable / (deductible) temporary difference movement on provisions	4,603,459	306,605	-	-
Deductible temporary difference movement on intangibles	(4,104,810)	(186,992)		
	(7,822,778)	**(8,339,930)**	**-**	**-**

14. Trade and other payable **(Figures in Rand)**

Particulars	Group		Company	
	2023	2022	2023	2022
Financial instruments:				
Trade payables	43,881,772	41,348,007	-	-
Trade payables - related parties	1,533,921	734,002	-	-
Other payables	570,553	772,840	-	-
Accruals	7,680,578	5,835,025	-	-
Audit fee accrual	740,318	834,398	-	-
Bonus accrual*	-	3,456,005	-	-
Non-financial instruments:				
Bonus accrual*	4,506,792	-		
Leave pay accrual	1,711,425	1,507,011	-	-
	60,625,359	**54,487,288**	**-**	**-**

***Bonus accrual is reclassified as a non-financial instrument in the current year due to the accrual being accounted for and disclosed in terms of IAS 19 Employee Benefits.**

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Annual Financial Statements for the year ended 31 March 2023

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March, 2023

Financial instrument and non-financial instrument components of trade and other payables

(Figures in Rand)

Particulars	Group		Company	
	2023	2022	2023	2022
At amortised cost	54,407,142	52,980,277	-	-
Non-financial instruments	6,218,217	1,507,011	-	-
	60,625,359	**54,487,288**	**-**	**-**

Fair value of trade and other payables

The fair value of increase in trade and other payables approximates their carrying amounts.

15. Revenue

(Figures in Rand)

Particulars	Group		Company	
	2023	2022	2023	2022
Revenue from contracts with customers				
Sale of goods	363,823,147	308,682,204	-	-

Revenue is recognised at a point in time.

16. Other operating (losses) /gains

(Figures in Rand)

Particulars	Group		Company	
	2023	2022	2023	2022
(Losses)/ gains on disposals				
Property, plant and equipment	(10,141)	9,538	-	-
Foreign exchange losses				
Net foreign exchange loss	(1,904,643)	(262,853)	-	-
Total other operating losses)	**(1,914,784)**	**(253,315)**	**-**	**-**

17. Operating profit/(loss)

Operating profit / (loss) for the year is stated after charging / (crediting) the following, amongst others:

(Figures in Rand)

Particulars	Group		Company	
	2023	2022	2023	2022
Auditor's remuneration - external				
Audit fees	**473,350**	**420,994**	**-**	**-**

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Annual Financial Statements for the year ended 31 March 2023

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March, 2023

Employee costs

As at 31 March 2023 the group had 62 permanent employees (2022: 67), including directors The total cost of employment of all employees, excluding directors, was as follows:

(Figures in Rand)

Particulars	Group		Company	
	2023	2022	2023	2022
Salaries, wages, bonuses and other benefits	24,926,682	22,315,611	-	-
Refer to note 24 for directors emoluments.				
Leases				
Operating lease charges				
Computers	312,149	99,572	-	-
Depreciation and amortisation				
Depreciation of property, plant and equipment	374,891	523,860	-	-
Depreciation of right-of-use assets	4,641,200	4,299,515	-	-
Total depreciation and amortisation	**5,016,091**	**4,823,375**	**-**	**-**
Movement in credit loss allowances				
Trade and other receivables	**(354,693)**	**(10,306)**	**-**	**-**
Other				
Commission	**9,130,488**	**8,142,618**	**-**	**-**
Advertising	**17,650,135**	**17,671,636**	**-**	**-**
Delivery expenses	**18,106,158**	**15,358,380**	**-**	**-**

18. Investment income

(Figures in Rand)

Particulars	Group		Company	
	2023	2022	2023	2022
Interest income				
Investments in financial assets:				
Bank	313,634	176,864	1,194	719

19. Finance costs

(Figures in Rand)

Particulars	Group		Company	
	2023	2022	2023	2022
Borrowings	1,274,853	1,585,452	-	-
Lease liabilities (note 4)	680,392	622,347	-	-
Total finance costs	**1,955,245**	**2,207,799**	-	-

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NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March, 2023

20. Taxation

Major components of the tax expense **(Figures in Rand)**

Particulars	Group		Company	
	2023	2022	2023	2022
Current				
Local income tax - current year	6,888,004	5,351,689	-	-
Local income tax - recognised in current tax for prior periods	-	205,973	-	-
	6,888,004	**5,557,662**	**-**	**-**
Deferred				
Originating and reversing temporary differences	(517,152)	(45,625)	-	-
Other deferred tax	-	(310,576)		
	(517,152)	**(356,201)**	**-**	**-**
	6,370,852	**5,201,461**		

Reconciliation of the tax expense **(Figures in Rand)**

Particulars	Group		Company	
	2023	2022	2023	2022
Reconciliation between accounting profit / (loss) and tax expense.				
Accounting profit / (loss)	23,872,197	18,614,715	(430)	(832)
Tax at the applicable tax rate of 27% (2022: 28%)	6,445,493	5,212,120	(116)	(233)
Tax effect of adjustments on taxable income				
Non-deductible expenditure	94,004	97,613	116	233
Deferred tax rate change	-	(310,576)	-	-
Exempt income	(168,645)	(3,669)	-	-
Prior year under provision in current tax	-	205,973	-	-
	6,370,852	**5,201,461**	**-**	**-**

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NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March, 2023

21. Cash generated from/ (used in) operations **(Figures in Rand)**

Particulars	Group		Company	
	2023	2022	2023	2022
Profit / (loss) before taxation	23,872,197	18,614,715	(430)	(832)
Adjustments for:				
Depreciation	5,016,091	4,823,375	-	-
Profit on disposal of property, plant and equipment	10,141	(9,538)	(1,194)	(719)
Interest income	(313,634)	(176,864)	-	-
Finance costs	1,274,853	1,585,452	-	-
Lease interest	680,392	622,347	-	-
Movements in share-based payment liability	-	(104,684)	-	-
Other non-cash items	-	(10,335)	-	-
Changes in working capital:				
Increase in inventories	(10,574,510)	(5,973,155)	-	-
Increase in trade and other receivables	(4,303,186)	(2,416,285)	-	-
Increase in trade and other payables	6,138,071	3,305,685	-	-
	21,800,415	**20,260,713**	**(1,624)**	**(1,551)**

22 Tax paid **(Figures in Rand)**

Particulars	Group		Company	
	2023	2022	2023	2022
Balance at beginning of the year	770,652	207,009	-	-
Current tax for the year recognised in profit or loss	(6,888,004)	(5,557,662)	-	-
Balance at end of the year	(975,862)	(770,652)	-	-
	(7,093,214)	**(6,121,305)**	**-**	**-**

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NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March, 2023

23. Related parties

Ultimate holding company	Marico Limited
Subsidiaries	Refer to note 7
Other group companies	Marico South East Asia
Executive directors	J R Mason M R Mashilo P A Agrawal S Gupta

Related party balances **(Figures in Rand)**

Particulars	Group		Company	
	2023	2022	2023	2022
Amounts included in Trade receivable (Trade Payable) regarding related parties				
Marico Limited	(1,533,921)	(668,374)	-	-
Marico South East Asia	-	(65,628)	-	-
	(1,533,921)	**(734,002)**	**-**	**-**
Related party transactions				
Cross charges				
Marico Limited	1,692,525	1,021,659	-	-
Marico South East Asia	**66,906**	**65,628**		
	1,759,431	**1,087,287**	-	-

24. Directors' emoluments

Executive **(Figures in Rand)**

2023	Emoluments	Bonuses and performance related payments	Allowances	Total
J R Mason	2,236,116	1,618,737	698,337	4,553,190
M R Mashilo	1,725,029	781,198	667,890	3,174,117
S Gupta*	-	-	-	-
P A Agrawal*	-	-	-	-
	3,961,145	**2,399,935**	**1,366,227**	**7,727,307**

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NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March, 2023

(Figures in Rand)

2022	Emoluments	Bonuses and performance related payments	Allowances	Total
J R Mason	2,161,068	1,228,351	641,585	4,031,004
J Nieuwenhuys**	612,789	925,592	144,101	1,682,482
M R Mashilo	1,621,395	657,765	468,311	2,747,471
S Gupta*	-	-	-	-
P A Agrawal*	-	-	-	-
	4,395,252	**2,811,708**	**1,253,997**	**8,460,957**

*This director is paid by the ultimate holding company, Marico Limited.

**Resigned on 18 August 2021.

25. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets (Figures in Rand)

Group - 2023	Note(s)	Amortised cost	Total
Trade and other receivables	9	31,391,251	31,391,251
Cash and cash equivalents	10	12,801,788	12,801,788
		44,193,039	**44,193,039**

Group - 2022	Note(s)	Amortised cost	Total
Trade and other receivables	9	27110934	27110934
Cash and cash equivalents	10	11,348,729	11,348,729
		38,459,663	**38,459,663**

Company - 2023	Note(s)	Amortised cost	Total
Cash and cash equivalents	10	**23,352**	**23,352**

Company - 2022	Note(s)	Amortised cost	Total
Cash and cash equivalents	10	**23,782**	**23,782**

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For the year ended 31 March, 2023

Categories of financial liabilities **(Figures in Rand)**

Group - 2023	Note(s)	Amortised Cost	Leases	Total
Trade and other payables	14	54,407,142	-	54,407,142
Borrowings	12	9,732,175	-	9,732,175
Lease liabilities	4	-	7,045,811	7,045,811
		64,139,317	**7,045,811**	**71,185,128**

Group - 2022	Note(s)	Amortised Cost	Leases	Total
Trade and other payables	14	52,980,277	-	52,980,277
Borrowings	12	16,433,875	-	16,433,875
Lease liabilities	4	-	11,507,832	11,507,832
		69,414,152	**11,507,832**	**80,921,984**

Capital risk management

The group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The capital structure and gearing ratio of the group at the reporting date was as follows.

(Figures in Rand)

Particulars	Notes	Group		Company	
		2023	2022	2023	2022
Borrowings	12	9,732,175	16,433,875	-	-
Lease Liability	4	7,045,811	11,507,832	-	-
Trade and other payables	14	60,625,359	54,487,288	-	-
Total borrowings		**77,403,345**	**82,428,995**	**-**	**-**
cash and cash equivalents	10	(12,801,788)	(11,348,729)	(23,352)	(23,782)
Net borrowings		**64,601,557**	**71,080,266**	**(23,352)**	**(23,782)**
Equity		122,359,632	104,858,287	80,088,309	80,088,739
Gearing ratio		53%	68%	-%	-%

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NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March, 2023

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk and interest rate risk).

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is presented in the table below: **(Figures in Rand)**

Group		2023			2022		
	Note	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	9	31,477,580	(86,329)	31,391,251	27,416,955	(306,021)	27,110,934
Cash and cash equivalents	10	12,801,788	-	12,801,788	11,348,729	-	11,348,729
		44,279,368	**(86,329)**	**44,193,039**	**38,765,684**	**(306,021)**	**38,459,663**

(Figures in Rand)

Company		2023			2022		
	Note	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Cash and cash equivalents	10	23,352	-	23,352	23,782	-	23,782

Refer to note 9 for further details on credit risk

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

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NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March, 2023

(Figures in Rand)

Group 2023	Note	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Borrowings	12	-	3,630,475	3,630,475	3,630,475
Lease liabilities	4	-	2,218,516	2,218,516	2,191,128
Current liabilities					
Trade and other payables	14	54,407,142	-	54,407,142	54,407,142
Borrowings	12	6,101,700	-	6,101,700	6,101,700
Lease liabilities		5,189,037	-	5,189,037	4,854,683
		65,697,879	**5,848,991**	**71,546,870**	**71,185,128**

Group 2022	Note	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	4	-	7,404,938	7,404,938	7,043,195
Current liabilities					
Trade and other payables	14	52,980,277	-	52,980,277	52,980,277
Borrowings	12	16,433,875	-	16,433,875	16,433,875
Lease liabilities		5,142,932	-	5,142,932	4,464,637
		74,557,084	**7,404,938**	**81,962,022**	**80,921,984**

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March, 2023

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the group deals primarily are US Dollars.

Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date**:**

US Dollar exposure: **(Figures in Rand)**

Particulars	Notes	Group		Company	
		2023	2022	2023	2022
Current liabilities:					
Trade and other payables	14	(1,533,921)	(734,002)	-	-
Exchange rates					
Rand per unit of foreign currency:					
US Dollar		17.796	14.611	-	-

Foreign currency sensitivity analysis

The following information presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

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For the year ended 31 March, 2023

(Figures in Rand)

Group	2023	2023	2022	2022
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
US Dollar 10% change in exchange rate	(153,392)	153,392	(73,400)	73,400

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

(Figures in Rand)

Group	2023	2023	2022	2022
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Borrowings - 50 basis points change	(48,661)	48,661	(82,169)	82,169

26. Going concern

We draw attention to the fact that at 31 March 2023, the group had accumulated losses of R11 500 637 (2022: R29 001 982) and the company had accumulated losses of R53 771 960 (2022: R53 771 530). The group generated a net profit after taxation of R17 501 345 (2022: R13 413 254) whilst the company incurred a loss of R430 (2022: R832).

As at 31 March 2023, the group and company remains liquid and solvent. Furthermore, the group has been generating profits over the previous two financial periods and have been substantially reducing the accumulated deficit. The group forecasts a profit for 2023 and beyond and expects to reduce the accumulated deficit in the coming financial period.

The Company does not undertake trading and possesses sufficient cash on hand to meet any incidental expenses for the foreseeable future. The company also does not have any liabilities which require settlement as at the Statement of financial position date.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis assumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

27. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

MARICO SOUTH AFRICA (PTY) LIMITED (MSA)

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. John Richard Mason (until June 30, 2023) Mr. Pawan Agrawal Mr. Mandla Richard Mashilo
REGISTERED OFFICE	Unit 1-5, Site 2 East, Riverside Business Park, 74 Prince Umhlangane Road, Avoca, Durban, 4051
POSTAL ADDRESS	P. O. Box 401093, Redhill, 4071
REGISTRATION NUMBER	1977/001752/07
AUDITORS	KPMG Inc.
BANKERS	Standard Bank of South Africa Limited
LEGAL ADVISORS	Adams & Adams – Patent and Trademark Attorneys Norton Rose Commercial Attorneys Shepstone & Wylie – Litigation Attorneys PCSS Pty Limited – Secretarial Services Deloitte & Touche - Tax

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER'S OF MARICO SOUTH AFRICA PROPRIETARY LIMITED

Report on the audit of the financial statements

Opinion

We have audited the annual financial statements of Marico South Africa Proprietary Limited (the company) set out on pages 8 to 38, which comprise the statement of financial position as at 31 March 2023, 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, significant accounting policies and notes to the annual financial statements.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Marico South Africa Proprietary Limited as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Marico South Africa Proprietary Limited Audited Annual Financial Statements for the year ended 31 March 2023", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Annual Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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KPMG Inc.
Per Liaaqat Inaiethoola
Chartered Accountant (SA)
Registered Auditor
Associate Director
23 May 2023

STATEMENT OF FINANCIAL POSITION

As at 31 March, 2023

Figures in Rand

Particulars	Notes	2023 R	2022 R
Assets			
Non-Current Assets			
Property, plant and equipment	3	695,841	632,063
Right-of-use asset	4	6,348,931	10,990,131
Goodwill	5	17,926,857	17,926,857
Intangible assets	6	81,564,722	81,564,722
		106,536,351	**111,113,773**
Current Assets			
Inventories	7	55,256,054	44,681,544
Trade and other receivables	8	32,015,700	27,712,514
Current Tax receivable	21	975,862	770,652
Cash and cash equivalents	9	12,778,436	11,324,947
		101,026,052	**84,489,657**
Total Assets		**207,562,403**	**195,603,430**
Equity and Liabilities			
Equity			
Share capital	10	107,709,235	107,709,235
Retained Income		14,627,046	(2,874,729)
		122,336,281	**104,834,506**
Liabilities			
Non-Current Liabilities			
Borrowings	11	3,630,475	-
Lease liabilities	4	2,191,128	7,043,195
Deferred tax	12	7,822,778	8,339,930
		13,644,381	**15,383,125**
Current Liabilities			
Trade and other payables	13	60,625,358	54,487,287
Borrowings	11	6,101,700	16,433,875
Lease liabilities	4	4,854,683	4,464,637
		71,581,741	**75,385,799**
Total Liabilities		**85,226,122**	**90,768,924**
Total Equity and Liabilities		**207,562,403**	**195,603,430**

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March, 2023

Figures in Rand

Particulars	Notes	For the year ended March 31, 2023	2022
Revenue	14	363,823,147	308,682,204
Cost of sales		(240,540,321)	(199,762,132)
Gross profit		**123,282,826**	**108,920,072**
Other operating losses	15	(1,914,784)	(253,315)
Movement on loss allowance on trade receivables	16	354,693	10,306
Other operating expenses		(96,207,303)	(88,029,862)
Operating profit	**16**	**25,515,432**	**20,647,201**
Investment income	17	312,440	176,145
Finance costs	18	(1,955,245)	(2,207,799)
Profit before taxation		**23,872,627**	**18,615,547**
Taxation	19	(6,370,852)	(5,201,461)
Profit for the year		**17,501,775**	**13,414,086**
Other comprehensive income		-	-
Total comprehensive income for the year		**17,501,775**	**13,414,086**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March, 2023

Figures in Rand

Particulars	Share capital	Share premium	Total share capital	Retained Income	Total equity
Balance as at 1 April 2021	84,845,500	22,863,735	107,709,235	(16,288,815)	91,420,420
Profit for the year	-	-	-	13,414,086	13,414,086
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**13,414,086**	**13,414,086**
Balance as at 1 April 2022	**84,845,500**	**22,863,735**	**107,709,235**	**(2,874,729)**	**104,834,506**
Profit for the year	-	-	-	17,501,775	17,501,775
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**17,501,775**	**17,501,775**
Balance at 31 March 2023	**84,845,500**	**22,863,735**	**107,709,235**	**14,627,046**	**122,336,281**
Note	10	10	10		

STATEMENT OF CASH FLOWS

For the year ended 31 March, 2023

Figures in Rand

Particulars	Notes	2023	2022
Cash flows from operating activities			
Cash generated from operations	20	21,802,039	20,262,264
Interest income		312,440	176,145
Finance costs		(1,274,853)	(1,585,452)
Tax paid	21	(7,093,214)	(6,121,305)
Net cash from operating activities		**13,746,412**	**12,731,652**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(448,810)	(571,509)
Proceeds on sale of property, plant and equipment		-	9,538
Net cash used in investing activities		**(448,810)**	**(561,971)**
Cash flows from financing activities			
Repayment of borrowings		(6,701,700)	(6,701,700)
Payment on lease liabilities	4	(5,142,413)	(5,404,585)
Net cash from financing activities		**(11,844,113)**	**(12,106,285)**
Total cash movement for the year		**1,453,489**	**63,396**
Cash at the beginning of the year		11,324,947	11,261,551
Total cash at the end of the year	**9**	**12,778,436**	**11,324,947**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

ACCOUNTING POLICIES

Corporate information

"Marico South Africa Proprietary Limited (""the company"") is domiciled in South Africa. The company's registered office is Units 1-5, Site 2 East, Riverside Business Park, 74 Prince Umhlangane Road, Avoca, Durban, 4051. The company is involved in the distribution of a wide range of personal care and affordable complementary health care products.

The annual financial statements are approved by the board of directors on 23 May 2023 and were signed by J R Mason and M R Mashilo, authorised directors.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, the International Financial Reporting Standards ("IFRS") and the Companies Act of South Africa of South Africa.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The 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.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

Impairment of non-financial assets

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset 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.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	5 - 12 years
Leasehold improvements	Straight line	5 years
Plant and machinery	Straight line	5 - 15 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	3.33 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the company is a lessee are presented in note 4 Leases (company as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate. The company determines its incremental borrowing rate by obtaining interest rates from external financing sources and makes certain adjustments to reflect the terms of the lease and the type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of- use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the right-of-use asset comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.5 Goodwill

Goodwill arises on the acquisition of subsidiaries, associates, joint ventures and the acquisition of assets and liabilities in terms of a business combination. Goodwill represents the excess of the cost of the acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is initially recognised as an asset at cost and is subsequently measured as cost less accumulated impairment losses. An impairment loss is recognised for goodwill is not reversed in a subsequent period.

On disposal of a business the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.6 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end. Currently, the Brands have an indefinite useful life. Should managements assessment change, the Brands would be amortised using the straight line method over the determined useful life.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.8 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost.

Financial liabilities:

- Amortised cost.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 8).

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains / (losses).

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The company assumes that credit risk on a financial asset has increased significantly if it is more than 30 days due. The company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held) or:
- the financial asset is more than 90 days past due.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account.

Borrowings

Classification

Borrowings (note 11) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Trade and other payables

Classification

Trade and other payables (note 13), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains / (losses).

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount disclosed on the statement of financial position, when and only when, the company currently has a legally enforceable right to offset the amounts and intends to settle them on a net basis or to realise and settle the liability simultaneously.

1.9 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

1.10 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current assets and liabilities are only offset if certain criteria is met.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period.

1.11 Share capital and equity

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

1.12 Revenue from contracts with customers

Revenue is recognised upon transfer of control when performance obligations to customers are met in an amount that reflects the consideration the company expects to receive in exchange for the goods or services rendered. To recognise revenue, we apply the following five step approach:

(1) identify the contract with a customer,

(2) identify the performance obligations in the contract,

(3) determine the transaction price,

(4) allocate the transaction price to the performance obligations in the contract, and

(5) recognize revenues when a performance obligation is satisfied.

At contract inception, the company assesses its promise to transfer goods and services to a customer to identify separate performance obligations. The company applies judgement to determine whether each good and service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised goods and services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately.

Revenue performance obligations are met at a point in time when the good is available for use or delivered to the customer location. Control is transferred when the customer takes ownership of the good. Export revenues are recorded when the relevant incoterms of each contract is met. Rebates and discounts are recorded against revenue and receivables when the specific terms of each contract have been met.

Depending on the customer profile, sale contracts are entered into on a variety of payment terms from cash on delivery, 30 days, 60 days etc.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

The nature of the goods invoiced are primarily of hair care and health products.

Due to the nature of the bulk supply of goods and quality controls in place, there is minimal obligation for returns of inventory.

There are no significant judgements required in the application of IFRS 15 due to the nature of the goods being sold.

1.13 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits are recognised in the period in which the service is rendered and are not discounted.

1.15 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

1.16 Finance income and finance cost

Finance income and finance costs are recognised on a time proportion basis which takes into account the effective yield/ expense on the respective asset or liability.

1.17 Related party transactions

A party is related to the Company if any of the following are met:

- Directly, or indirectly through one or more intermediaries, the party controls, is controlled by or is under common control with the Company.
- The party is a member of key management personnel of the entity or its parent.
- The party is a close family member of the family or individual referred to the above. Close family member of the family of an individual includes:
- The individual’s domestic partner and children.
- Children of the individual’s domestic partner and
- Dependents of the individual or the individual’s domestic partner.

The sales to and purchases from related parties are made on terms negotiated between the parties involved. Balances held between related parties are treated under the prevailing accounting policy to the nature of the account held.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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:

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1

A subsidiary that uses the cumulative translation differences exemption, may elect in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

The effective date of the amendment is for years beginning on or after 1 January 2022. The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not material.

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included. The effective date of the amendment is for years beginning on or after 1 January 2022. The company has adopted the amendment for the first time in the 2022 financial statements. The impact of the amendment is not material. Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16 The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards.Disclosure of such amounts in now specifically required.

The effective date of the amendment is for years beginning on or after 1 January 2022. The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not material.

Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37

The amendment defined the costs that are included in the cost of fulfilling a contract when determining the amount recognised as an onerous contract. It specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These are both the incremental costs of fulfilling the contract as well as an allocation of other costs that relate directly to fulfilling contracts (for example depreciation allocation).

The effective date of the company is for years beginning on or after 1 January 2022. The company has adopted the amendment for the first time in the 2023 annual financial statements.

The impact of the amendment is not material.

Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16

The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards.Disclosure of such amounts in now specifically required.

The effective date of the amendment is for years beginning on or after 1 January 2022. The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not material.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

2.2 Standards and interpretations 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 1 April 2023 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
- Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	1 January 2024	Unlikely there will be a material impact
- Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	1 January 2023	Unlikely there will be a material impact
- Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023	Unlikely there will be a material impact
- Definition of accounting estimates: Amendments to IAS 8	1 January 2023	Unlikely there will be a material impact

3. Property, plant and equipment

Figures in Rand

Particular	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Leasehold improvements	1,561,833	(1,453,165)	108,668	1,561,833	(1,414,872)	146,961
Plant and machinery	1,319,717	(1,269,348)	50,369	1,300,267	(1,203,090)	97,177
Office furniture and computer equipment	3,322,718	(2,785,914)	536,804	3,179,020	(2,791,095)	387,925
Motor vehicles	339,046	(339,046)	-	339,046	(339,046)	-
Total	**6,543,314**	**(5,847,473)**	**695,841**	**6,380,166**	**(5,748,103)**	**632,063**

Reconciliation of property, plant and equipment - 2023

Figures in Rand

Particulars	Opening balance	Additions	Disposals	Depreciation	Closing balance
Leasehold improvements	146,961	-	-	(38,293)	108,668
Plant and machinery	97,177	19,449	-	(66,257)	50,369
Office furniture and computer equipment	387,925	429,361	(10,141)	(270,341)	536,804
	632,063	**448,810**	**(10,141)**	**(374,891)**	**695,841**

Reconciliation of property, plant and equipment - 2022

Figures in Rand

Particulars	Opening balance	Additions	Disposals	Depreciation	Closing balance
Leasehold improvements	114,714	153,914	-	(121,667)	146,961
Plant and machinery	167,758	60,241	-	(130,822)	97,177
Office furniture and computer equipment	301,942	357,354	-	(271,371)	387,925
	584,414	**571,509**	-	**(523,860)**	**632,063**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

4. Leases (company as lessee) (Figures in Rand)

Details pertaining to leasing agreement, where the Company is lessee are presented below:

	2023			2022		
Particular	**Cost**	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Buildings	21,724,607	(15,375,676)	6,348,931	21,724,607	(10,891,407)	10,833,200
Plant and machinery	-	-	-	1,091,673	(934,742)	156,931
Total	**21,724,607**	**(15,375,676)**	**6,348,931**	**22,816,280**	**(11,826,149)**	**10,990,131**

Reconciliation of right of use asset - 2023

Particular	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	10,833,200	-	-	(4,484,269)	6,348,931
Plant and machinery	156,931	-	-	(156,931)	-
Total	**10,990,131**	**-**	**-**	**(4,641,200)**	**6,348,931**

Reconciliation of right of use asset - 2022

Particular	Opening balance	Additions	Disposals	Depreciation	Closing balance
Buildings	1,447,087	13,452,809	(81,041)	(3,985,655)	10,833,200
Plant and machinery	470,791	-	-	(313,860)	156,931
Total	**1,917,878**	**13,452,809**	**(81,041)**	**(4,299,515)**	**10,990,131**

Other disclosures

Interest expense on lease liabilities	680,392	622,347
Lease liabilities		
Reconciliation of lease liabilities		
Opening Balance	11,507,832	2,918,331
Additions	-	13,452,809
Adjustments	-	(81,070)
Interest	680,392	622,347
Repayments	(5,142,413)	(5,404,585)
	7,045,811	**11,507,832**
The maturity analysis of lease liabilities is as follows:		
Within one year	5,189,037	5,142,932
Two to five years	2,218,516	7,404,938
	7,407,553	12,547,870
Less finance charges component	(361,742)	(1,040,038)
	7,045,811	**11,507,832**
Non-current liabilities	2,191,128	7,043,195
Current liabilities	4,854,683	4,464,637
	7,045,811	**11,507,832**

Refer to note 16 for information on the low values leases.

The incremental borrowing rate used in the calculation of the lease liabilities was prime + 0.5% (2022: prime + 0.5%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

5. Goodwill

(Figures in Rand)

Particular	2023 Cost	2023 Accumulated impairment	2023 Carrying Value	2022 Cost	2022 Accumulated impairment	2022 Carrying Value
Goodwill	37,926,857	(20,000,000)	17,926,857	37,926,857	(20,000,000)	17,926,857
	37,926,857	**(20,000,000)**	**17,926,857**	**37,926,857**	**(20,000,000)**	**17,926,857**

Reconciliation of goodwill - 2023

(Figures in Rand)

Particular	Opening balance	Impairment loss	Total
Goodwill	17,926,857	-	17,926,857

Reconciliation of goodwill - 2022

(Figures in Rand)

Particular	Opening balance	Impairment loss	Total
Goodwill	17,926,857	-	17,926,857

During the 2018 financial year, the company purchased the assets and liabilities of JM Products Proprietary Limited. Goodwill arose as a result of the purchase price exceeding the fair value of the identifiable assets and liabilities acquired.

Goodwill is tested for impairment annually or when there is an indication of impairment. The recoverable amounts of the cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order: first, to reduce the carrying amount of any goodwill allocated to the cash generating unit and then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in that unit. The key assumptions used in the value-in-use calculations were as follows:

Growth rate in activities: a terminal growth rate of 4.5% (2022: 4.5%)*

Discount rate: 20.95% (2022: 20.95%)**

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

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

The value in use calculation at 31 March 2023, did not indicate any additional impairment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

6. Intangible Assets (Figures in Rands)

	2023			2022		
Particular	**Cost**	**Accumulated amortisation impairment**	**Carrying Value**	**Cost**	**Accumulated amortisation impairment**	**Carrying Value**
Brands	83,646,924	(2,082,202)	81,564,722	83,646,924	(2,082,202)	81,564,722

Reconciliation of Intangible assets - 2023 (Figures in Rands)

Particular	Opening balance	Additions	Amortisation	Impairment loss	Closing balance
Brands	81,564,722	-	-	-	81,564,722

Reconciliation of Intangible assets - 2022 (Figures in Rands)

Particular	Opening balance	Additions	Amortisation	Impairment loss	Closing balance
Brands	81,564,722	-	-	-	81,564,722

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:

The key assumptions used for the value-in-use calculations are as follows:

Growth rate (%) *	4.50	4.50
Discount rate (%) **	20.95	20.95

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

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

A sensitivity analysis was performed over the following items per brand:

- 1% increase to discount rate whilst keeping projected cash flow and growth rate constant;
- 5% decrease in the projected cash flow whilst keeping the growth rate and discount rate constant and
- 1% decrease to the growth rate whilst keeping the projected cash flow and discount rate constant.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

The above all resulted in no impairment.

7. Inventories

(Figures in Rand)

Particulars	2023	2022
Raw materials	36,920,496	30,881,480
Work in progress	319,201	165,849
Finished goods	22,083,678	17,151,795
	59,323,375	48,199,124
Inventories (write-downs)	(4,067,321)	(3,517,580)
	55,256,054	**44,681,544**

8. Trade and other receivables

(Figures in Rand)

Particulars	2023	2022
Financial instruments:		
Trade receivables	27,206,190	25,369,174
Loss allowance	(86,329)	(306,021)
Trade receivables at amortised cost	27,119,861	25,063,153
Other receivables	4,271,390	2,047,781
Non-financial instruments:		
VAT	519,114	372,832
Prepayments	105,335	228,748
Total trade and other receivables	**32,015,700**	**27,712,514**

The loss allowance has been calculated on the gross trade receivables balances as follows: (Figures in Rand)

Loss allowance aging profile - 2023	Not past due	Past due by 30 days	Past due by 60 days	Total
Net trade receivables	26,854,428	351,762	-	27,206,190
Add back: Rebates and claims	3,470,756	4,455,487	4,359,119	12,285,362
Gross carrying amount	30,325,184	4,807,249	4,359,119	39,491,552
Expected loss % based on gross carrying amount	0.18%	0.31%	0.36%	0.22%
Loss allowance calculated	55,470	14,977	15,882	86,329
Specific allowance	-	-	-	-
	55,470	**14,977**	**15,882**	**86,329**

Loss allowance aging profile - 2022	Not past due	Past due by 30 days	Past due by 60 days	Total
Net trade receivables	24,154,979	1,214,195	-	25,369,174
Add back: Rebates and claims	2,078,775	6,205,355	1,911,008	10,195,138
Gross carrying amount	26,233,754	7,419,550	1,911,008	35,564,312
Expected loss % based on gross carrying amount	0.20%	0.20%	12.44%	0.86%
Loss allowance calculated	53,217	15,066	237,738	306,021
Specific allowance	-	-	-	-
	53,217	**15,066**	**237,738**	**306,021**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

Movement in Loss allowance (Figures in Rand)

Particulars	2023	2022
Opening balance	306,021	477,797
Reversal of prior period loss allowance	(306,021)	(254,267)
Provision for the year	86,329	82,491
Closing balance	**86,329**	**306,021**

Financial instrument and non-financial instrument components of trade and other receivables.

(Figures in Rand)

Particulars	2023	2022
At amortised cost	31,391,251	27,110,934
Non-financial instruments	624,449	601,580
	32,015,700	**27,712,514**

Fair value of trade and other receivables

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

9. Cash and cash equivalents

(Figures in Rand)

Particulars	2023	2022
Cash and cash equivalents consist of:		
Bank balances	1,480,005	1,296,728
Deposits	11,298,431	10,028,219
	12,778,436	**11,324,947**
Current liabilities	-	-

(Figures in Rand)

Facilities available	Expiry date	R	R
Overdraft	22 August 2023	15,000,000	10,000,000
Card	22 August 2023	300,000	300,000
Fleet card	22 August 2023	200,000	150,000
Guarantee by bank	22 August 2023	882,000	882,000
Foreign exchange - Contract PFE	22 August 2023	209,800	209,800
Medium term loan	22 August 2023	13,800,000	17,033,875
Electronic funds transfer services - Credit Run	22 August 2023	5,000,000	5,000,000
		35,391,800	**33,575,675**

Security issued	Restriction amount in R	Surety name
Pledge of Standard Bank call deposit account	Unrestricted	
Cession book debt	Unrestricted	
Guarantee	60,000,000	Marico South Africa Consumer Care Proprietary Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

10. Share capital

(Figures in Rand)

Particulars	2023	2022
Authorised		
30 000 000 no par value shares	**30,000,000**	30,000,000

The unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

(Figures in Rand)

Particulars	2023	2022
Issued		
500 000 Ordinary shares of R0.01	5,000	5,000
254 958 Ordinary shares of R215.10	54,840,500	54,840,500
283 253 Ordinary shares of R105.9123	30,000,000	30,000,000
Share premium	22,863,735	22,863,735
	107,709,235	**107,709,235**

11. Borrowings

(Figures in Rand)

Particulars	2023	2022
Held at amortised cost Standard Bank of South Africa Limited	9,732,175	16,433,875
Split between non-current and current portions		
Non-current liabilities	3,630,475	-
Current liabilities	6,101,700	16,433,875
	9,732,175	**16,433,875**

This loan is for a period of 3 years and repayable in monthly instalments of R508 475 per month. It bears interest at 0.5% above the South African prime interest rate.

The carrying amount approximates the fair value and for borrowings, the interest rate is market related.

12. Deferred tax

(Figures in Rand)

Particulars	2023	2022
Deferred tax liability		
Purchase price allocation	(9,067,680)	(9,067,680)
Intangible assets	(4,291,801)	(186,992)
Prepayments	(18,785)	(10,431)
Total deferred tax liability	**(13,378,266)**	**(9,265,103)**
Deferred tax asset		
Property, plant and equipment	77,878	99,399
Provisions	5,289,453	685,994
Net lease liability	188,157	139,779
Deferred tax balance from temporary differences other than unused tax losses	5,555,488	925,172
Total deferred tax asset	**5,555,488**	**925,172**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

(Figures in Rand)

Particulars	2023	2022
Deferred tax liability	(13,378,266)	(9,265,103)
Deferred tax asset	5,555,488	925,172
Total net deferred tax liability	**(7,822,778)**	**(8,339,931)**

Reconciliation of deferred tax liability (Figures in Rand)

Particulars	2023	2022
At beginning of year	(8,339,930)	(8,696,131)
Deductible temporary difference movement on lease liability	48,378	(140,348)
Taxable/ (deductible) temporary difference movement on purchase price allocation	-	335,840
Taxable / (deductible) temporary difference movement on tangible fixed assets	(21,521)	27,755
Taxable / (deductible) temporary difference movement on prepayments	(8,354)	13,341
Taxable / (deductible) temporary difference movement on provisions	4,603,459	306,605
Deductible temporary difference movement on intangibles	(4,104,810)	(186,992)
	(7,822,778)	**(8,339,930)**

13. Trade and other payables

(Figures in Rand)

Particulars	2023	2022
Financial instruments:		
Trade payables	43,881,771	41,348,006
Trade payables - related parties	1,533,921	734,002
Other payables	570,553	772,840
Accruals	7,680,578	5,835,025
Audit fee accrual	740,318	834,398
Bonus accrual *	-	3,456,005
Non-financial instruments:		
Bonus accrual	4,506,792	-
Leave pay accrual	1,711,425	1,507,011
	60,625,358	**54,487,287**

Financial instrument and non-financial instrument components of trade and other payables

(Figures in Rand)

Particulars	2023	2022
At amortised cost	54,407,141	52,980,276
Non-financial instruments	6,218,217	1,507,011
	60,625,358	**54,487,287**

***** Bonus accrual is reclassified as a non financial instrument in the current year due to the accrual being accounted for and disclosed in terms of IAS 19 Employee Benefits

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

Fair value of trade and other payables

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

14. Revenue

Revenue from contracts with customers (Figures in Rand)

Particulars	2023	2022
Sale of goods	363,823,147	308,682,204

Revenue is recognised at a point in time.

15. Other operating gains/ losses

(Figures in Rand)

Particulars	2023	2022
(Losses) /gains on disposals		
Property, plant and equipment	(10,141)	9,538
Foreign exchange gains (losses)		
Net foreign exchange loss	(1,904,643)	(262,853)
Total other operating gains / (losses)	**(1,914,784)**	**(253,315)**

16. Operating Profit

Operating profit / (loss) for the year is stated after charging (crediting) the following, amongst others:

(Figures in Rand)

Particulars	2023	2022
Auditor's remuneration - external		
Audit fees	473,350	420,994

Employee costs

As at 31 March 2023 the company had 62 (2022: 67) employees, including directors.. The total cost of employment of all employees, excluding directors, was as follows. (Figures in Rand)

Particulars	2023	2022
Salaries, wages, bonuses and other benefits	24,926,682	22,315,611
Refer to note 23 for directors emoluments.		
Leases		
Operating lease charges		
Computers	312,149	99,572
Depreciation and amortisation		
Depreciation of property, plant and equipment	374,891	523,860
Depreciation of right-of-use assets	4,641,200	4,299,515
Total depreciation and amortisation	**5,016,091**	**4,823,375**
Movement in credit loss allowances		
Trade and other receivables	(354,693)	(10,306)
Other		
Commission	9,130,488	8,142,618
Advertising	17,650,135	17,671,636
Delivery expenses	18,106,158	15,358,380

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

17. Investment income

Interest income (Figures in Rand)

Particulars	2023	2022
Investments in financial assets:		
Bank	312,440	176,145

18. Finance costs

(Figures in Rand)

Particulars	2023	2022
Borrowings	1,274,853	1,585,452
Lease liabilities (note 4)	680,392	622,347
Total finance costs	**1,955,245**	**2,207,799**

19. Taxation

Major components of the tax expense (Figures in Rand)

Particulars	2023	2022
Current		
Local income tax - current year	6,888,004	5,351,689
Local income tax - recognised in current year for prior periods	-	205,973
	6,888,004	**5,557,662**
Deferred		
Originating and reversing temporary differences	**(517,152)**	(45,625)
Change in tax rate	-	(310,576)
	(517,152)	(356,201)
	6,370,852	**5,201,461**

Reconciliation of the tax expense

Reconciliation between accounting profit / (loss) and tax expense. (Figures in Rand)

Particulars	2023	2022
Accounting profit	23,872,627	18,615,547
Tax at the applicable tax rate of 27% (2022: 28%)	6,445,609	5,212,353
Tax effect of adjustments on taxable income		
Deferred tax rate change	**-**	(310,576)
Exempt income	(168,645)	(3,669)
Prior year under provision in current tax	-	205,973
Non-deductible expenditure	93,888	97,380
	6,370,852	**5,201,461**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

20. Cash generated from operations (Figures in Rand)

Particulars	2023	2022
Profit before taxation	23,872,627	18,615,547
Adjustments for:		
Depreciation	5,016,091	4,823,375
Loss/ (profit) on disposal of property, plant and equipment	10,141	(9,538)
Interest income	(312,440)	(176,145)
Finance costs	1,274,853	1,585,452
Leases interest	680,392	622,347
Movements in share-based payment liability	-	(104,684)
Other non-cash items	-	(10,335)
Changes in working capital:		
Increase in inventories	(10,574,510)	(5,973,155)
Increase in trade and other receivables	(4,303,186)	(2,416,285)
Increase in trade and other payables	6,138,071	3,305,685
	21,802,039	**20,262,264**

21. Tax Paid (Figures in Rand)

Particulars	2023	2022
Balance at beginning of the year	770,652	207,009
Current tax for the year recognised in profit or loss	(6,888,004)	(5,557,662)
Balance at end of the year	(975,862)	(770,652)
	(7,093,214)	**(6,121,305)**

22. Related parties

Relationships

`

Ultimate holding company	Marico
Holding company	Marico South Africa Consumer Care Proprietary Limited
Other group companies	Marico South East Asia
Executive directors	J R Mason
	M R Mashilo
	P A Agrawal

Related party balances

Amounts included in trade receivables (Trade Payables) regarding related parties

(Figures in Rand)

Particulars	2023	2022
Marico Limited	(1,533,921)	(668,374)
Marico South East Asia	-	(65,628)
	(1,533,921)	**(734,002)**
Related party transactions		
Cross charges from related parties		
Marico Limited	1,692,525	1,021,659
Marico South East Asia	66,906	65,628
	1,759,431	**1,087,287**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

23 Directors' emoluments

Executive (Figures In Rand)

2023	Emoluments	Bonus and Performance related payments	Allowances	Total
J R Mason	2,236,116	1,618,737	698,337	4,553,190
M R Mashilo	1,725,029	781,198	667,890	3,174,117
P A Agrawal*	-	-	-	-
	3,961,145	**2,399,935**	**1,366,227**	**7,727,307**

*This director is paid by the ultimate holding company, Marico Limited.

(Figures In Rand)

2022	Emoluments	Bonus and Performance related payments	Allowances	Total
J R Mason	2,161,068	1,228,351	641,585	4,031,004
J Nieuwenhuys**	612,789	925,592	144,101	1,682,482
M R Mashilo	1,621,395	657,765	468,311	2,747,471
P A Agrawal*	-	-	-	-
	4,395,252	**2,811,708**	**1,253,997**	**8,460,957**

*This director is paid by the ultimate holding company, Marico Limited.

**Retired on 18 August 2021.

24. Financial instruments and risk management

Categories of financial instrument

Categories of financial assets (Figures in Rand)

2023	Note(s)	Amortised Cost	Total
Trade and other receivables	8	31,391,251	31,391,251
Cash and cash equivalents	9	12,778,436	12,778,436
		44,169,687	**44,169,687**

(Figures in Rand)

2022	Note(s)	Amortised Cost	Total
Trade and other receivables	8	27,110,934	27,110,934
Cash and cash equivalents	9	11,324,947	11,324,947
		38,435,881	**38,435,881**

Categories of financial liabilties (Figures in Rand)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

2023	Note(s)	Amortised Cost	Leases	Total
Trade and other payables	13	54,407,141	-	54,407,141
Borrowings	11	9,732,175	-	9,732,175
Lease liabilities	4	-	7,045,811	7,045,811
		64,139,316	**7,045,811**	**71,185,127**

(Figures in Rand)

2022	Note(s)	Amortised Cost	Leases	Total
Trade and other payables	13	52,980,276	-	52,980,276
Borrowings	11	16,433,875	-	16,433,875
Lease liabilities	4	-	11,507,832	11,507,832
		69,414,151	**11,507,832**	**80,921,983**

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The capital structure and gearing ratio of the company at the reporting date was as follows:

(Figures in Rand)

Particulars	Note(s)	2023	2022
Borrowings	11	9,732,175	16,433,875
Lease liabilities	4	7,045,811	11,507,832
Trade and other payables	13	60,625,358	54,487,287
Total borrowings		**77,403,344**	**82,428,994**
Cash and cash equivalents	9	(12,778,436)	(11,324,947)
Net borrowings		**64,624,908**	**71,104,047**
Equity		122,336,281	104,834,506
Gearing ratio		53 %	68 %

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk and interest rate risk).

Credit risk

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

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 maximum exposure to credit risk is presented in the table below:

(Figures in Rand)

Particular	Note	2023 Gross carrying amount	2023 Credit loss allowance	2023 Amortised cost / fair value	2022 Gross carrying amount	2022 Credit loss allowance	2022 Amortised cost / fair value
Trade and other receivables	8	31,477,580	(86,329)	31,391,251	27,416,955	(306,021)	27,110,934
Cash and cash equivalents	9	12,778,436		12,778,436	11,324,947		11,324,947
		44,256,016	**(86,329)**	**44,169,687**	**38,741,902**	**(306,021)**	**38,435,881**

Refer to note 8 for further details on credit risk.

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

(Figures in Rand)

2023	Note(s)	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Borrowings	11	-	3,630,475	3,630,475	3,630,475
Lease liabilities	4	-	2,218,516	2,218,516	2,191,128
Current liabilities					
Trade and other payables	13	54,407,141	-	54,407,141	54,407,141
Borrowings	11	6,101,700	-	6,101,700	6,101,700
Lease liabilities	4	5,189,037	-	5,189,037	4,854,683
		65,697,878	**5,848,991**	**71,546,869**	**71,185,127**

2022	Note(s)	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	4	-	7,404,938	7,404,938	7,403,195
Current liabilities					
Trade and other payables	13	52,980,276	-	52,980,276	52,980,276
Borrowings	11	16,433,875	-	16,433,875	16,433,875
Lease liabilities	4	5,142,932	-	5,142,932	4,464,637
		74,557,083	**7,404,938**	**81,962,021**	**81,281,983**

Foreign currency risk

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

The company is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the company deals primarily are US Dollars.

Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date.

US Dollar exposure: (Figures in Rand)

Particulars	Note(s)	2023	2022
Current liabilities:			
Trade and other payables	13	(1,533,921)	(734,002)

Exchange rates (Figures in Rand)

Particulars	Note(s)	2023	2022
Rand per unit of foreign currency:			
US Dollar		17.796	14.611

Foreign currency sensitivity analysis

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Particulars	2023	2023	2022	2022
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
US Dollar 10% change in exchange rate	(153,392)	153,392	(73,400)	73,400

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

Particular	2023	2023	2022	2022
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Borrowings - 50 basis points change	(48,661)	48,661	(82,169)	82,169
	(48,661)	**48,661**	**(82,169)**	**82,169**

25. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors is satisfied is that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors is not aware of any new material changes that may adversely impact the company. The directors is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

The directors is reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the company and do not believe that the company has adequate financial resources to continue in operation for the foreseeable future. The annual financial statements have accordingly not been prepared on the going concern basis.

26. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Saugata Gupta	Chairman
	Mr. Pawan Agrawal	Member
	Mr. Vaibhav Bhanchawat	Member
	Ms. Nguyen Thi Le Thuy	Member
	Ms. Nguyen Hoang Phuong Anh	Member
LEGAL REPRESENTATIVE	Mr. Saugata Gupta	Chairman
	Mr. Vaibhav Bhanchawat	General Director
	Ms. Priti Bisen	Deputy General Director
	Ms. Nguyen Thi Le Thuy	Deputy General Director

BUSINESS REGISTRATION CERTIFICATE

No. 3700579324 dated 11 February 2011 was initially issued by the Department of Planning and Investment of Binh Duong Province and 15th amendment dated 14th February, 2023

INVESTMENT CERTIFICATE

Project Code 1013733152 dated 11 February, 2011

The sixth amended Investment Registration Certificate No. 1013733152 dated 23 May 2017 was issued by the Board of Management of Industrial Park of Binh Duong Province for a period of 34 years (from the date of initial Investment Certificate to 16 September 2045)

Project Code. 9816465766 dated 31 December 2008

The fifth amended Investment Registration Certificate No. 9816465766 dated 29 July 2022 was issued by the Board of Management of Industrial Park of Ho Chi Minh City. Project operating time is until 19 December 2047

DATE OF INCORPORATION

February 11, 2011

REGISTERED OFFICE

No. 3, Road 5, Song Than 1 Industrial Park,
Di An Ward, Di An City,
Binh Duong Province, Vietnam

REPRESENTATIVE OFFICE

28th Floor, Pearl Plaza, 561A Dien Bien Phu Street,
Ward 25, Binh Thanh District, Ho Chi Minh City, Vietnam

AUDITOR

KPMG Limited – Vietnam

INDEPENDENT AUDITOR'S REPORT

To the Shareholders

Marico South East Asia Corporation

We have audited the accompanying separate financial statements of Marice South East Asia Corporation ("the Company"), which comprise the separate balance sheet as at 31 March 2023, the separate statements of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Directors on 18 May 2023, as set out on pages 6 to 37.

Management' Responsibility

The Company's Board of Directors is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Directors determines is necessary to enable the preparation of 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 separate 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 to obtain reasonable assurance about whether the separate 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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Auditor's Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the unconsolidated financial position of Marica South East Asia Corporation as at 31 March 2023 and of its unconsolidated results of operations and its unconsolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 22-01-00751-23-1

Ha Vu Dinh
Practicing Auditor Registration
Certificate No. 0414-2023-007-1
Deputy General Director
Ho Chi Minh City, 18 May 2023

Truong Vinh Phuc
Practicing Auditor Registration
Certificate No. 1901-2023-007-1

SEPARATE BALANCE SHEET

As at 31 March, 2023

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/3/2023 VND	1/4/2022 VND
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	**100**		**571,627,399,350**	**469,337,152,595**
Cash and cash equivalents	**110**	**4**	**148,033,598,539**	**100,973,856,252**
Cash	111		3,146,598,539	3,973,856,252
Cash equivalents	112		144,887,000,000	97,000,000,000
Short-term financial investments	**120**		**-**	**8,000,000,000**
Held-to-maturity investments	123		-	8,000,000,000
Accounts receivable – short-term	**130**		**194,988,094,973**	**127,338,665,072**
Accounts receivable from customers	131	5	172,746,864,302	116,226,763,418
Prepayments to suppliers	132		16,966,964,261	10,665,723,216
Other short-term receivables	136		5,274,266,410	446,178,438
Inventories	**140**	**6**	**224,947,798,704**	**229,653,336,193**
Inventories	141		258,157,311,559	257,549,718,657
Allowance for inventories	149		(33,209,512,855)	(27,896,382,464)
Other current assets	**150**		**3,657,907,134**	**3,371,295,078**
Short-term prepaid expenses	151		3,657,907,134	2,069,137,630
Deductible value added tax	152		-	1,302,157,448
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	**200**		**623,070,205,254**	**140,495,469,520**
Accounts receivable – long-term	**210**		**4,885,487,649**	**5,098,842,729**
Other long-term receivables	216		4,885,487,649	5,098,842,729
Fixed assets	**220**		**72,066,392,432**	**76,654,014,289**
Tangible fixed assets	221	7	50,752,278,128	52,926,866,299
Cost	222		164,879,170,924	151,236,183,543
Accumulated depreciation	223		(114,126,892,796)	(98,309,317,244)
Intangible fixed assets	227	8	21,314,114,304	23,727,147,990
Cost	228		39,998,336,760	51,542,093,873
Accumulated amortisation	229		(18,684,222,456)	(27,814,945,883)
Long-term work in progress	**240**	**9**	**11,841,500,996**	**950,000,000**
Construction in progress	242		11,841,500,996	950,000,000
Long-term financial investments	**250**		**492,870,000,000**	**-**
Investment in subsidiary	251	10	492,870,000,000	-
Other long-term assets	**260**		**41,406,824,177**	**57,792,612,502**
Long-term prepaid expenses	261	11	3,959,520,111	25,915,188,737
Deferred tax assets	262	12	37,447,304,066	31,877,423,765
TOTAL ASSETS (270 = 100 + 200)	**270**		**1,194,697,604,604**	**609,832,622,115**

BALANCE SHEET (CONTINUED)

As at 31 March, 2023

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/3/2023 VND	1/4/2022 VND
RESOURCES				
Liabilities (300 = 310 + 330)	**300**		**803,111,519,538**	**423,954,413,421**
Current liabilities	**310**		**773,405,675,836**	**391,533,880,908**
Accounts payable to suppliers	311	13	162,016,913,573	152,011,642,819
Advances from customers	312		1,719,774,515	1,652,118,245
Taxes payable to State Treasury	313	14	15,686,736,511	6,534,654,947
Short-term accrued expenses	315	15(a)	290,587,898,227	228,512,380,623
Other short-term payables	319	16	58,394,353,010	2,823,084,274
Short-term borrowings	320	17	245,000,000,000	-
Long-term liabilities	**330**		**29,705,843,702**	**32,420,532,513**
Long-term accrued expenses	333	15(b)	3,155,220,172	3,478,186,049
Provisions – long-term	342	18	26,550,623,530	28,942,346,464
EQUITY (400 = 410)	**400**		**391,586,085,066**	**185,878,208,694**
Owners' equity	**410**	**19**	**391,586,085,066**	**185,878,208,694**
Share capital	411	20	95,358,950,000	95,358,950,000
Share premium	412		(524,990,506,149)	(524,990,506,149)
Retained profits	421		821,217,641,215	615,509,764,843
- Retained profits brought forward	421a		615,509,764,843	493,947,279,345
- Retained profit for the current year	421b		205,707,876,372	121,562,485,498
Total resources (440 = 300 + 400)	**440**		**1,194,697,604,604**	**609,832,622,115**

Prepared by	Reviewed by	Approved by
Phan Thi Cam Nguyen	**Nguyen Thi Le Thuy**	**Bhanchawat Vaibhav**
Chief Accountant	Vice President – Finance & Control	Chief Operating Officer
18 May, 2023		

The accompanying notes are an integral part of these financial statements.

SEPARATE STATEMENT OF INCOME

For the year ended 31 March, 2023

Form B 02 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Particulars	Code	Note	Year ended, 31/3/2023 VND	31/3/2022 VND
Revenue from sales of goods	**01**	**22**	**2,002,640,172,342**	**1,738,219,974,937**
Revenue deductions	**02**	**22**	**202,459,067,370**	**200,638,622,523**
Net revenue (10 = 01 - 02)	**10**	**22**	**1,800,181,104,972**	**1,537,581,352,414**
Cost of sales	**11**	**23**	**711,117,350,653**	**657,842,694,750**
Gross profit (20 = 10 - 11)	**20**		**1,089,063,754,319**	**879,738,657,664**
Financial income	21	24	14,227,676,453	7,380,193,990
Financial expenses	22	25	7,963,763,929	2,883,608,906
In which: Interest expense	23		3,111,012,307	30,967,494
Selling expenses	25	26	777,958,920,085	615,073,295,533
General and administration expenses	26	27	143,031,075,671	115,515,400,634
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	**30**		**174,337,671,087**	**153,646,546,581**
Other income	31	28	83,901,134,409	227,358,906
Other expenses	32		318,851,956	928,171,683
Results of other activities (40 = 31 - 32)	**40**		**83,582,282,453**	**(700,812,777)**
Accounting profit before tax (50 = 30 + 40)	**50**		**257,919,953,540**	**152,945,733,804**
Income tax expense – current	**51**	**30**	**57,781,957,469**	**38,663,754,811**
Income tax benefit – deferred	**52**	**30**	**(5,569,880,301)**	**(7,280,506,505)**
Net profit after tax (60 = 50 - 51 - 52)	60		**205,707,876,372**	**121,562,485,498**

Prepared by	Reviewed by	Approved by
Phan Thi Cam Nguyen	**Nguyen Thi Le Thuy**	**Bhanchawat Vaibhav**
Chief Accountant	Vice President – Finance & Control	Chief Operating Officer
18 May, 2023		

The accompanying notes are an integral part of these financial statements.

Separate Statement of Cash Flow

For the year ended 31 March, 2023 (Indirect method)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Particulars	Code	For the year ended	
		31/3/2023	31/3/2022
		VND	VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	**01**	**257,919,953,540**	**152,945,733,804**
Adjustments for			
Depreciation and amortisation	02	20,675,389,526	20,454,739,000
Allowances and provisions	03	18,717,843,069	26,988,902,202
Foreign exchange losses/(gains) arising from revaluation of monetary items denominated in foreign currencies	04	48,706,518	(204,385,947)
Profits from investing activities	05	(88,923,718,996)	(5,204,821,750)
Interest expense	06	3,111,012,307	30,967,494
Operating profit before changes in working capital	**08**	**211,549,185,964**	**195,011,134,803**
Change in receivables	09	(19,829,523,783)	(7,730,505,802)
Change in inventories	10	(12,123,500,575)	(67,701,960,770)
Change in payables and other liabilities	11	78,797,305,863	74,487,453,946
Change in prepaid expenses	12	1,988,354,341	4,455,264,545
		260,381,821,810	**198,521,386,722**
Interest paid	14	(26,026,006)	(30,967,494)
Corporate income tax paid	15	(54,180,433,242)	(43,817,253,042)
Other payments from operating activities	17	(4,280,527,939)	(6,631,376,410)
Net cash flows from operating activities	**20**	**201,894,834,623**	**148,041,789,776**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(43,047,177,958)	(10,814,335,677)
Proceeds from disposals of fixed assets and other long-term assets	22	72,510,725,612	73,330,443
Payments for short-term investments	23	-	(8,000,000,000)
Receipts for short-term investments	24	8,000,000,000	-
Payments for investments in other entities	25	(443,583,000,000)	-
Receipts of interests	27	6,283,561,260	5,119,678,462
Net cash flow from investing activities	30	**(399,835,891,086)**	**(13,621,326,772)**

Separate Statement of Cash Flow

For the year ended 31 March, 2023 (Indirect method-Continued)

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Particulars	Code	For the year ended 31/3/2023 VND	31/3/2022 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	2,152,806,756,689	1,351,564,402,290
Payments to settle loan principals	34	(1,907,806,756,689)	(1,351,564,402,290)
Payments of dividends	36	-	(150,006,292,280)
Net cash flows from financing activities	**40**	**245,000,000,000**	**(150,006,292,280)**
Net cash flows during the year (50 = 20 + 30 + 40)	**50**	**47,058,943,537**	**(15,585,829,276)**
Cash and cash equivalents at the beginning of the year	**60**	**100,973,856,252**	**116,566,466,597**
Effect of exchange rate fluctuations on cash and cash equivalents	**61**	**798,750**	**(6,781,069)**
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 4)	**70**	**148,033,598,539**	**100,973,856,252**

Prepared by	Reviewed by	Approved by
Phan Thi Cam Nguyen	**Nguyen Thi Le Thuy**	**Bhanchawat Vaibhav**
Chief Accountant	Vice President – Finance & Control	Chief Operating Officer
18 May, 2023		

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March, 2023

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Reporting entity

(a) Ownership structure

Marico South East Asia Corporation ("the Company") is incorporated as a joint stock company in Vietnam.

(b) Principal activities

The principal activities of the Company are to produce cosmetics and food products, and to perform the rights to import, export and distribute cosmetics, cosmetics materials and food products.

(c) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

(d) The Company's number of employees

As at 31 March 2023, the Company had 435 employees (1/4/2022: 410 employees).

2. Basis of preparation

(a) Statement of compliance

These separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting. The Company prepares and issues its consolidated financial statements separately. For a comprehensive understanding of the Company's consolidated financial position, its consolidated results of operations and its consolidated cash flows, these separate financial statements should be read in conjunction with the consolidated financial statements.

(b) Basis of measurement

The separate financial statements, except for the separate statement of cash flows, are prepared on the accrual basis using the historical cost concept. The separate statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Company is from 1 April to 31 March.

(d) Accounting and presentation currency

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for separate financial statements presentation purpose.

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate and account transfer selling rate, respectively, at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the separate statement of income.

(b) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Investments

(i) Held-to-maturity investments

Held-to-maturity investments are those that the Company's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks which are stated at cost less allowance for doubtful debts.

(ii) Investments in subsidiaries

For the purpose of these separate financial statements, investments in subsidiaries are initially recognised at cost which includes purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value.

An allowance is made for diminution in investment value if the investee has suffered a loss which may cause the Company to lose its invested capital, unless there is evidence that the value of the investment has not been diminished. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(d) Accounts receivable

Accounts receivable from customers and other receivables are stated at cost less allowance for doubtful debts.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and estimated costs to sell.

The Company applies the perpetual method of accounting for inventories.

(f) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhaul costs, is charged to the separate statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase of future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

- buildings 5 – 25 years
- machinery and equipment 5 – 10 years
- motor vehicles 3 – 6 years
- office equipment 3 – 8 years

(g) Intangible fixed assets

(i) Land use rights

Land use rights are stated at cost less accumulated amortisation. The initial cost of a land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over 30 years. Land use rights with indefinite term are not amortised.

(ii) Copyright

Copyright related to software licence fee. Software licence fee is capitalised and treated as an intangible fixed asset. Software licence fee is amortised on a straight-line basis over 3 years.

(iii) Computer software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible fixed asset. Software cost is amortised on a straight-line basis over 4 years.

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(h) Construction in progress

Construction in progress represents the costs of tangible and intangible fixed assets which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

(i) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Company obtained land use rights certificate but are not qualified as intangible fixed assets under prevailing laws and regulations, and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the separate statement of income on a straight-line basis over the term of the lease of 45 years.

(ii) Office renovation costs

Office renovation costs are recorded at cost and are amortised on a straight-line basis over 3 years.

(iii) Tools and instruments

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and instruments are amortised on a straight-line basis over a period ranging from over 1 year to 3 years.

(j) Trade and other payables

Trade and other payables are stated at their cost.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more ("the eligible employees") voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee's compensation at termination. Provision for severance allowance has been provided based on employees' years of service and their average salary for the six-month period prior to the end of the annual accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by the Company are excluded.

Notes to the Financial Statements

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(l) Share capital

(i) Ordinary shares

Ordinary shares are stated at par value.

(ii) Share premium

The difference between the proceeds from the issued shares and the par value of the issued shares is recorded as a share premium. Expenses incurred directly related to share issuance, less tax impact, is recorded as a share premium.

(m) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the seperate statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Revenue and other income

(i) Goods sold

Revenue from sales of goods is recognised in the seperate statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.

(ii) Interest income

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(o) Lease payments

Payments made under operating leases are recognised in the seperate statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the separate statement of income as an integral part of the total lease expense, over the term of the lease.

Notes to the Financial Statements

For the year ended 31 March, 2023

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(p) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(q) Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

Related companies refer to the parent company, its ultimate parent company and their subsidiaries and associates.

(r) Comparative information

Comparative information in these separate financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year separate financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these separate financial statements is not intended to present the Company's unconsolidated financial position, unconsolidated results of operations or unconsolidated cash flows for the prior year.

Comparative information as at 1 April 2022 was derived from the balances and amounts reported in the Company's financial statements for the year ended 31 March 2022.

4. Cash And Cash Equivalents

Particulars	31/3/2023 VND	1/4/2022 VND
Cash on hand	1,411,016	12,443,000
Cash in banks	3,145,187,523	3,961,413,252
Cash equivalents	144,887,000,000	97,000,000,000
	148,033,598,539	**100,973,856,252**

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5. Accounts receivable from customers – short-term

(a) Accounts receivable from customers detailed by significant customer

Particulars	31/3/2023 VND	1/4/2022 VND
Tan Dong Hiep Construction and Investment Group Company Limited	31,052,245,298	-
EBS Vietnam Company Limited	23,131,984,763	11,364,353,144
Bach Hoa Xanh Trading Joint Stock Company	22,144,617,247	9,622,692,489
Lwin & Myint Trading Company Limited	20,710,455,054	43,738,147,339
Vincommerce General Commercial Services Joint Stock Company		
Joint Stock Company	19,545,679,192	22,037,338,812
Saigon Co.op	18,633,268,759	11,250,241,131
Others	37,528,613,989	18,213,990,503
	172,746,864,302	**116,226,763,418**

6 Inventories

Particulars	31/3/3023		1/4/2022	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	2,218,662,315	-	14,829,386,418	-
Raw materials	85,885,895,210	(19,931,102,243)	91,468,952,131	(12,014,696,222)
Tools and supplies	40,800,877,085	(10,035,860,344)	39,383,462,146	(11,684,993,853)
Work in progress	27,608,572,470	-	23,696,305,714	-
Finished goods	100,875,170,428	(2,543,719,719)	87,818,366,762	(4,087,730,623)
Merchandise inventories	768,134,051	(698,830,549)	353,245,486	(108,961,766)
	258,157,311,559	**(33,209,512,855)**	**257,549,718,657**	**(27,896,382,464)**

Included in inventories at 31 March 2023 was VND45,112 million (1/4/2022: VND29,506 million) of obsolete and slow-moving inventories that are difficult to sell.

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

Particulars	Year ended	
	31/3/2023 VND	31/3/2022 VND
Opening balance	27,896,382,464	28,720,118,883
Allowance made during the year	16,829,038,064	10,373,443,991
Allowance utilised during the year	(11,515,907,673)	(11,197,180,410)
Closing balance	**33,209,512,855**	**27,896,382,464**

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7. Tangible fixed assets

Particulars	Buildings	Machinery and equipment	Motor vehicles	Office equipment	Total
	VND	VND	VND	VND	VND
Cost					
Opening balance	29,721,944,173	113,713,230,928	232,408,800	7,568,599,642	151,236,183,543
Transfer from construction in progress	3,474,485,400	11,028,750,236	-	227,360,000	14,730,595,636
Disposals	-	(1,087,608,255)	-	-	(1,087,608,255)
Closing balance	33,196,429,573	123,654,372,909	232,408,800	7,795,959,642	164,879,170,924
Accumulated depreciation					
Opening balance	16,431,424,343	75,138,117,850	232,408,800	6,507,366,251	98,309,317,244
Charge for the year	2,784,009,029	13,510,016,075	-	587,643,059	16,881,668,163
Disposals	-	(1,064,092,611)	-	-	(1,064,092,611)
Closing balance	19,215,433,372	87,584,041,314	232,408,800	7,095,009,310	114,126,892,796
Net book value					
Opening balance	13,290,519,830	38,575,113,078	-	1,061,233,391	52,926,866,299
Closing balance	13,980,996,201	36,070,331,595	-	700,950,332	50,752,278,128

Included in tangible fixed assets as at 31 March 2023 were assets costing VND46,013 million (1/4/2022: VND36,635 million) which were fully depreciated, but which are still in active use.

8. Intangible fixed assets

Particulars	Land use rights	Copyright	Computer software	Others	Total
	VND	VND	VND	VND	VND
Cost					
Opening balance	23,521,902,815	720,817,817	22,163,052,141	5,136,321,100	51,542,093,873
Transfer from construction in progress	-	-	1,380,687,677	-	1,380,687,677
Written-off	-	-	(8,519,564,790)	(4,404,880,000)	(12,924,444,790)
Closing balance	23,521,902,815	720,817,817	15,024,175,028	731,441,100	39,998,336,760
Accumulated amortisation					
Opening balance	6,340,330,309	720,817,817	15,732,743,324	5,021,054,433	27,814,945,883
Charge for the year	574,237,565	-	3,166,283,798	53,200,000	3,793,721,363
Written-off	-	-	(8,519,564,790)	(4,404,880,000)	(12,924,444,790)
Closing balance	6,914,567,874	720,817,817	10,379,462,332	669,374,433	18,684,222,456
Net book value					
Opening balance	17,181,572,506	-	6,430,308,817	115,266,667	23,727,147,990
Closing balance	16,607,334,941	-	4,644,712,696	62,066,667	21,314,114,304

Included in intangible fixed assets as at 31 March 2023 were assets costing VND4,114 million (1/4/2022: VND14,892 million) which were fully amortised, but which are still active in use.

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9. Construction in progress

Particulars	VND
Opening balance	950,000,000
Additions	29,608,078,647
Transfer to tangible fixed assets (Note 7)	(14,730,595,636)
Transfer to intangible fixed assets (Note 8)	(1,380,687,677)
Transfer to long-term prepaid expenses (Note 11)	(2,605,294,338)
Closing balance	11,841,500,996

Major construction in progress were as follows:

Particulars	31/3/2023	1/4/2022
	VND	VND
Leasehold land	11,600,000,000	-
Buildings	130,000,000	-
Software	111,500,996	-
Machinery and equipment	-	950,000,000
	11,841,500,996	950,000,000

10. Investment in subsidiary

Particulars	Quantity Shares	% of equity owned	% of voting right	31/3/2023 Cost	Allowance	Fair value
				VND	VND	VND
Equity investment in subsidiary:						
Beauty X Joint Stock Company (i)	1,000,000	100%	100%	492,870,000,000	-	(*)

(i) On 31 January 2023, the Company completed the acquisition of 100% share capital of Beauty X Joint Stock Company with total consideration of VND492,870,000,000. The principal activities of Beauty X Joint Stock Company is to manufacture, wholesale and retail distribute of fragrances, cosmetic and personal care products. Beauty X Joint Stock Company is located at Minh Long Tower, Level 7, No. 17 Ba Huyen Thanh Quan Street, Vo Thi Sau Ward, District 3, Ho Chi Minh City, Vietnam.

(*) The Company has not determined the fair values of the investment in subsidiary for disclosure in the separate financial statements because information about its market price is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair value of this equity investment may differ from its carrying amount.

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11. Long Term prepaid expenses

	Prepaid land costs	Office renovation costs	Tools and instruments	Total
	VND	VND	VND	VND
Opening balance	21,561,073,711	1,649,098,958	2,705,016,068	25,915,188,737
Additions	-	-	105,205,417	105,205,417
Transfer from construction in progress	-	111,437,764	2,493,856,574	2,605,294,338
Reclassification	466,596,346	-	(466,596,346)	-
Amortisation for the year	(617,663,627)	(43,889,095)	(3,020,776,540)	(3,682,329,262)
Disposals	(20,979,886,672)	-	(3,952,447)	(20,983,839,119)
Closing balance	430,119,758	1,716,647,627	1,812,752,726	3,959,520,111

12. Deferred tax assets

Particulars	Tax Rate	31/3/2023 VND	1/4/2022 VND
Allowance for inventories	20%	6,641,902,571	5,579,276,493
Accruals and provisions	20%	30,805,401,495	26,298,147,272
		37,447,304,066	31,877,423,765

13. Accounts payable to suppliers – short-term

Accounts payable to suppliers detailed by significant supplier

Particulars	Cost/amount within payment capacity	
	31/3/2023	1/4/2022
	VND	VND
WPP Media Limited	25,301,351,839	29,614,465,437
Marico Limited - the parent company	8,677,849,458	22,775,587,046
Others	128,037,712,276	99,621,590,336
	162,016,913,573	152,011,642,819

The trade related amounts due to the parent company were unsecured, interest free and are payable upon demand.

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14. Taxes Payable to State Treasury

	1/4/2022 VND	Incurred VND	Paid VND	Net-off VND	31/3/2023 VND
Value added tax	-	168,684,995,646	(74,248,254,150)	(89,480,390,259)	4,956,351,237
Personal income tax	1,459,421,372	27,455,042,676	(27,174,653,961)	-	1,739,810,087
Corporate income tax	4,933,195,105	57,781,957,469	(54,180,433,242)	-	8,534,719,332
Other taxes	142,038,470	3,202,953,916	(2,889,136,531)	-	455,855,855
	6,534,654,947	257,124,949,707	(158,492,477,884)	(89,480,390,259)	15,686,736,511

15. Accrued expenses

(a) Short-term accrued expenses

Particulars	31/3/2023 VND	1/4/2022 VND
Sales promotion	127,967,360,310	103,447,037,601
Advertising	70,329,684,036	67,248,710,051
Salary and bonus	40,648,027,035	21,706,554,071
Outsourced services	19,021,722,580	15,555,415,066
Interest expense	3,084,986,301	-
Transportation	1,399,867,162	424,000,000
Others	28,136,250,803	20,130,663,834
	290,587,898,227	228,512,380,623

(b) Long-term accrued expenses

Particulars	31/3/2023 VND	1/4/2022 VND
Dismantling costs	2,641,875,000	2,536,200,000
Bonus	513,345,172	941,986,049
	3,155,220,172	3,478,186,049

16. Other short-term payables

Particulars	31/3/2023 VND	1/4/2022 VND
Payable for acquisition of a subsidiary (Note 10)	49,287,000,000	-
Social insurance, health insurance and unemployment insurance	157,739,780	2,038,408,681
Trade union fees	153,441,826	138,287,480
Others	8,796,171,404	646,388,113
	58,394,353,010	2,823,084,274

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17. Short-term borrowings

Particulars	1/4/2022	Movements during the year		31/3/2023
	Carrying amount/ Amount within repayment capacity	Receipts	Payments	Carrying amount/ Amount within repayment capacity
	VND	VND	VND	VND
Bank overdraft (i)	-	1,907,806,756,689	(1,907,806,756,689)	-
Short-term borrowings (ii)	-	245,000,000,000	-	245,000,000,000
	-	2,152,806,756,689	(1,907,806,756,689)	245,000,000,000

(i) Bank overdraft represents short-term credit facilities with credit limit of USD5,000,000 from BNP Paribas – Ho Chi Minh City Branch. Bank overdraft bears annual interest rates ranging from 4.0% to 9.7% (year ended 31 March 2022: 4.0% to 4.5%) and is payable upon the bank's demand.

(ii) Terms and conditions of outstanding short-term borrowings were as follows:

Lender	Currency	Annual interest rate	31/3/2023 VND	1/4/2022 VND
Citibank, N.A – Hanoi Branch	VND	7.66%	245,000,000,000	-

The bank loans are secured by Letter of Corporate Guarantee issued by Marico Limited, the parent company.

18. Provisions – Long Term

Particulars	31/3/2023	1/4/2022
	VND	VND
Severance allowance	1,990,463,500	2,246,438,570
Retrenchment	-	7,815,925,799
Disposal of unsold goods	24,560,160,030	18,879,982,095
	26,550,623,530	28,942,346,464

Movement of provisions – long-term during the year were as follows:

Particulars	Severance allowance	Retrenchement	Disposal of unsold goods	Total
	VND	VND	VND (i)	VND
Opening balance	2,246,438,570	7,815,925,799	18,879,982,095	28,942,346,464
Provision made/(reversed) during the year	74,604,430	(7,725,228,299)	9,539,428,874	1,888,805,005
Provision utilised during the year	(330,579,500)	(90,697,500)	(3,859,250,939)	(4,280,527,939)
Closing balance	1,990,463,500	-	24,560,160,030	26,550,623,530

Notes to the Financial Statements

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(i) This balance represents provision for disposing of slow moving, non-moving and expired items of goods sold to foreign distributors such as Mega Lifesciences Pty Ltd and DATTA SHREE SDN BHD in South East Asia countries (Myanmar and Malaysia, respectively) and local distributors.

19. Changes in owners' equity

Particulars	Share capital VND	Share premium VND	Retained profits VND	Total VND
Balance at 1 April 2021	95,358,950,000	(524,990,506,149)	643,953,571,625	214,322,015,476
Dividends	-	-	(150,006,292,280)	(150,006,292,280)
Profit for the year	-	-	121,562,485,498	121,562,485,498
Balance at 1 April 2022	95,358,950,000	(524,990,506,149)	615,509,764,843	185,878,208,694
Profit for the year	-	-	205,707,876,372	205,707,876,372
Balance at 31 March 2023	**95,358,950,000**	**(524,990,506,149)**	**821,217,641,215**	**391,586,085,066**

20. Share capital

The Company's authorised and issued share capital are:

Particulars	31/3/2023 and 1/4/2022	
	Number of shares	Par value VND
Authorised / issued share capital		
Ordinary shares	**9,535,895**	**95,358,950,000**

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

The Company's parent company, Marico Limited, is incorporated in India.

21. Off balance sheet items

(a) Leases

The future minimum lease payments under non-cancellable operating leases were::

Particulars	31/3/2023 VND	01/04/2022 VND
Within one year	16,789,217,285	20,574,817,097
Within two to five years	8,655,511,700	7,220,062,750
	25,444,728,985	**27,794,879,847**

Notes to the Financial Statements

For the year ended 31 March, 2023

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(b) Foreign currencies

Particulars	31/3/2023		01/04/2022	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	1,410	32,747,341	24,709	560,884,766
MYR	1,396	7,592,300	5,563	30,216,535
		40,339,641		**591,101,301**

22. Revenue from sale of goods

Total revenue represents the gross value of goods sold exclusive of value added tax.

Net revenue comprised:

Particulars	For the year ended 31/3/2023 VND	31/3/2022 VND
Total revenue		
• Sales of goods	2,002,640,172,342	1,738,219,974,937
Less revenue deductions		
• Sales discounts	(194,919,108,366)	(187,448,825,576)
• Sales returns	(7,539,959,004)	(13,189,796,947)
	(202,459,067,370)	(200,638,622,523)
Net revenue	**1,800,181,104,972**	**1,537,581,352,414**

23. Cost of sales

Particulars	For the year ended 31/3/2023 VND	31/3/2022 VND
Finished goods sold	585,153,137,429	486,084,319,126
Merchandise goods sold	109,135,175,160	157,327,998,251
Allowance for inventories	16,829,038,064	10,373,443,991
Others	-	4,056,933,382
	711,117,350,653	657,842,694,750

Notes to the Financial Statements

For the year ended 31 March, 2023

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24. Financial income

Particulars	For the year ended 31/3/2023 VND	For the year ended 31/3/2022 VND
Interest income	6,368,102,849	5,270,255,998
Realised foreign exchange gains	7,859,573,604	1,905,552,045
Unrealised foreign exchange gains	-	204,385,947
	14,227,676,453	7,380,193,990

25. Financial expenses

Particulars	For the year ended 31/3/2023 VND	For the year ended 31/3/2022 VND
Interest expense	3,111,012,307	30,967,494
Realised foreign exchange losses	4,804,045,104	2,852,641,412
Unrealised foreign exchange losses	48,706,518	-
	7,963,763,929	2,883,608,906

26. Selling expenses

Particulars	For the year ended 31/3/2023 VND	For the year ended 31/3/2022 VND
Staff costs	247,680,896,038	220,080,690,167
Marketing support	236,406,774,967	156,963,101,525
Advertising cost	198,350,218,301	146,123,952,657
Transportation cost	33,963,333,244	30,788,725,659
Rent	23,093,374,485	22,082,931,632
Travelling expenses	10,126,577,108	7,900,486,643
Depreciation and amortisation	127,210,247	384,152,871
Others	28,210,535,695	30,749,254,379
	777,958,920,085	615,073,295,533

Notes to the Financial Statements

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27. General and administration expenses

Particulars	For the year ended 31/3/2023 VND	For the year ended 31/3/2022 VND
Staff costs	91,265,199,551	88,719,010,801
Professional fees	17,490,753,722	2,950,415,219
Rent	9,632,702,626	8,937,029,408
Outside services	5,181,901,657	1,043,457,374
Repairs and maintenance expenses	4,051,468,797	3,409,272,619
Depreciation and amortisation	4,018,309,809	3,997,472,305
Recruitment and training expenses	3,321,691,647	709,631,095
License fees	2,050,538,483	1,821,480,312
Travelling expenses	1,353,134,678	115,279,018
Others	4,665,374,701	3,812,352,483
	143,031,075,671	115,515,400,634

28. Other income

Particulars	For the year ended 31/3/2023 VND	For the year ended 31/3/2022 VND
Gain from disposals of prepaid land costs	82,552,113,328	-
Gain from disposals of fixed assets	7,455,266	-
Other income	1,341,565,815	227,358,906
	83,901,134,409	227,358,906

29. Production and business costs by element

Particulars	For the year ended 31/3/2023 VND	For the year ended 31/3/2022 VND
Raw material costs included in production costs	586,313,347,790	553,447,932,211
Labour costs and staff costs	389,402,201,326	349,595,769,527
Depreciation and amortisation	20,675,389,526	20,454,739,000
Outside services	587,932,823,930	425,023,155,045
Other expenses	47,783,583,837	39,909,795,134

Notes to the Financial Statements

For the year ended 31 March, 2023

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30. Income tax

(a) Recognised in the seperate statement of income

Particulars	For the year ended 31/3/2023 VND	31/3/2022 VND
Current tax expense		
Current year	57,781,957,469	38,663,754,811
Deferred tax benefit		
Originations and reversals of temporary differences	(5,569,880,301)	(7,280,506,505)
Income tax expense	52,212,077,168	31,383,248,306

b) Reconciliation of effective tax rate

Particulars	For the year ended 31/3/2023 VND	31/3/2022 VND
Accounting profit before tax	257,919,953,540	152,945,733,804
Tax at the Company's tax rate	51,583,990,708	30,589,146,761
Non-deductible expenses	628,086,460	794,101,545
	52,212,077,168	31,383,248,306

(c) Applicable tax rates

Under the corporate income tax law, the Company has an obligation to pay the government corporate income tax at the usual income tax rate of 20% of taxable profits.

31. Significant transactions with related parties

In addition to the related party balances disclosed in other notes to the separate financial statements, the Company had the following transactions with related parties during the year:

	Transaction value for the year ended 31/3/2023 VND	31/3/2022 VND
Parent company		
Marico Limited		
Purchases of goods	26,158,085,071	82,498,476,500
Sales of goods	-	1,091,663,425
Cross charges	9,515,696,520	6,423,627,783
Royalty fee	3,858,333,273	4,607,302,493
Dividends	-	150,000,000,000

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For the year ended 31 March, 2023

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	Transaction value 31/3/2023 VND	for the year ended 31/3/2022 VND
Subsidiary		
Beauty X Joint Stock Company		
Royalty fee	580,046,213	-
Other related companies		
Marico South Africa		
Cross charges	95,002,576	102,684,296
Marico Bangladesh		
Purchases of goods	-	700,184,573
Members of Board of Management and Board of Directors		
Compensation	46,180,266,468	45,360,430,638
Dividends	-	3,146,140

32. Non-cash investing activities

Particulars	For the year ended 31/3/2023 VND	31/3/2022 VND
Acquisition of fixed assets not yet paid	2,832,970,000	751,863,191
Acquisition of a subsidiary not yet paid	49,287,000,000	-
Proceed from disposal of prepaid land costs not yet received	31,052,245,298	-

Prepared by
Phan Thi Cam Nguyen
Chief Accountant
18 May, 2023

Reviewed by
Nguyen Thi Le Thuy
Vice President – Finance & Control

Approved by
Bhanchawat Vaibhav
Chief Operating Officer

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Vaibhav Bhanchawat Ms. Nguyen Thi Le Thuy Ms. Ruby Ritolia
LEGAL REPRESENTATIVE	Mr. Vaibhav Bhanchawat Ms. Nguyen Thi Le Thuy
BUSINESS REGISTRATION CERTIFICATE	No. 0317371405 dated 6 July 2022 (Became a subsidiary of Marico South East Asia Corporation w.e.f. January 31, 2023) was initially issued by the Department of Planning and Investment of Ho Chi Minh City and 01st amendment dated 12 January, 2023
DATE OF INCORPORATION	July 6, 2022 (Became a subsidiary of Marico South East Asia Corporation w.e.f. January 31, 2023)
REGISTERED OFFICE	Minh Long Building, 7th Floor, No. 17 Ba Huyen Thanh Quan Street, Vo Thi Sau Ward, District 3, Ho Chi Minh City, Vietnam.

Balance sheet

Particulars	Code	Note	31-Mar-23 VND
ASSETS			
Current assets	**100**		**1,099,643,759**
(100 = 110 + 120 + 130 + 140 + 150)			
Cash and cash equivalents	110		**461,592,925**
Cash	111	1	461,592,925
Cash equivalents	112		
Short-term financial investments	**120**		
Trading securities	121		
Allowance for diminution in the value of trading securities	122		
Held-to-maturity investments	123		
Accounts receivable – short-term	**130**		**638,050,834**
Accounts receivable from customers	131		660,000
Prepayments to suppliers	132		
Intra-company receivables	133		
Receivables on construction contracts according to stages of completion	134		
Loans receivable	135		
Other receivables	136	2	637,390,834
Allowance for doubtful debts	137		
Shortage of assets awaiting resolution	139		
Inventories	**140**		
Inventories	141		
Allowance for inventories	149		
Other current assets	**150**		**-**
Short-term prepaid expenses	151		
Deductible value added tax	152		
Taxes and other receivables from State Treasury	153		
Government bonds under purchase and resale agreements	154		
Other current assets	155		
Long-term assets	**200**		**833,476,727**
(200 = 210 + 220 + 240 + 250 + 260)			
Accounts receivable – long-term	**210**		
Accounts receivable from customers – long-term	211		
Prepayments to suppliers – long-term	212		
Operating capital allocated to subordinated units	213		
Intra-company long-term receivables	214		
Loans receivable – long-term	215		
Other long-term receivables	216		
Allowance for doubtful long-term debts	219		
Fixed assets	**220**		**833,476,727**
Tangible fixed assets	221		
Cost	222		
Accumulated depreciation	223		

Balance sheet

Particulars	Code	Note	31-Mar-23 VND
Finance lease tangible fixed assets	224		
Cost	225		
Accumulated depreciation	226		
Intangible fixed assets	227	3	833,476,727
Cost	228		833,476,727
Accumulated amortisation	229		
Investment property	**230**		
Cost	231		
Accumulated depreciation	232		
Long-term work in progress	**240**		
Long-term work in progress	241		
Construction in progress	242		
Long-term financial investments	**250**		
Investments in subsidiaries	251		
Investments in associates, joint-ventures	252		
Equity investments in other entities	253		
Allowance for diminution in the value of long-term investments	254		
Held-to-maturity investments	255		
Other long-term assets	**260**		
Long-term prepaid expenses	261		
Deferred tax assets	262		
Long-term tools, supplies and spare parts	263		
Other long-term assets	268		
Goodwill	269		
TOTAL ASSETS (270 = 100 + 200)	**270**		**1,933,120,486**
RESOURCES			
Liabilities (300 = 310 + 330)	**300**		**199,710,388**
Current liabilities	**310**		**199,710,388**
Accounts payable to suppliers	311		-
Advances from customers	312		
Taxes payable to State Treasury	313	4	199,710,388
Payables to employees	314		
Accrued expenses	315		
Intra-company payables	316		
Payables on construction contracts according to stages of completion	317		
Unearned revenue – short-term	318		
Other short-term payables	319		
Short-term borrowings, bonds and finance lease liabilities	320		
Provisions – short-term	321		
Bonus and welfare funds	322		
Price stabilization fund	323		

Balance sheet

Particulars	Code	Note	31-Mar-23 VND
Government bonds under sale and repurchase agreements	324		
Long-term liabilities	**330**		
Long-term accounts payable to suppliers	331		
Long-term advances from customers	332		
Long-term accrued expenses	333		
Intra-company payables for operating capital received	334		
Long-term intra-company payables	335		
Long-term unearned revenue	336		
Other payables – long-term	337		
Long-term borrowings, bonds and finance lease liabilities	338		
Convertible bonds	339		
Preference shares	340		
Deferred tax liabilities	341		
Provisions – long-term	342		
Science and technology development fund	343		
Equity (400 = 410 + 430)	**400**		**1,733,410,098**
Owners' equity	**410**	**5**	**1,733,410,098**
[Contributed capital/ Share capital]	411	6	1,000,000,000
Capital surplus/Share premium	412		
Options to convert bonds into shares	413		
Other capital	414		
Treasury shares	415		
Differences upon asset revaluation	416		
Foreign exchange differences	417		
Investment and development fund	418		
Enterprise reorganization assistance fund	419		
Other equity funds	420		
Retained profits	421	5	733,410,098
Retained profits brought forward	421a		(82,909,891)
Profit for the current year	421b		816,319,989
Capital expenditure fund	422		
Non-controlling interest	429		
Non-business expenditure fund and other funds	**430**		
Non-business expenditure fund	431		
Non-business expenditure fund invested in fixed assets	432		
Total resources (440 = 300 + 400)	**440**		**1,933,120,486**

Statement of Income

Particulars	Code	Note	3/31/2023 VND
Revenue from sales of goods and provision of services	**1**		
Less revenue deductions	**2**		
Net revenue (10 = 01 - 02)	**10**		**-**
Cost of sales	**11**		
Gross profit/(loss) (20 = 10 - 11)	**20**		**-**
Financial income	21	7	
Financial expenses	22		
In which: Interest expense	23		
Selling expenses	25		
General and administration expenses	26		
Net operating profit/(loss) {30 = 20 + (21 - 22) + 24 - (25 + 26)}	**30**		**-**
Other income	31		-
Other expenses	32		
Results of other activities (40 = 31 - 32)	**40**		**-**
Profit/(loss) before tax (50 = 30 + 40)	**50**		**-**
Income tax expense – current	**51**	**8**	
Income tax expense/(benefit) – deferred	**52**		
Net profit/(loss) after tax (60 = 50 - 51 - 52)	**60**		**-**

Notes to the financial statements

For the year ended 31 March, 2023

1. Cash and cash equivalents

Particulars	31/3/2023 VND
Cash on hand	
Cash in banks	461,592,925
Cash equivalents	
Cash and cash equivalents in the statement of cash flows	**461,592,925**

2. Accounts receivable from customers - Short - term

Accounts receivable from customers detailed by significant customers

Particulars	31/3/2023 VND
Marico South East Asia Corporation	637,390,834
Others	660,000
	638,050,834

3. Intangible fixed assets

Particulars	Product labels and trademarks	Total VND
Cost		
Opening balance	833,476,727	833,476,727
Addition		-
Transfer from construction in progress		-
Write-off		-
Closing balance	**833,476,727**	**833,476,727**
Accumulated amortisation		
Opening balance	-	-
Charge for the year	-	-
Write-off	-	-
Closing balance	**-**	**-**
Net book value		
Opening balance	833,476,727	833,476,727
Closing balance	**833,476,727**	**833,476,727**

Notes to the financial statements

For the year ended 31 March, 2023

4. Taxes payable to State Treasury

Particulars	01-Apr-22 VND	Incurred VND	Paid VND	Net-off Refund VND	31-Mar-23 VND
Value added tax	-	16,357,863			16,357,863
Personal income tax	-				-
Corporate income tax	-	183,352,525			183,352,525
Other taxes	-				-
	-	**199,710,388**	**-**	**-**	**199,710,388**

5. Changes in owners' equity

Particulars	Share capital VND	Share premium VND	Retained profits VND	Total VND
Balance at 01-Apr-22	**1,000,000,000**	**-**	**(82,909,891)**	**917,090,109**
Profit for the year	-	-	-	-
Balance at 31-Mar-23	**1,000,000,000**	**-**	**(82,909,891)**	**917,090,109**
	-	**-**	**(816,319,989)**	**(816,319,989)**

6. Share capital

The Company's authorised and issued share capital are:

Particulars	31/3/2023 and 1/4/2022 Number of shares	 Par value VND
Authorised/issued share capital		
Ordinary shares	100,000	1,000,000,000
Shares in circulation		
Ordinary shares	**100,000**	**1,000,000,000**

All ordinary shares have a par value of VND10,000.

7. Financial income

Particulars	31-Mar-23 VND	31-Mar-22 VND
Interest income	-	-
Others	-	-
	-	-

8. Income tax expense

Particulars	For the year ended 31/03/2023 VND	 31/03/2022 VND
Current tax expense		
Current year	-	-
	-	-
Deferred tax benefit	-	-
Income tax expense (benefit)	-	-

MARICO LANKA (PRIVATE) LIMITED (MSL)

BOARD OF DIRECTORS	Mr. Jitendra Mahajan (until April 21, 2022)
(AS ON MARCH 31, 2023)	Mr. Ashish Goupal (appointed w.e.f. April 21, 2022)
	Mr. Weerasekara Mudiyanselage Jayantha Weerasekara
	Mr. Nilanjan Roy Choudhury
	Mr. Dipesh Acharya
REGISTERED OFFICE	36-3/1, Haig Road, Bambalapitiya, Colombo – 04, Sri Lanka
AUDITORS	Udaya Jayasekera & Co
BANKERS	Standard Chartered Bank

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MARICO LANKA (PVT) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Marico Lanka (Private) Limited, which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and as far as appears from our examination, proper accounting records have been kept by the Company.

Udaya Jayasekera & Co
Chartered Accountants

J.M.U.B Jayasekara
Partner

28 April 2023
Colombo

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH, 2023

	Note	2023 LKR	2022 LKR
ASSETS			
Current assets			
Security deposit		300,000	300,000
Inventories	10	44,922,977	48,396,062
Trade receivables	11	31,334,348	69,405,108
Cash & cash equivalents	12	-	-
Total current assets		**76,557,325**	**118,101,171**
Total assets		**76,557,325**	**118,101,171**
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	13	24,942,526	24,942,526
Reserves & surplus		(397,106,061)	(239,346,131)
		(372,163,535)	(214,403,605)
Current liabilities			
Trade payables	14	123,855,642	107,089,279
Amounts due to related parties	15	90,050,759	75,932,623
Bank overdrafts	16	232,715,242	148,699,904
Other payables and provisions	17	2,099,217	782,969
Total liabilities		**448,720,860**	**332,504,775**
Total equity and liabilities		**76,557,325**	**118,101,171**

I certify that these financial statements comply with the requirements of the Companies Act No 07 of 2007.

Finance manager

The board of directors is responsible for the presentation and preparation of these financial statements.

Signed for and on behalf of the Board of directors by the following on 28 April 2023.

Director

Director

The accounting policies and notes from 07 to 14 form an integral part of these financial statements.

28 April 2023

Colombo

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 LKR	2022 LKR
Revenue	3	21,929,865	134,707,765
Cost of sales	4	(96,331,538)	(123,488,559)
Gross profit		**(74,401,673)**	**11,219,206**
Administration expenses	5	(22,253,003)	(15,671,129)
Selling & distribution expenses	6	(7,630,266)	(72,574,418)
Finance and other expenses	7	(53,474,989)	(37,176,022)
Profit / (loss) before taxation		**(157,759,931)**	**(114,202,363)**
Income tax expense	8	-	-
Profit / (loss) for the year		**(157,759,931)**	**(114,202,363)**

Figures in brackets indicate deductions.

The accounting policies and notes from 07 to 14 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

Particulars	Stated Capital	Accumulated Loss	Total Equity
	LKR	LKR	LKR
Balance as at 31 March 2021	24,942,526	(125,143,767)	(100,201,241)
Share issue during the period	-	-	-
Loss for the period	-	(114,202,363)	(114,202,363)
Balance as at 31 March 2022	**24,942,526**	**(239,346,130)**	**(214,403,604)**
Loss for the period	-	(157,759,930)	(157,759,931)
Balance as at 31 March 2023	**24,942,526**	**(397,106,061)**	**(372,163,535)**

Figures in brackets indicate deductions.

The accounting policies and notes from 07 to 14 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	2023 LKR	2022 LKR
Cash flows from operating activities		
Net profit before taxation for the period	(157,759,931)	(114,202,363)
Operating profit / (loss) before working capital changes	**(157,759,931)**	**(114,202,363.16)**
Changes in working capital		
Increase / (decrease) in Inventories	3,473,086	(29,420,337)
Increase / (decrease) in trade and other receivables	38,070,760	(45,326,7467)
Increase / (decrease) in trade payables	16,766,364	68,233,703
Increase / (decrease) in other payables	1,316,248	(9,782,777)
Increase / (decrease) in amounts due to related parties	14,118,136	47.959,969
Cash (used in)/ generated from operations	**(84,015,338)**	**(82,538,552)**
Tax paid	-	-
Net cash (used in) / generated from operating activities	**(84,015,338)**	**(82,538,552)**
Cash flows from investing activities		
Proceeds from share issue	-	-
Net cash flows used in investing activities	**-**	**-**
Cash flows from financing activities		
Security deposit paid	-	-
Overdarft facility	84,015,338	82,538,552
Net cash flows (used in) / from financing activities	**84,015,338**	**82,538,552**
Net (decrease) / increase in cash and cash equivalents	-	-
Cash and cash equivalents, at the beginning of the year	148,699,904	66,161,352
Cash and cash equivalents, at the end of the year	**232,715,242**	**148,699,904**
Analysis of cash & cash equivalents		
Cash & Cash equivalents	**-**	**-**
Unfavourable balance (Bank Overfraft)	**232,715,242**	**148,699,904**
Cash and cash equivalents at the end of the year comprise:		
Cash at bank	-	-
	232,715,242	**148,699,904**

The accounting policies and notes from 07 to 14 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. Corporate Information

1.1 General information

Marico Lanka (Pvt) Ltd is a Private limited Company incorporated in Sri Lanka on 3rd March 2019 under the Companies Act. No 07 of 2007. The registered office of the Company is situated at 36-3/1, Haig Road, Bambalapitiya, Colombo 04.

1.2. Principal activities & nature of operations

The Principal activity of the Company is carrying out of business of manufacturing and distribution of consumer goods on a wholesale basis, within the permitted legal framework of Sri Lanka.

1.3. Date of authorization for issue

The financial statements of Marico Lanka (Pvt) Limited , for the year ended 31 March 2023 were authorized for issue by the Board of Directors on 28 April 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The Financial Statements have been prepared on a historical cost basis. The Financial Statements are presented in Sri Lankan Rupees and where appropriate the significant accounting policies are disclosed in the succeeding notes.

The Company's statement of financial position represents the assets, liabilities and equity of shareholders.

2.1.1 Statement of Compliance

These financial statements have been prepared on going concern basis and in accordance with Sri Lanka Accounting Standards (SLFRS and LKAS) issued by Institute of Chartered Accountants of Sri Lanka. The preparation and presentation of these financial statements are also in compliance with the requirements of the Companies Act No 07 of 2007.

2.1.2 Going Concern

The Directors have made an assessment of the company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, board is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the company. Therefore, the Financial Statements continue to be prepared on the going concern basis. The Directors have considered the potential downsides that the COVID - 19 pandemic could bring to business operations of the Company, in making this assessment.

2.1.3.Comparative Information

All accounting policies adopted by the company are, unless otherwise stated, consistent with those used in the previous year. Previous year's figures and phrases have been re-arranged, wherever necessary, to conform to the current year's presentation as well as to comply with SLFRS.

2.1.4. Foreign Currency Translation

The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation cunency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional cunency rate of exchange ruling at the reporting date. All differences are taken to income statement. Non-monetaty items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.1.5. Events after the Statement of Financial Position date

All material post statement of financial position even ts has been considered and where appropriate adjustments to or disclosures have been made in the respecti ve notes to th e financial statements.

2.2. TAXATION

Current Taxes

Current income tax is based on the elements of income and expenditure as repotied in the financial statements but is computed in accordance with the provisions of Inland Revenue Act No 24 of 2017 and its subsequent amendments. The company is liable for Income Tax at 14%.

2.3. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEM ENTS AND ASSUMPTIONS

The preparation of financial statements in conformity with SLFRS, require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2.4. INCOME STATEMENT

2.4.1. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. Revenue from sale of goods is recognized when the goods are delivered and the title has been passed to the buyer. Other income is recognized on accrual basis.

2.4.2. Expenditure Recognition

a) Expenses are recognized in the Statement of Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

b) For the purpose of presentation of the Statement of Comprehensive Income, the Directors are of the opinion that the function of expense method, presents fairly the elements of the Company's performance, and hence such presentation method is adopted.

2.4.3. Inventory

Inventories are valued at lower of cost and net realizable value. Cost includes all applicable expenses incurred in bringing the goods till their first location in the company and is determined on weighted average basis (WACC). Inventories are stated net of write down or allowance for damaged or defective items, if any.

2.4.4 Cash and Cash Equivalents

Cash and Cash Equivalents are defined as balances with banks.

For the purpose of Cash Flow Statement, Cash and Cash Equivalents consist of balances with banks, net of outstanding bank overdrafts.

Cash Flow Statement has been prepared using the Indirect Method.

2.5 Stated Capital

Ordinary shares are classified as equity.

2.6 LIABILITIES AND PROVISIONS

All known liabilities as at the reporting date have been included in the financial statement and adequate provisions recognized when the company has a present obligation as a result of past event. It is probable that the company will be required to settle the obligation and reliable estimate can be made of the amount of obligation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Liabilities classified as current liabilities on the date of the statement of financial position are those which fall due for payment on demand or within one year from the reporting date.

3 Revenue

Particulars	2023 LKR	2022 LKR
Revenue from manufacturing activities	7,852,654	25,121,741
Revenue from trading activities	14,077,211	109,586,024
	21,929,865	**134,707,765**

4 Cost of sales

Particulars	Note	2023 LKR	2022 LKR
Cost of Raw Material Consumed	4.1	15,492,560	17,053,470
Cost of Packing Material Consumed	4.2	12,553,753	11,085,776
		28,046,313	28,139,246
Cost of finished goods sold	4.3	48,889,856	80,447,107
		76,936,169	108,586,353
Freight forwarding and distribution charges		12,638,439	10,969,265
Processing and other manufacturing cost		6,756,930	3,932,940
		96,331,538	**123,488,558**

4.1 Cost of raw materials consumed

Particulars	2023 LKR	2022 LKR
Opening balance	14,273,295	1,604,272
Purchases during the period	9,637,780	29,722,493
Closing balance	8,418,514	14,273,295
	15,492,560	**17,053,470**

4.2 Cost of packing materials

Particulars	2023 LKR	2022 LKR
Opening balance	6,594,833	1,187,007
Purchases during the period	21,157,542	16,493,603
Closing balance	15,198,621	6,594,833
	12,553,753	**11,085,776**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

4.3 Cost of finished goods sold

Particulars	2023 LKR	2022 LKR
Opening balance	27,527,935	16,184,448
Purchases during the period	42,667,762	91,790,594
Closing balance	21,305,841	27,527,935
	48,889,856	**80,447,107**

5 Administration expenses

Particulars	2023 LKR	2022 LKR
Audit fee	1,14,950	99,000
Employee expenses	18,173,959	9,969,013
Rent & storage charges	605,000	615,000
Electricity chargers	-	-
Legal and professional charges	2,863,148	1,402,524
Royalty	15,946	3,368,662
Misc Exp	-	18,930
Director's Remuneration	480,000	198,000
	22,253,003	**15,671,129**

6. Selling & distribution expenses

Particulars	2023 LKR	2022 LKR
Advertisements & sales promotions	7,630,266	72,574,418
Distribution expenses	-	-
	7,630,266	**72,574,418**

7. Finance and other expenses

Particulars	2023 LKR	2022 LKR
OD interest charges	45,593,983	7,799,795
Bank charges	1,987,254	1,200,262
Exchange loss	5,893,752	28,175,965
	53,474,989	**37,176,022**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

8 Income tax expense

Particulars	Note	2023 LKR	2022 LKR
Income tax charge for the year	8.1	-	-
Under / (over) provision of prior year taxes		-	-
Deferred tax expense for the year		-	-
Income tax expense for the year		-	-

8.1 Reconciliation between accounting profit and taxable profit/ (loss)

Particulars	2023 LKR	2022 LKR
Accounting profit/(loss) before tax	(157,759,931)	(114,202,363)
Aggregate disallowed items	3,359,098	1,600,524
Adjusted taxable profit/ (loss)	(154,400,833)	(112,601,839)
Interest income	-	-
Total statutory income	(154,400,833)	(112,601,839)
Loss claimed	-	-
Taxable income	(154,400,833)	(112,601,839)
Income tax @ 14%	**-**	**-**

9 Inventories

Particulars	2023 LKR	2022 LKR
Raw material	8,418,514	14,273,295
Packing materials	15,198,621	6,594,833
Finished goods	2,105,190	1,482,750
	25,722,326	22,350,877
Goods in transit	19,200,651	26,045,185
	44,922,977	**48,396,062**

10 Trade receivables

Particulars	2023 LKR	2022 LKR
A. Baurs & Co. Pvt Ltd	31,334,348	69,405,108
	31,334,348	**69,405,108**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

11 Cash & cash equivalents

Particulars	2023 LKR	2022 LKR
Standard Chartered Bank	-	-
	-	**-**

12 Stated capital

Particulars	2023 LKR	2022 LKR
Issued and fully paid ordinary shares of Rs. 10	24,942,526	24,942,526
	24,942,526	**24,942,526**

13 Trade payables

Particulars	2023 LKR	2022 LKR
Custom clearing A/C	10,629,877	3,833,900
Other trade payable	113,225,765	103,255,379
	123,855,642	**107,089,279**

14 Amounts due to related parties

Particulars	2023 LKR	2022 LKR
Marico India	**90,050,759**	**75,932,623**
Marico Industries limited	**-**	**-**
	90,050,759	**75,932,623**

15 Bank overdraft

Particulars	2023 LKR	2022 LKR
Bank Overdraft Facility - Standard Chartered Bank	232,715,242	148,699,904
	232,715,242	**148,699,904**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

16 Other payables and provisions

Particulars	Note	2023 LKR	2022 LKR
Other payables	16.1	2,099,217	782,969
		2,099,217	**782,969**

16.1 Other payables

Director's remuneration payable	-	50,000
Auditors remuneration payable	114,950	99,000
Statutory dues	1,984,267	633,969
	2,099,217	**782,969**

17 Related party disclosures

17.1. Transactions with related parties

Identification of related parties

Related parties includes key management personnel defined as having authority and responsibility for planning directing and controlling the activities of the company.

During the year Mr. Ashish Gopal, Mr.Nilanjan Roy Choudhary, Mr. Dipesh Acharya and Mr. Jayantha Weerasekara were the Directors of the company.

Company's Name	Nature of the relationship	Nature of transaction	Transaction Value during the period LKR	Outstanding balance as at 31.03.2023 LKR
Marico Limited	Parent Company	Purchases	34,917,390	91,440,699
		Royalty expense	1,083,029	3,368,662
		Gross Settlement	14,977,778	6,841,554

Marico India Limited has provided a corporate guarantee of 250Mn for the OD facility obtained by Marico Lanka (Pvt) Ltd during the period. (Note 16)

17.2. Transactions with the key management personnel

Key management personnel include members of the Board of Directors of the company and other employees having authority and responsibility for planning, directing and controlling the activities of the company.

Compensation to key management personnel during the period are as follows.

	2022/2023 LKR	2021/2022 LKR
Short term employee benefits	480,000	198,000

18. Capital commitment and contingent liabilities

There were no material capital commitments and/ or contingent liabilities as at the end of the reporting period which require adjustments to disclosures in the financial statements.

19. Events after the reporting period

There were no significant contingent liabilities and capital commitments as at the financial position date that would require adjustments to or disclosures in the financial statements.

20. Impact of COVID-19 on business

During the year the world has been grappled by the COVID pandemic. However, the impact of the pandemic on the company's financials have been insignificant.

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Pawan Agrawal Mr. Datuk Chin Chee Kee JP Ms. Poh Shiow Mei
REGISTERED OFFICE	Room A, Ground Floor, Lot 7, Block F, Saguking Commercial Building, Jalan Patau – Patau, 87000, Labuan F.T. Malaysia
AUDITORS	M/s. Sundar & Associates
BANKERS	HSBC Bank Malaysia Berhad

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MARICO MALAYSIA SDN. BHD.
Registration No. 200901038367 (881499-V) (Incorporated in Malaysia)
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of MARICO MALAYSIA SDN. BHD., which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 25.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 3.1 to the financial statements which discloses the premise upon which the Company have prepared its financial statements by applying the going concern assumption, notwithstanding the financial statements and performance of the Company as stated therein, thereby indicating the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT (Contd.)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material

INDEPENDENT AUDITORS' REPORT (Contd.)

if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT (Contd.)

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

Other Matter

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SUNDAR & ASSOCIATES
Firm No.: AF1127
Chartered Accountants (M)

SUNDARASAN AIL ARUMUGAM
01876/02/2024J
Chartered Accountant

Dated: 20 June 2023
Shah Alam

MARICO MALAYSIA SDN. BHD.
Registration No. 200901038367 (881499-V) (Incorporated in Malaysia)

Statement of Financial Position

As at 31 March, 2023

	Notes	2023 RM	2022 RM
CURRENT ASSETS			
Cash and cash equivalents	6	14,265	53,937
Total current assets		14,265	53,937
TOTAL ASSETS		**14,265**	**53,937**
EQUITY			
Share capital	7	17,660,240	17,660,240
Accumulated losses		(17,666,395)	(17,647,137)
TOTAL EQUITY		**(6,155)**	**13,103**
CURRENT LIABILITIES			
Non-trade payables and accruals	8	20,420	40,834
Total current liabilities		20,420	40,834
TOTAL LIABILITIES		**20,420**	**40,834**
TOTAL EQUITY AND LIABILITIES		**14,265**	**53,937**

The accompanying notes form an integral part of the financial statements.

MARICO MALAYSIA SDN. BHD.
Registration No. 200901038367 (881499-V) (Incorporated in Malaysia)

Statement of Comprehensive Income

For the year ended 31 March, 2023

	Notes	2023 RM	2022 RM
Revenue		-	-
Other operating income		1,145	591
Other operating expenses		(20,403)	(35,172)
Loss before tax	9	**(19,258)**	**(34,581)**
Tax expense	10	**-**	**-**
Loss for the financial year representing total comprehensive expense for the financial year		**(19,258)**	**(34,581)**

The accompanying notes form an integral part of the financial statements.

MARICO MALAYSIA SDN. BHD.
Registration No. 200901038367 (881499-V) (Incorporated in Malaysia)

Statement of Changes in Equity

For the year ended 31 March, 2023

	Share capital RM	Accumulated losses RM	Total RM
At 01 April 2021	17,660,240	(17,612,556)	47,684
Loss for the year	-	(34,581)	(34,581)
At 31 March 2021 / 01 April 2022	17,660,240	(17,647,137)	13,103
Loss for the year	-	(19,258)	(19,258)
At 31 March 2023	**17,660,240**	**(17,666,395)**	**(6,155)**

The accompanying notes form an integral part of the financial statements.

MARICO MALAYSIA SDN. BHD.
Registration No. 200901038367 (881499-V) (Incorporated in Malaysia)

Statement of Cash Flow

For the year ended 31 March, 2023

	2023 RM	2022 RM
Cash flows from operating activities		
Loss before tax	(19,258)	(34,581)
Adjustment for:		
Gain on foreign exchange - unrealised	(1,145)	(591)
Operating loss before working capital changes	(20,403)	(35,172)
Changes in payables	(20,414)	35,016
Net change in operating activities	(40,817)	(156)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(40,817)**	**(156)**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	1,145	591
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	53,937	53,502
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**14,265**	**53,937**
NOTE :		
I. Cash and cash equivalents:		
Cash and cash equivalents included in the statement above comprise the following amounts:		
Bank balance	14,265	53,937
	14,265	**53,937**

The accompanying notes form an integral part of the financial statements.

MARICO MALAYSIA SDN. BHD.
Registration No. 200901038367 (881499-V) (Incorporated in Malaysia)

Notes to the Financial Statements

For the year ended 31 March, 2023

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office is located at Room A, Ground Floor, Lot 7, Block F, Saguking Commercial Building, Jalan Patau-Patau, 87000 Labuan, W.P. Labuan.

The principal activities of the Company are distributor of perfumery, cosmetics, toiletries and related beauty products. The Company ceased business operations with effect from the financial year 2015.

The immediate holding company of the Company is Marico Middle East FZE, a private company registered and domiciled in United Arab Emirates. The ultimate holding company of the Company is Marico Limited, a private company registered and domiciled in India.

The financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors on declaration date.

2. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS AND THE COMPANIES ACT 2016

The financial statements of the Company have been prepared in compliance with the Malaysian Private Entities Reporting Standard ("MPERS") issued by the Malaysian Accounting Standards Board ("MASB") and requirements of the Companies Act 2016 in Malaysia.

3. BASIS OF PREPARATION

The financial statements of the Company have been prepared on the historical cost basis except as otherwise stated in the financial statements.

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reported period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving significant estimation uncertainties are disclosed in Note 5 to the financial statements.

3.1 Going Concern

The Company incurred a net loss of RM19,258 for the financial year ended 31 March 2023 and as at that date, the current liabilities of the Company exceeded its current assets by RM6,155 and deficit in shareholder's equity of RM6,155. This indicates the existence of an uncertainty which may cast significant doubt in the ability of the Company to continue as going concern. The validity of the going concern assumption is dependent upon the continuous financial support from the shareholder and the ability of the Company to generate sufficient cash from its operations to enable the Company to fulfill its obligations as and when they fall due.

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Notes to the Financial Statements

For the year ended 31 March, 2023

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below:

4.1 Financial Instruments

I. Initial Recognition and Measurement

The Company recognises a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, an entity in the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

II. Derecognition of Financial Instruments

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate is different by 10% or more when compared with the carrying amount of the original liability.

III. Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely: (i) financial assets at fair value through profit or loss, and (ii) financial assets at amortised cost.

After initial recognition, the Company measures investments in preference shares, ordinary shares and derivatives that are assets at their fair values by reference to the active market prices, if observable, or otherwise by a valuation technique, without any deduction for transaction costs it may incur on sale or other disposal.

Investments in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investments in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

Notes to the Financial Statements
For the year ended 31 March, 2023

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 4.1(VII).

IV. Subsequent Measurement of Financial Liabilities

After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

V. Fair Value Measurement of Financial Instruments

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

VI. Recognition of Gains and Losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

VII. Impairment and Uncollectibility of Financial Assets

At the end of each reporting period, the Company examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidences of trigger loss events include:

(i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payment; (iii) granting exceptional concession to a customer, (iv) it is probable that a customer will enter bankruptcy or other financial reorganisation, (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in an allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Company's experience of loss ratio in each class, taking into consideration current market conditions.

For an unquoted equity investment measured at cost less impairment, the impairment is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company expects to receive for the asset if it were sold at the reporting date. The Company may estimate the recoverable amount using an adjusted net asset value approach.

4.2 Share Capital and Distributions

I. Share Capital

Ordinary shares issued that carry no put option and no mandatory contractual obligation: (i) to deliver cash or another financial asset; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company, are classified as equity instruments.

When ordinary shares and other equity instruments are issued in private placement or in a rights issue to existing shareholder, they are recorded at the issue price. For ordinary shares and other equity instruments issued in exchange for non-monetary assets, they are measured by reference to the fair values of the assets received.

When ordinary shares and other equity instruments are issued as consideration transferred in a business combination or as settlement of an existing financial liability, they are measured at fair value at the date of the exchange transaction.

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax effect.

II. Distributions

Distributions to holders of an equity instrument are debited directly in equity, net of any related income tax effect.

A dividend declared is recognised as a liability only after it has been appropriately authorised, which is the date when the Board of Directors declares an interim dividend, or in the case of a proposed final dividend, the date the shareholder of the Company approve the proposed final dividend in an annual general meeting of shareholder. For a distribution of non-cash assets to owners, the Company measures the dividend payable at the fair value of the assets to be distributed.

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Notes to the Financial Statements

For the year ended 31 March, 2023

4.3 Provisions

The Company recognises a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.

A provision for warranty costs, restoration costs, restructuring costs, onerous contracts or lawsuit claims is recognised when the Company has a present legal or constructive obligation as a result of a past event, and of which the outflows of resources on settlement are probable and a reliable estimate of the amount can be made. No provision is recognised if these conditions are not met.

Any reimbursement attributable to a recognised provision from a counter-party (such as an insurer) is not off-set against the provision but recognised separately as an asset when, and only when, the reimbursement is virtually certain.

A provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. For a warranty provision, a probability-weighted expected outcome of the resources required to settle the obligation is applied, taking into account the Company's experience of similar transactions and supplemented with current facts and circumstances. For a restoration provision, where a single obligation is being measured, the Company uses the individual most likely outcome as the best estimate of the liability by reference to current prices that contractors would charge to undertake such obligations, and taking into account likely future events that may affect the amount required to settle an obligation. For an onerous contract, a provision is measured based on the amount by which costs to fulfil the contract exceed the benefits. For a lawsuit provision, a probability-weighted expected outcome is applied in the measurement, taking into account past court judgements made in similar cases and advice of legal experts.

A provision is measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. The unwinding of the discount is recognised as an interest expense.

4.4 Income Recognition

There is no revenue recognised as the Company has ceased operations.

Other income is recognised on receipt basis.

4.5 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less and are used by the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

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Notes to the Financial Statements

For the year ended 31 March, 2023

4.6 Tax Assets and Tax Liabilities

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the entity expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for initial recognition differences include items of property, plant and equipment that do not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affect neither accounting profit nor tax taxable profit (or tax loss). The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying property, plant and equipment.

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Unused tax credits do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Company treats these as part of initial recognition differences.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflect the tax consequences that would follow from the manner in which an entity in the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. For an investment property measured at fair value, the Company does not have a business model to hold the property solely for rental income, and hence, the deferred liability on the fair value gain is measured based on the presumption that the property is recovered through sale at the end of the reporting period.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period. For items

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Notes to the Financial Statements

For the year ended 31 March, 2023

recognised directly in equity, the related tax effect is also recognised directly in equity.

4.7 Foreign Currency

I. Foreign Currency - Foreign Currency Transactions

The Company determines its functional currency (a currency of the primary economic environment in which the entity operates) and measures its results and financial position in that functional currency.

Translation of Foreign Currency Transactions

The transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period (i.e. the closing rates). Non- monetary items carried at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost amounts continue to be translated at their respective historical rated and are not retranslated.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period except for: (i) loans and advances that form part of the net investment in a foreign operation; and (ii) transactions entered into in order to hedge foreign currency risks of net investments in foreign operations.

5. SOURCES OF ESTIMATION UNCERTAINTY

Judgements and assumptions applied

In the selection of accounting policies for the Company, there are no areas that require significant judgements and assumptions.

Estimation uncertainty

There is no measurement of assets and liabilities require management to use estimates based on various observable inputs and other assumptions.

6. CASH AND CASH EQUIVALENTS

The Company's cash management policy is to use cash and bank balances, money market instruments, bank overdrafts and short-term trade financing to manage cash flows to ensure sufficient liquidity to meet the Company's obligations.

	2023 **RM**	**2022** **RM**
Bank balances	**14,265**	53,937

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Notes to the Financial Statements

For the year ended 31 March, 2023

7. SHARE CAPITAL

	2023 Number of shares Unit	2022 Amount of Shares RM	2023 Number of shares Unit	2022 Amount of Shares RM
Issued and fully paid ordinary shares:				
At beginning and end of the financial year	**17,660,240**	17,660,240	**17,660,240**	17,660,240

8. NON-TRADE PAYABLES AND ACCRUALS

	2023 RM	2022 RM
Other payables	-	34,792
Accruals	20,420	6,042
	20,420	40,834

9. Loss befor tax

Loss before tax is arrived at:

	2023 RM	2022 RM
After charging:		
- Auditors' remuneration	3,000	3,000
and crediting:		
- Gain on foreign exchange – unrealised	**(1,145)**	**(591)**

10. TAX EXPENSE

The significant differences between the tax expense and accounting loss multiplied by the statutory tax rate are due to the tax effects arising from the following items

	2023 RM	2022 RM
Loss before tax	**(19,258)**	**(34,581)**
Tax at Malaysian statutory tax rate of 24%	(4,622)	(8,299)
Non-deductible expenses	4,896	8,441
Non-taxable income	(274)	(142)
	-	**-**

Under the amendment of Income Tax Act 1967 by the Finance Act 2019 and with effect from year of assessment 2020, companies with paid-up capital of RM2.5 million or less, and with annual business income of not more than RM50 million are subject to Small and Medium Enterprise Corporate Tax at 17% on chargeable income up to RM600,000 except for companies with investment holding nature or companies does not have gross income from business sources are subject to corporate tax at 24% on chargeable income.

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Notes to the Financial Statements

For the year ended 31 March, 2023

11. UNRECOGNISED DEFERRED TAX ASSETS

The following deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Company can utilise the benefits there from:

	2023 RM	2022 RM
Unutilised capital allowances	7,294,877	7,294,877
Unutilised tax losses	9,818,893	9,818,893
	17,113,770	17,113,770

12. RELATED PARTY DISCLOSURES

I Control Relationships

As disclosed in Note 1, the Company's parent is Marico Middle East FZE (registered and domiciled in United Arab Emirates), which owns 100.00% of the Company's ordinary shares:

II. Key Management Personnel Compensation

None of the directors of the Company have received any remunerations from the Company during the reporting period.

STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31 MARCH 2023

	2023 RM	2022 RM
REVENUE		
Revenue	**-**	**-**
NON OPERATING INCOME		
Gain on foreign exchange - unrealised	1,145	591
OTHER OPERATING EXPENSES	(20,403)	(35,172)
LOSS BEFORE TAX	**(19,258)**	(34,581)

SCHEDULE TO STATEMENT OF OPERATIONS FOR THE YEAR ENDED 31 MARCH 2023

	2023 RM	2022 RM
OTHER OPERATING EXPENSES		
Auditors' remuneration	**3,000**	**3,000**
Bank charges	**4**	**156**
Miscellaneous expenses	699	966
Professional charges	14,400	28,750
Tax fee	**2,300**	2,300
	20,403	35,172

This Statement is prepared for the purpose of the Management's use only and does not form part of the statutory audited financial statements.

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Sanjay Mishra Mr. Ketan Jain Mr. Sujot Malhotra Mr. Jitendra Mahajan (until April 21, 2022) Ms. Divya Seth (until July 18, 2022) Mr. Amit Bhasin (appointed w.e.f. April 21, 2022) Mr. Amit Prakash (appointed w.e.f. July 18, 2022)
REGISTERED OFFICE	711, Shapath V, S.G. Road, Prahlad Nagar, Ahmedabad - 380015
AUDITORS	M/s. Haribhakti & Co. LLP
BANKERS	IndusInd Bank Limited HDFC Bank Limited Kotak Mahindra Bank Limited

INDEPENDENT AUDITORS' REPORT

To The Members

ZED LIFESTYLE PVT LTD

Opinion

We have audited the accompanying Ind AS financial statements of Zed Lifestyle Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformi ty with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS ") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2023, its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's reports & its annexure, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's report & it's annexures are not made available to us & we have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance

Audit Report: FY. 22-23

with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 irregu larities; 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 contro ls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process..

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may

INDEPENDENT AUDITORS' REPORT

cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financia l statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2020 (" the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we report in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, and based on our examination of the records, there is no remuneration paid to the directors during the current year

Audit Report: FY. 22-23
ZED LIFESTYLE PVT LTD.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iv) (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate; Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.

(vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April, 2023, reporting under this clause is not applicable.

For Haribhakti & Co. LLP
Chartered Accountants
Firm's Registration No: 103523W/W100048

Sumant Sakhardande
Partner
Membership No.034828
UDIN: 23034828BGWUDX2240

Place : Mumbai
Date : April 21, 2023

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF ZED LIFESTYLE PRIVATE LIMITED

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Zed Lifestyle Priva te Limited ("the Company") on the Ind AS financial statements for the year ended March 31, 2023].

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(a) (B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) During the year, the Property, Plant and Equipment and Right-of-use assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee), disclosed in the Ind AS financial statements are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and/or Intangible Assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.

(e) No proceedings have been initiated or are pending against the Company as at March 31, 2023 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies were noticed on physical verification carried out during the year.

(b) The Company has been sanctioned working capital limits which is not in excess of five crore rupees during the year, in aggregate from banks and/or financial institutions, on the basis of security of current assets. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.

(iii) (a) During the year, the Company has provided loans to the following entities:

Sr No	Particulars	Amount
1	**Aggregate amount granted / provided during the year**	
	- Subsidiaries	-
	- Joint Ventures	-
	- Associates	-
	- Others	-
2	**Balance outstanding as at March 31, 2023 in respect of above cases**	
	- Subsidiaries	-

Sr No	Particulars	Amount
	- Joint Ventures	-
	- Associates	-
	- Others	594,668

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided by the Company during the year are not prejudicial to the interest of the Company.

(c) The schedule of repayment of principal and payment of interest in respect of the loans and advances in the nature of loans have not been stipulated as these loans are repayable on demand. Thus, we are unable to comment whether the repayments or receipts during the year are regular and report amounts overdue for more than ninety days, if any, as required under clause (iii)(d) of paragraph 3 of the Order.

(d) There were no loans or advances in the nature of loan granted which has/have fallen due during the year, have been renewed or extended. Further, there were no instances of fresh loans being granted to settle the overdue of existing loans given to the same parties.

(e) The Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Details of the same are as below:

Particulars	All parties	Promoters	Related Parties	Remarks
Aggregate amount of loans/advances in nature of loan				Loan repayable on demand is given to employees
- Repayable on demand (A)	5,94,668	-	-	
- Agreement does not specify any terms or period of repayment (B)		-	-	
Total (A+B)	**5,94,668**	-	-	
Percentage of loans/advances in nature of loan to the total loans	100%	Not applicable	Not applicable	

(iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and secu rities, as applicable.

(v) In our opinion, the Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii) (a) The Company is regular in depositing with the appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, in all cases during the year. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues with respect to provident fund, employees' state insurance, income tax, GST, sales tax, service tax, value added tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute:

(viii) We have not come across any transaction(s) which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not obtain any money by way of term loans during the year and there were no outstanding term loans at the beginning of the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.

(d) On an overall examination of the Ind AS financial statements of the Company, no funds raised on short-term basis have, been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture as defined under the Act and accordingly, reporting under clause (ix)(e) of pa ragraph 3 of the Order is not applicable.

(f) The Company does not have any subsidiary, associate or joint venture as defined under the Act and accordingly, reporting under clause (ix) (f) of paragraph 3 of the Order is not applicable.

(x) (a) The Company has not raised money by way of initial public offer I further public offer (including debt instruments) during the year. Therefore, reporting under clause(x)(a) of paragraph 3 of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.

(xi) (a) 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 informat ion and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.

(b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.

(c) There are no whistle blower complaints received by the Company during the year and up to the date of this report.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) All transactions entered into by the Company with the related parties are in compliance with section 188 of the Act, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards. Since the Company is a private limited company, the provisions of section 177 of the Act are not applicable to the Company.

(xiv) (a) In our opinion, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Hence, reporting under clause (xiv) of paragraph 3 of the Order is not applicable.

(b) The Company did not have an internal audit system for the period under audit. Hence, no Internal Audit Reports of the Company for the aforesaid period were provided.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without having a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (C IC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 (“Directions”) by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) and (d) of paragraph 3 of the Order are not applicable.

(d) As informed by the Company, the Group to which the Company belongs has no CIC as part of the Group.

(xvii) The Company has incurred cash losses for the current financial year amounting to ₹ 75.7 lacs However, no cash losses were incurred in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of real ization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report and that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For Haribhakti & Co. LLP
Chartered Accountants
Firm’s Registration No: 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 23034828BGWUDX2240

Place : Mumbai
Date : April 21, 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(i) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Zed Lifestyle Private Limited on the Ind AS financial statements for the year ended March 31, 2023.

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of t he Companies Act, 20 13 ("the Act")

We have audited the internal financial controls with reference to financial statements of Zed Lifestyle Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as requi red under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143 (10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal contro ls based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial report ing and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
Firm's Registration No: 103523W/W100048

Sumant Sakhardande
Partner
Membership No..034828
UDIN: 23034828BGWUDX2240

Place : Mumbai
Date : April 21, 2023

BALANCE SHEET

As at 31st March, 2023
CIN: U74999GJ2016PTC091839

Amounts in ₹

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	3	80.30	35.41
(b) Right-of-use Assets	4	310.76	151.87
(c) Other Intangible Assets	5	2.94	6.19
		394.00	**193.47**
(d) Financial Assets	6(a)	59.12	10.10
(e) Deferred tax assets (Net)	7	370.99	144.63
(f) Other non-current assets	6(b)	1.19	0.20
Total Non-current Assets		**825.29**	**348.40**
Current Assets			
(a) Inventories	8	1,268.78	465.21
(b) Financial assets			
(i) Trade receivables	9	2,520.13	2,524.67
(ii) Cash and cash equivalents	10	64.42	18.07
(iii) Bank balances other than (ii) above	11	-	-
(iv) Loans	12	5.95	23.55
(c) Current tax assets (Net)	13	14.41	11.32
(d) Other current assets	14	412.17	85.21
Total Current Assets		**4,285.85**	**3,128.03**
Total Assets		**5,111.15**	**3,476.43**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1.25	1.25
(b) Other Equity	16	195.17	808.43
Total Equity		**196.42**	**809.68**
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	17	276.43	144.26
(b) Provisions	24	276.87	-
(c) Employee benefit obligations	18	40.69	33.22
(d) Deferred tax liabilities (Net)		-	-
Total Non-current Liabilities		**593.99**	**177.48**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	1,349.56	120.90
(ii) Lease Liabilities	20	61.47	35.71
(iii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		166.70	131.72
Total outstanding dues of creditors other than micro enterprises and small enterprises		721.47	669.69
(iv) Other Financial Liabilities	22	26.40	16.75
(b) Other current liabilities	23	71.76	42.59
(c) Provisions	24	1,916.95	1,467.11
(d) Employee benefit obligations	25	6.43	4.79
Total Current Liabilities		**4,320.74**	**2,489.27**
Total Liabilities		**4,914.73**	**2,666.75**
Total Equity and Liabilities		**5,111.15**	**3,476.43**
Significant Accounting Policies	2		

The Notes are an integral part of these financial statements.
As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
Firm's Registration No: 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828

Date : April 21, 2023
Place: Mumbai

For and on behalf of the Board of Directors
Zed Lifestyle Private Limited

Sujot Malhotra
Director
(DIN: 08777550)

Date : April 21, 2023
Place: Ahmedabad

Ketan Jain
Director
(DIN : 07942127)

Date : April 21, 2023
Place : Mumbai

STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2023
CIN: U74999GJ2016PTC091839

Amount in ₹

	Particulars	Notes	Year ended March 31, 2023	2022
	Revenue from Operations	26	10,661.11	9,489.19
	Other income	27	30.26	73.99
I	**Total Income**		**10,691.37**	**9,563.18**
	Expenses			
	Purchase of stock-in-trade	28	4,500.12	2,789.19
	Changes in inventories of stock-in-trade	29	(803.58)	175.38
	Employee benefits expense	30	1,264.40	1,059.67
	Finance costs	31	92.54	19.67
	Depreciation and amortization expenses	3,4,5	79.52	62.05
	Other expenses	32	6,397.99	5,510.97
II	**Total expenses**		**11,530.99**	**9,616.93**
III	**Profit before tax(I-II)**		**(839.62)**	**(53.75)**
	Less: Tax expense			
	(1) Current tax	33	-	-
	(2) Deferred tax		226.36	129.26
	(3) Tax in respect of earlier years		-	-
			226.36	**129.26**
IV	**Profit for the year**		**(613.26)**	**75.51**
	Other Comprehensive Income			
	[A]			
	(i) Items that will not be reclassified to profit or loss			
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	[B]			
	(i) Items that will be reclassified to profit or loss (Revaluation of Current Investment)			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	Comprehensive Income		**(613.26)**	**75.51**
V	**Earnings per equity share**	34		
	(1) Basic (in ₹)		**(4,892.76)**	**602.47**
	(2) Diluted (in ₹)			
VI	**Significant Accounting Policies**	2		

The Notes are an integral part of these financial statements.
As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
Firm's Registration No: 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828

Date : April 21, 2023
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For and on behalf of the Board of Directors
Zed Lifestyle Private Limited

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Director
(DIN: 08777550)

Date : April 21, 2023
Place: Ahmedabad

Ketan Jain
Director
(DIN : 07942127)

Date : April 21, 2023
Place : Mumbai

STATEMENT OF CASH FLOW

For the year ended 31st March, 2023

(₹ in Lacs)

Particulars	Year ended March	
	2023	2022
Cash flows from operating activities		
Profit for the year	(839.62)	(53.75)
Adjustments for:		
Depreciation/Amortization	79.52	62.05
Interest Income	(1.37)	(3.57)
Interest Expense	83.32	18.95
Profit on Sale of Assets	(8.98)	(0.10)
Operating Cash Flow before Working Capital Changes	**(687.13)**	**23.57**
Adjustment for (increase)/decrease in operating assets:		
Inventories	(803.58)	175.38
Trade Receivables	4.55	(1,613.00)
Other Financial Assets	(35.50)	(4.55)
Other current assets	(326.96)	(11.53)
Adjustment for (increase)/decrease in operating Liabilities:		
Trade Payables	86.75	(156.79)
Other current Liabilities	755.88	623.71
Other Financial Liabilities	9.65	5.23
Employee Benefit Obligations	9.11	5.26
Cash Generated from Operations	(987.22)	(952.72)
Tax Paid (Net)	-	-
Net Cash used in Operating Activities (A)	**(987.22)**	**(952.72)**
Cash flows from investing activities		
Interest received	1.37	3.57
Payment for property, plant and equipment	(329.69)	(15.76)
Proceeds from sale of property, plant and equipment	58.61	-
Payments for intangible assets	-	(8.55)
Net Cash used in Investing Activities (B)	**(269.70)**	**(20.74)**

CASH FLOW STATEMENT

For the year ended 31st March, 2023

(₹ in Lacs)

Particulars	Year ended March 2023	Year ended March 2022
Cash flows from financing activities		
Proceeds from borrowings	1,228.66	120.90
Net Proceeds/(Payment) of Lease liabilities	157.93	(30.34)
Interest paid	(83.32)	(18.95)
Net Cash generated from Financing Activities (C)	**1,303.27**	**71.61**
Net increase/(decrease) in cash and cash equivalents	46.35	(901.85)
Cash and cash equivalents at the beginning of the year	18.08	919.93
Cash and cash equivalents at the end of the year	**64.42**	**18.08**
Cash and Cash Equivalent Comprise of: (Note-10)		
Cash on Hand	1.32	0.53
Balance with Banks	63.10	17.55
	64.42	**18.08**

The Notes are an integral part of these financial statements.
As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
Firm's Registration No: 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828

Date : April 21, 2023
Place: Mumbai

For and on behalf of the Board of Directors
Zed Lifestyle Private Limited

Sujot Malhotra
Director
(DIN: 08777550)

Date : April 21, 2023
Place: Ahmedabad

Ketan Jain
Director
(DIN : 07942127)

Date : April 21, 2023
Place : Mumbai

STATEMENT OF CHANGES IN EQUITY As at 31st March, 2023

(A) EQUITY SHARE CAPITAL (₹ in Lacs)

1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1.25	-	1.25	-	1.25

2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1.25	-	1.25	-	1.25

(B) OTHER EQUITY (₹ in Lacs)

1) Current reporting period

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
Balance at the beginning of the current reporting period	1,043.37	(234.95)	808.43
Total Comprehensive Income for the current year	-	(613.26)	(613.26)
Balance at the end of the current reporting period	**1,043.37**	**(848.21)**	**195.17**

2) Previous reporting period

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
Balance at the beginning of the current reporting period	1,043.37	(310.46)	732.91
Total Comprehensive Income for the current year	-	75.51	75.51
Balance at the end of the current reporting period	**1,043.37**	**(234.95)**	**808.43**

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

The Notes are an integral part of these financial statements.
As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
Firm's Registration No: 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828

Date : April 21, 2023
Place: Mumbai

For and on behalf of the Board of Directors
Zed Lifestyle Private Limited

Sujot Malhotra
Director
(DIN: 08777550)

Date : April 21, 2023
Place: Ahmedabad

Ketan Jain
Director
(DIN : 07942127)

Date : April 21, 2023
Place : Mumbai

Notes to the financial statements

For the year ended 31 March, 2023

1 GENERAL INFORMATION

ZED LIFESTYLE PRIVATE LIMITED was incorporated on 5th May 2016 under Companies Act, 2013. The Company is dealing in men's grooming products.

The company is Fully Owned Subsidiary of MARICO LIMITED.

Address of the registered office:

711, Shapath V S.G Road, Prahlad Nagar Ahmedabad, Gujarat; 380015

2 SIGNIFICANT ACCOUNTING POLICIES

2.01 Statement of Compliance:

These financial statements of the Company comprising of Balance Sheet, Statement of Profit and Loss, Statement of changes in Equity and Cash Flow Statement together with the notes have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as amended by the Companies (Indian Accounting Standards) Rules, 2016, the Companies (Indian Accounting Standards) Rules, 2017 and other relevant provisions of the Companies Act, 2013.

2.02 Basis of Preparation and Presentation:

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period, as explained in the accounting policies below.

All amounts disclosed in the financial statement and notes have been rounded off to the nearest lacs, unless otherwise stated.

Transactions and balances with values below the rounding off norm adopted by the company have been reflected as "0" in the relevant notes in these financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

The financial statements are presented in Indian Rupees (INR) which is the Company's functional and presentation currency.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the

Notes to the financial statements

For the year ended 31 March, 2023

nature of products 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 twelve months for the purpose of current-non current classification of assets and liabilities.

2.03 Revenue Recognition:

Revenue is measured at the transaction price of the consideration received or receivable. Revenue is reduced for customer discounts, rebates granted, other similar allowances, sales taxes (up to the applicable date), Goods and Services Tax (GST) and duties collected on behalf of third parties.

a) Revenue from sale of goods is recognised when the following conditions are satisfied.

i) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

ii) the amount of revenue can be measured reliably;

iii) it is probable that the economic benefits associated with the transaction will flow to the Company;

iv) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.04 Other Income:

Interest income is recognised on the on accrual basis.

Further, the company is recognizing the interest income on notional basis to comply with the requirements of Indian Accounting Standards.

2.05 Property, Plant and Equipment:

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as 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 Profit and Loss during the period in which they are incurred.

Gains or Losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013 except for below mentioned assets. Depreciation is provided on pro-rata basis on the reducing balance method over the useful life of assets. The useful life, residual value and the depreciation method are reviewed at least at each financial year end and adjusted prospectively.

Asset Category	**Useful Life (Years)**
Air purifiers	3
Motor Vehicles	3
Motor Vehicles (Car)	5
Mobiles	2
Electronic Weighing Machine	3
Intangibles	
Tally Software	4
Website (Beardo.in)	4

Notes to the financial statements

For the year ended 31 March, 2023

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

Spares in the nature of capital spares/ insurance spares are added to the cost of the assets. The total cost of such spares is depreciated over a period not exceeding the useful life of the asset to which they relate.

2.06 Intangible Assets:

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The amortisation period and amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains and losses arising on the disposal of an entity are calculated after netting of the carrying amount of Goodwill relating to the entity sold, from the proceeds of disposal.

Intangible assets are amortised on a reducing balance method over its useful life, not exceeding four years, as decided by the management.

2.07 Impairment of assets:

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

Notes to the financial statements

For the year ended 31 March, 2023

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

2.08 Financial instruments:

1. Initial recognition and measurement

Financial assets and/or financial liabilities are recognised when the Company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities are initially measured at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2. Financial assets:

Classification and subsequent measurement of financial assets:

a) Classification of financial assets:

(i) The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

(ii) The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

b) Subsequent Measurement

(i) Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

(1) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect

Notes to the financial statements

For the year ended 31 March, 2023

contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(2) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

(3) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are subsequently measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(ii) Equity instruments:

The Company subsequently measures all equity investments at fair value. There are two measurement categories into which the Company classifies its equity instruments:

Investments in equity instruments at FVTPL:

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Investments in equity instruments at FVTOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for 'equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

Notes to the financial statements

For the year ended 31 March, 2023

c) Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset. For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

d) Income recognition:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) The expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition.

Dividends are recognised in Statement of Profit and Loss account only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably. Revenue from Royalty income is recognized on accrual basis.

e) Derecognition of financial assets

A financial asset is primarily derecognised when:

1. the right to receive cash flows from the asset has expired, or
2. the Company has transferred its rights to receive cash flows from the asset; and
   (a) the Company has transferred substantially all the risks and rewards of the asset, or
   (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

   On derecognition of a financial asset in its entirety (other than investments in equity instruments at FVOCI), the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the Statement of Profit and Loss.

Notes to the financial statements

For the year ended 31 March, 2023

3. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instrument is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial Liabilities

Classification and subsequent measurement

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and loss or at amortized cost. All changes in fair value of financial liabilities classified as FVTPL are recognized in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the Effective Interest Rate method.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in profit and loss when the liabilities are derecognized.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Notes to the financial statements

For the year ended 31 March, 2023

Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of profit and Loss immediately.

2.09 Inventories:

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories comprise all costs of purchase (net of input credits) and other costs incurred in bringing the inventories to their present location and condition.

Cost is assigned on the basis of weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.10 Foreign currencies:

Items included in the financial statements of the Company are recorded using the currency of the primary economic environment (INR) in which the Company operates (the 'functional currency').

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the Statement of Profit and Loss.

2.11 Borrowing Costs:

(a) General and specific borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

(b) All other borrowing costs are recognised as expense in the period in which they are incurred.

Notes to the financial statements

For the year ended 31 March, 2023

2.12 Taxation:

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets including Minimum Alternate Tax (MAT) are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head capital gains are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Current and Deferred tax is recognised in Statement of Profit and Loss, except when 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.

2.13 Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The company uses significant judgement in assessing the lease term and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is certain to exercise the option and periods covered by an option to terminate the lease if the company is reasonably not certain to exercise that option. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise or extend the lease or not to exercise the option to terminate the lease.

Notes to the financial statements

For the year ended 31 March, 2023

At the date of commencement of the lease, the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are premeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

2.14 Provisions, Contingent Liabilities and Contingent Assets:

Provisions: Provisions are recognised when there is a present 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 there is a reliable estimate of the amount of the obligation. Provisions are measured using the cash flows estimated to settle the present obligation at the Balance sheet date.

Contingent Liabilities : Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which 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 where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets : Contingent assets are disclosed, where an inflow of economic benefits is probable. The entity shall not recongnise contingent asset unless the recovery is virtually certain.

2.15 Cash and cash equivalents:

Cash and Cash equivalents include cash, cash at bank and short term deposits with banks having original maturity of three months or less, which are subject to insignificant risk of changes in value.

2.16 Statement of Cash Flows:

Cash flows are reported using the indirect method whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Notes to the financial statements

For the year ended 31 March, 2023

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.17 Dividend to equity shareholders:

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

2.18 Earnings per Share:

Basic earnings per share is 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. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

While calculating the weighted average number of shares in case of right issue during the year, theroretical ex-right value could not obtained due to non-availability of fair market value of shares and hence the calculation is done accordingly.

2.19 Critical accounting judgments and key sources of estimation uncertainty:

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes judgments, estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to significant accounting estimates include useful lives and impairment of property, plant and equipment, allowance for doubtful debts/advances, deferred tax assets, allowances for inventories, etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

Notes to the financial statements

For the year ended 31 March, 2023

3 Property, plant and equipment (₹ in Lacs)

Particulars	Building	Plant and Machinery	Furniture & Fittings	Office Equipments	Motor Vehicles	Total
Deemed Cost:						
As at 31-03-2022	**4.00**	**2.24**	**44.35**	**87.74**	**12.22**	**150.55**
Additions	-	-	39.50	32.33	-	71.83
Disposals	-	-	-	-	-	-
As at 31-03-2023	**4.00**	**2.24**	**83.85**	**120.07**	**12.22**	**222.38**
Accumulated depreciation:						
As at 31-03-2022	**3.87**	**0.90**	**30.99**	**70.35**	**9.03**	**115.14**
Charge for the year	0.08	0.24	6.08	19.09	1.45	26.94
Disposals	-	-	-	-	-	-
As at 31-03-2023	**3.95**	**1.14**	**37.07**	**89.44**	**10.48**	**142.08**
Net book value						
As at 31-03-2022	0.13	1.34	13.36	17.39	3.19	35.41
As at 31-03-2023	**0.05**	**1.10**	**46.78**	**30.63**	**1.74**	**80.30**

Particulars	Building	Plant and Machinery	Furniture & Fittings	Office Equipments	Motor Vehicles	Total
Deemed Cost:						
As at 31-03-2021	**4.00**	**2.24**	**44.35**	**72.28**	**12.22**	**135.09**
Additions	-	-	-	15.87	-	15.87
Disposals	-	-	-	0.41	-	0.41
As at 31-03-2022	**4.00**	**2.24**	**44.35**	**87.74**	**12.22**	**150.55**
Accumulated depreciation:						
As at 31-03-2021	**3.66**	**0.60**	**26.34**	**59.89**	**7.59**	**98.08**
Charge for the year	0.22	0.30	4.65	10.86	1.44	17.47
Disposals	-	-	-	0.40	-	0.40
As at 31-03-2022	**3.87**	**0.90**	**30.99**	**70.35**	**9.03**	**115.14**
Net book value						
As at 31-03-2021	0.34	1.64	18.01	12.39	4.63	37.01
As at 31-03-2022	**0.13**	**1.34**	**13.36**	**17.39**	**3.19**	**35.41**

Notes to the financial statements

For the year ended 31 March, 2023

4 Right to use asset (₹ in Lacs)

Particulars	Building	Total
Deemed Cost:		
As at 31-03-2022	**223.92**	**223.92**
Additions	257.86	257.86
Disposals	97.63	97.63
As at 31-03-2023	**384.15**	**384.15**
Accumulated depreciation:		
As at 31-03-2022	**72.06**	**72.06**
Charge for the year	49.33	49.33
Disposals	48.00	48.00
As at 31-03-2023	**73.38**	**73.38**
Net book value		
As at 31-03-2022	151.87	151.87
As at 31-03-2023	**310.76**	**310.76**

Particulars	Building	Total
Deemed Cost:		
As at 31-03-2021	**223.92**	**223.92**
Additions	-	-
Disposals	-	-
As at 31-03-2022	**223.92**	**223.92**
Accumulated depreciation:		
As at 31-03-2021	**33.59**	**33.59**
Charge for the year	38.47	38.47
Disposals	-	-
As at 31-03-2022	**72.06**	**72.06**
Net book value		
As at 31-03-2021	190.34	190.34
As at 31-03-2022	**151.87**	**151.87**

Notes to the financial statements

For the year ended 31 March, 2023

5 Intangible Assets (₹ in Lacs)

Particulars	Application Software	Trademarks and licenses	Total
Cost:			
As at 31-03-2022	**13.67**	**10.24**	**23.91**
Additions	-	-	-
Disposals	-	-	-
As at 31-03-2023	**13.67**	**10.24**	**23.91**
Accumulated amortization:			
As at 31-03-2022	**8.33**	**9.39**	**17.72**
Charge for the year	2.81	0.45	3.25
Disposals	-	-	-
As at 31-03-2023	**11.13**	**9.84**	**20.97**
Net book value			
As at 31-03-2022	5.34	0.85	6.19
As at 31-03-2023	**2.53**	**0.41**	**2.94**

Particulars	Application Software	Trademarks and licenses	Total
Cost:			
As at 31-03-2021	**14.26**	**10.24**	**24.50**
Additions	8.55	-	8.55
Disposals	9.14	-	9.14
As at 31-03-2022	**13.67**	**10.24**	**23.91**
Accumulated amortization:			
As at 31-03-2021	**12.31**	**8.44**	**20.75**
Charge for the year	3.76	0.95	4.71
Disposals	7.74	-	7.74
As at 31-03-2022	**8.33**	**9.39**	**17.72**
Net book value			
As at 31-03-2021	1.95	1.80	3.75
As at 31-03-2022	**5.34**	**0.85**	**6.19**

6(a) Deferred tax assets (Net) (₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	59.50	10.10
Less : ECL Provision for Security Deposit	(0.39)	-
Total	**59.12**	**10.10**

Notes to the financial statements

For the year ended 31 March, 2023

6(b). Other Non Current Assets (₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	-	-
Prepaid Expenses - Non Current	1.19	-
Balance with Govt authority	-	0.20
Total	**1.19**	**0.20**

7. Deferred tax assets (Net) (₹ in Lacs)

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
On account of property, plant and equipment	13.51	14.64
On account of Income tax losses	326.72	127.94
On account of other timing differences	30.75	2.05
Total	**370.99**	**144.63**

The Company has recognised deferred tax assets on carried forward tax losses. The Company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Company is expected to generate taxable income in near future. The losses can be carried forward for a period of 8 years as per local tax regulations and the Company expects to recover the losses.

Movement of deferred tax asset **As at March 31, 2023**

Particulars	Opening Balance	Recognized in Profit & Loss	Closing Balance
Deferred tax assets:			
Unabsorbed depreciation	5.13	7.50	12.63
Business loss carry forwards	122.81	191.28	314.09
Expenses deductible in future years:			
- Provisions, allowances for doubtful receivables and others	-	12.07	12.07
- Defined benefit obligations	-	11.86	11.86
Property, plant and equipment	14.64	(1.13)	13.51
Others	2.05	4.78	6.82
Total	**144.63**	**226.36**	**370.99**

Notes to the financial statements

For the year ended 31 March, 2023

Movement of deferred tax asset **As at March 31, 2022**

Particulars	Opening Balance	Recognized in Profit & Loss	Closing Balance
Deferred tax assets:			
Unabsorbed depreciation	-	5.13	5.13
Business loss carry forwards	-	122.81	122.81
Expenses deductible in future years: - Provisions, allowances for doubtful receivables and others	-	-	-
- Defined benefit obligations	-	-	-
Property, plant and equipment	15.36	(0.72)	14.64
Others	-	2.05	2.05
Total	**15.36**	**129.26**	**144.63**

8. Inventories (₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Packing Materials	193.90	188.00
Stock-in-trade	1,074.88	277.20
Total	**1,268.78**	**465.21**

9. Trade receivables (₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Undisputed - Considered good	2,520.13	2,524.67
Undisputed - Considered doubtful	47.96	18.34
Disputed - Considered good	-	-
Disputed - Considered doubtful	-	-
Less:		
Allowance for doubtful debts	(47.96)	(18.34)
Total	**2,520.13**	**2,524.67**

Trade receivable ageing schedule as on March 31, 2023 (₹ in Lacs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivable							
- considered good	769.59	1,716.11	1.07	26.77	6.19	0.40	2,520.13
- considered doubtful	-	-	47.96	-	-	-	47.96
Disputed trade receivable							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	(47.96)	-	-	-	(47.96)
Total	**769.59**	**1,716.11**	**1.07**	**26.77**	**6.19**	**0.40**	**2,520.13**

Notes to the financial statements

For the year ended 31 March, 2023

Trade receivable ageing schedule as on March 31, 2022 (₹ in Lacs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivable							
- considered good	126.50	2,292.49	22.69	76.95	6.05	-	2,524.67
- considered doubtful	-	-	18.34	-	-	-	18.34
Disputed trade receivable							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	(18.34)	-	-	-	(18.34)
Total	**126.50**	**2,292.49**	**22.69**	**76.95**	**6.05**	**-**	**2,524.67**

10. Cash and cash equivalents

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
Cash on hand	1.32	0.53
In Current Accounts	63.10	17.55
Total	**64.42**	**18.07**

11. Bank balances other than (ii) above

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with Banks with original maturity period more than 3 months but less than 12 months.	-	-
Total	**-**	**-**

12. Loans

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
<u>Loan to Employees repayable on demand</u>		
Unsecured - Considered good	5.95	23.55
Total	**5.95**	**23.55**

13. Current tax assets (Net)

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance payments of tax (net of current tax : CY Rs. Nil; PY: Rs. Nil)	14.41	11.32
Total	**14.41**	**11.32**

Notes to the financial statements

For the year ended 31 March, 2023

14. Other current assets

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to Creditors	98.81	54.94
Employee Receivables	1.51	0.25
Prepaid Expenses	83.53	30.02
Balance with Govt. authority	228.32	-
Total	**412.17**	**85.21**

15. Equity Share Capital

(₹ in Lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share capital :		
50,000 (Previous year 50,000) fully paid equity shares of ₹10 each	5.00	5.00
Issued and subscribed capital comprises:		
12,534 Fully paid equity Shares of ₹ 10 Each (as at March 31, 2022: 12,534) (as at March 31, 2021: 12,534)	1.25	1.25
	1.25	**1.25**

15.1 Fully paid equity shares

(₹ in Lacs)

Particulars	As at March 31 2023	As at March 31 2022
Balance at beginning of the year	12,534	12,534
Addition during the year	-	-
Balance at end of the year	**12,534**	**12,534**

Fully paid equity shares, which have a par value of ₹10, carry one vote per share and carry a right to dividends.

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

15.2 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Marico Limited	12,534	100%	12,534	100%
Total	**12,534**	**100%**	**12,534**	**100%**

Notes to the financial statements

For the year ended 31 March, 2023

15.3 Shares held by Promoters at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Marico Limited	12,534	100%	12,534	100%
Total	**12,534**	**100%**	**12,534**	**100%**

16. Other equity

(₹ in Lacs)

Particulars	As at March 31,	
	2023	2022
<u>**Securities premium**</u>		
Balance at beginning of the year	1,043.37	1,043.37
Right issue of shares	-	-
Balance at end of the year	**1,043.37**	**1,043.37**
<u>**Retained earnings**</u>		
Balance at beginning of year	(234.95)	(310.46)
Profit attributable to owners of the Company	(613.26)	75.51
Balance at end of the year	**(848.21)**	**(234.95)**
Total	**195.17**	**808.43**

17. Non-current Lease Liabilities

(₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Lease Liablity	276.43	144.26
Total	**276.43**	**144.26**

18. Employee benefit obligations

(₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Gratuity [refer note (i) and (a)]	40.69	33.32
Total	**40.69**	**33.32**

19. Borrowings

(₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Unsecured from Banks:		
Bank Overdraft (Bank overdraft is taken from IndusInd Bank against Corporate Guarantee given by Marico Limited)	**1,349.56**	120.90
Total	**1,349.56**	**120.90**

Notes to the financial statements

For the year ended 31 March, 2023

20. Current Lease Liabilities (₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Lease Liablity	61.47	35.71
Total	**61.47**	**35.71**

21. Trade payables (₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Undisputed dues MSME	166.70	131.72
Undisputed dues others	656.92	622.60
Undisputed dues related parties	64.54	47.10
Disputed dues MSME	-	-
Disputed dues others	-	-
Undisputed dues related parties	-	-
Total	**888.17**	**801.41**

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the Company, the following disclosures are made for the amounts due to Micro and Small Enterprises.

Particulars	As at March 31	
	2023	2022
Principal amount due to any supplier as at the year end		
- Principal	166.70	131.72
- Interest	-	-
Amount of Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006 (MSMED), along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Payment made to the enterprises beyond appointed date under Section 16 of MSMED	-	-
Amount of Interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the year but without adding the interest specified under MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED	-	-

Notes to the financial statements

For the year ended 31 March, 2023

Trade payable ageing schedule as on March 31, 2023 (₹ in Lacs)

Particulars	**Outstanding for following periods from due date of payment**					**Total**
	Not due	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
Undisputed trade payable						
- MSME	137.92	27.18	1.16	-	0.44	166.70
- others	65.31	579.55	2.48	6.07	3.51	656.92
- related parties	-	64.54	-	-	-	64.54
Disputed trade payable						
- MSME	-	-	-	-	-	-
- others	-	-	-	-	-	-
- related parties	-	-	-	-	-	-
Total	**203.23**	**671.28**	**3.64**	**6.07**	**3.95**	**888.17**

Trade payable ageing schedule as on March 31, 2022 (₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade payable						
- MSME	28.30	102.98	-	-	0.44	131.72
- others	51.08	567.88	-	0.39	3.24	622.60
- related parties	-	47.10	-	-	-	47.10
Disputed trade payable						
- MSME	-	-	-	-	-	-
- others	-	-	-	-	-	-
- related parties	-	-	-	-	-	-
Total	**79.38**	**717.95**	**-**	**0.39**	**3.68**	**801.41**

22. Other Financial Liabilities (₹ in Lacs)

Particulars	**As at March 31**	
	2023	**2022**
Salaries and other benefits payable to employees	26.40	16.75
Total	**26.40**	**16.75**

Notes to the financial statements

For the year ended 31 March, 2023

23. Other current liabilities (₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Other Payables		
Advance from Customers	29.36	2.58
Statutory dues	42.40	40.01
Total	**71.76**	**42.59**

24. Provisions (₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Non Current		
Others	276.87	-
Total Non current provisions	**276.87**	**-**
Current		
Others	1,916.95	1,467.11
Total current provisions	**1,916.95**	**1,467.11**

Movement of provisions during the year as required by Ind AS-37 "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies A ct, 2013:

Particulars	As at March 31	
	2023	2022
Balance as at the beginning of the year	**1,467.11**	**758.35**
Add: Additional provision recognised	1,800.45	1,341.95
Less: Amount used during the year	(1,350.60)	(633.20)
Balance as at the end of the year	**1,916.95**	**1,467.11**

25. Employee benefit obligations (₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Gratuity [refer note (i) and (a)]	6.43	4.79
Total	**6.43**	**4.79**

Note (i)

The Group provides for gratuity for employees, wherever applicable. Amount of gratuity payable on retirement/ termination is computed basis the law of the respective geographies. The gratuity plan in India is funded through gratuity trust in India,the gratuity plan in Bangladesh is funded through gratuity trust in Bangladesh, the gratuity plan in United Arab Emirates and Vietnam is unfunded.

Notes to the financial statements

For the year ended 31 March, 2023

(a) Balance sheet amounts - Gratuity

Particulars	As at March 31	
	2023	2022
Type of Benefit	Gratuity	Gratuity
Country	India	India
Reporting Currency	INR	INR
Reporting Standard	Indian Accounting Standard 19 (Ind AS 19)	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	Unfunded	Unfunded
Starting Period	01-Apr-22	01-Apr-21
Date of Reporting	31-Mar-23	31-Mar-22
Period of Reporting	12 Months	12 Months
Assumptions (Current Period)		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.20%	5.66%
Rate of Salary Increase	13.00% p.a.	7.00%
Rate of Employee Turnover	28.75% p.a. for all service groups.	25.00%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Assumptions (Previous Period)		
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	5.66%	5.18%
Rate of Salary Increase	7.00%	7.00%
Rate of Employee Turnover	25.00%	25.00%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate

Notes to the financial statements

For the year ended 31 March, 2023

Table Showing Change in the Present Value of Defined Benefit Obligation (₹ in Lacs)

Particulars	As at March 31 2023	As at March 31 2022
Present Value of Benefit Obligation at the Beginning of Period	35.69	32.75
Interest Cost	2.02	1.70
Current Service Cost	12.00	11.93
(Benefit Paid Directly by the Employer)	(6.80)	(8.35)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(2.03)	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	6.23	(0.72)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.00)	(1.62)
Present Value of Benefit Obligation at the End of Period	**47.12**	**35.69**

Table Showing Change in the Fair Value of Plan Assets (₹ in Lacs)

Particulars	As at March 31 2023	As at March 31 2022
Fair Value of Plan Assets at the Beginning of the Period	-	-
Interest Income	-	-
Contributions by the Employer	-	-
Expected Contributions by the Employees	-	-
Assets Transferred In/Acquisitions	-	-
(Assets Transferred Out/ Divestments)	-	-
(Benefit Paid from the Fund)	-	-
(Assets Distributed on Settlements)	-	-
Effects of Asset Ceiling	-	-
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan Assets at the End of the Period	-	-

Amount Recognized in the Balance Sheet (₹ in Lacs)

Particulars	As at March 31 2023	As at March 31 2022
(Present Value of Benefit Obligation at the end of the Period)	(47.12)	(35.69)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(47.12)	(35.69)
Net (Liability)/Asset Recognized in the Balance Sheet	**(47.12)**	**(35.69)**

Notes to the financial statements

For the year ended 31 March, 2023

Net Interest Cost for Current Period (₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Present Value of Benefit Obligation at the Beginning of the Period	35.69	32.75
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	**35.69**	**32.75**
	-	-
Interest Cost	2.02	1.70
(Interest Income)	-	-
Net Interest Cost for Current Period	**2.02**	**1.70**

Expenses Recognized in the Statement of Profit or Loss for Current Period (₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Current Service Cost	12.00	11.93
Net Interest Cost	2.02	1.70
Past Service Cost	**-**	**-**
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	**14.02**	**13.62**

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period (₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Actuarial (Gains)/Losses on Obligation For the Period	4.21	(2.33)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	**-**	**-**
Net (Income)/Expense For the Period Recognized in OCI	**4.21**	**(2.33)**

Balance Sheet Reconciliation (₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Opening Net Liability	**35.69**	**32.75**
Expenses Recognized in Statement of Profit or Loss	14.02	13.62
Expenses Recognized in OCI	**4.21**	**(2.33)**
Net Liability/(Asset) Transfer In	-	-

Notes to the financial statements

For the year ended 31 March, 2023

Particulars	As at March 31	
	2023	2022
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(6.80)	(8.35)
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	**47.12**	**35.69**

Other Details (₹ in Lacs)

Particulars	As at March 31	
	2023	2022
No of Members in Service	141	135
Per Month Salary For Members in Service (in Lacs)	43.71	41.81
Weighted Average Duration of the Defined Benefit Obligation	5	8
Average Expected Future Service	2	3
Defined Benefit Obligation (DBO) - Total (in Lacs)	47.12	35.69
Defined Benefit Obligation (DBO) - Due but Not Paid (in Lacs)	-	-
Expected Contribution in the Next Year	-	-

Net Interest Cost for Next Year (₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Present Value of Benefit Obligation at the End of the Period	47.12	35.69
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	**47.12**	**35.69**
Interest Cost	3.39	2.02
(Interest Income)	-	-
Net Interest Cost for Next Year	**3.39**	**2.02**

Expenses Recognized in the Statement of Profit or Loss for Next Year (₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Current Service Cost	13.40	12.00
Net Interest Cost	3.39	2.02
(Expected Contributions by the Employees)	**-**	**-**
Expenses Recognized	**16.79**	**14.02**

Notes to the financial statements

For the year ended 31 March, 2023

Maturity Analysis of the Benefit Payments (₹ in Lacs)

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31 2023	2022
1st Following Year	6.43	2.47
2nd Following Year	8.77	5.17
3rd Following Year	7.57	6.69
4th Following Year	7.03	5.80
5th Following Year	6.71	5.26
Sum of Years 6 To 10	18.26	14.20
Sum of Years 11 and above	8.69	6.77

Sensitivity Analysis (₹ in Lacs)

Particulars	As at March 31 2023	2022
Defined Benefit Obligation on Current Assumptions	**47.12**	**35.69**
Delta Effect of +1% Change in Rate of Discounting	(1.60)	(1.41)
Delta Effect of -1% Change in Rate of Discounting	1.73	1.53
Delta Effect of +1% Change in Rate of Salary Increase	1.60	1.49
Delta Effect of -1% Change in Rate of Salary Increase	(1.53)	(1.40)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.87)	(0.66)
Delta Effect of -1% Change in Rate of Employee Turnover	0.91	0.67

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes

01. Gratuity is payable as per entity’s scheme as detailed in the report.

02. Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Notes to the financial statements

For the year ended 31 March, 2023

03. Salary escalation & attrition rate are considered as advised by the entity; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

04. Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

05. Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

06. Weighted Average Duration of the Defined Benefit Obligation is the weighted average of cash flow timing, where weights are derived from the present value of each cash flow to the total present value.

07. Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

Qualitative Disclosures

Para 139 (a) Characteristics of defined benefit plan

The entity has a defined benefit gratuity plan in India (unfunded). The entity's defined benefit gratuity plan is a final salary plan for employees.

Para 139 (b) Risks associated with defined benefit plan

Gratuity is a defined benefit plan and entity is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Para 139 (c) Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

Para 147 (a)

Gratuity plan is unfunded.

Notes to the financial statements

For the year ended 31 March, 2023

26. Revenue from operations

(₹ in Lacs)

Particulars	Year ended March 31	
	2023	2022
Sale of Products	10,661.11	9,489.19
Total	**10,661.11**	**9,489.19**

27. Other Income

(₹ in Lacs)

Particulars	Year ended March 31	
	2023	2022
Interest Income	1.37	3.57
Royalty Income	10.47	33.27
Cashback Income	0.38	0.43
Written Back Account	0.00	27.25
Sale of Loose Items	-	0.98
Reimbursement on COD Returns (Net off commission)	8.78	7.36
Profit on Sale of Assets	8.98	0.10
Other Misc Income	0.28	1.03
Total	**30.26**	**73.99**

28. Purchases of Stock-in-trade

(₹ in Lacs)

Particulars	Year ended March 31	
	2023	2022
Purchase of Goods	4,359.00	2,751.15
Other Direct Expenses	141.12	38.04
Total	**4,500.12**	**2,789.19**

29. Changes in inventories of Stock-in-trade

(₹ in Lacs)

Particulars	Year ended March 31	
	2023	2022
Stock at the beginning of the year	465.21	640.59
Stock at the end of the year	1,268.78	465.21
Total	**(803.58)**	**175.38**

30. Employee benefits expense

(₹ in Lacs)

Particulars	Year ended March 31	
	2023	2022
Salaries and Wages	1,226.21	1,032.86
Contribution to provident and other funds	26.05	23.60
Staff Welfare Expenses	12.14	3.21
Total	**1,264.40**	**1,059.67**

Notes to the financial statements

For the year ended 31 March, 2023

31. Finance costs (₹ in Lacs)

Particulars	Year ended March 31	
	2023	**2022**
Interest Expenses on Borrowing	62.79	1.21
Bank Charges	2.68	0.69
Commission on Corporate Gaurantee	6.54	0.03
Interest on Lease Liability	20.52	17.74
Total	**92.54**	**19.67**

32. Other expenses

Particulars	Year ended March 31	
	2023	**2022**
Electricity Charges	5.77	3.89
Rates and Taxes	5.10	7.88
Post and Telecommunication Charges	3.27	2.88
Travelling, Conveyance and Motor Vehicle Expenses	67.36	27.62
Repairs and Maintenance	2.12	3.82
Foreign Exchange Fluctuation	1.21	0.52
Legal and Professional Fees	501.75	466.18
Stamp Duty & Registration Charges	9.77	-
Payment to Auditors	6.76	7.50
Recruitment Exp	1.02	10.22
Freight Outwards	385.73	473.53
Payment Gateway Expenses	15.32	16.36
Export Clearing Expense	9.11	3.13
Insurance Charges	17.55	17.62
Meeting Expenses	47.18	20.77
Subscription Fees	2.46	1.21
Warehouse Expenses	129.40	106.85
Software Maintenance	84.04	58.38
Ecom Service Charges	177.97	-
Reimbursement of Ops. Expenses - USA	9.57	-
Ecom Exp Reimb. - Offline Logistics	43.96	-
Ecom Exp Reimb. - Marketplace Fees	447.51	-
Ecom Exp Reimb. - Secondary PM	10.43	-
Kiosk Rent Expense	18.11	-
Airport Service Charges Expense	15.19	-
Airport Operator Fee	3.07	-
Airport Maintenance Expense	2.39	-
Provision for doubtful debts	43.30	22.99
Reimbursement of Expenses (Conveyance, Food, Transport)	143.20	120.74
Customer Service Expenses	56.33	61.27
Misc Expenses	1.61	21.83

Notes to the financial statements

For the year ended 31 March, 2023

Particulars	Year ended March 31	
	2023	**2022**
Sales & Marketing Expenses		
Advertisement expenses	3,751.94	3,732.78
Business Promotion Expenses	17.97	18.03
Modern Trade Advertisement Exps.	358.15	164.94
Sales Promotion Expenses	2.34	140.04
Total	**6,397.99**	**5,510.97**

Payment to Auditors

Particulars	Year ended March 31	
	2023	2022
As Auditor:		
Audit Fee	6.76	7.50
Tax Audit Fee	-	-
Total	**6.76**	**7.50**

33. Income tax recognised in profit or loss

(₹ in Lacs)

Particulars	Year ended March 31	
	2023	2022
a. Income tax expenses		
Current tax on profits for the year	-	-
Deferred tax charge/(credit)	(226.36)	(129.26)
Total income tax expenses during the year recognised in profit or loss	**(226.36)**	**(129.26)**
b. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before tax (a)	(839.62)	(53.75)
Income tax rate as applicable (b)	25.17%	25.17%
Calculated taxes based on above without any adjustment for deductions [(a) * (b)]	**(211.31)**	**(13.53)**
Others	(15.04)	(115.74)
Income tax expense for the current year recognised in profit or loss	**(226.36)**	**(129.26)**

34. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 33: Earnings Per Share

Particulars		Year ended March 31	
		2023	**2022**
Profit/(Loss) after Tax	A	(613)	76
Weighted Average number of Equity Shares	B	12,534	12,534
Nominal Value Per Share (Rs.)	C	10.00	10.00
Basic and diluted Earning /(loss) per share (in Rs.)	D = A/B	**(4,893)**	**602**

Notes to the financial statements

For the year ended 31 March, 2023

35. Disclosure pursuant to Ind AS - 24 : Related Party Disclosures

Details of related parties:

Description of relationship	Names of related parties
a) Key Management Personnel	Sujot Malhotra
b) Holding Company	Marico Limited
c) Fellow Subsidiary	Marico Bangladesh Limited
d) Fellow Subsidiary	Marico Innovation Foundation

Year ended on 31st March 2023 (₹ in Lacs)

Particulars	Holding Company	Fellow Subsidiary	Key Management personnel	Total
Transactions:				
Administrative and general expenses	567.01	-	-	567.01
Sale of Products	1,611.73	2.62	-	1,614.35
Corporate Guarantee for overdraft limits taken from Bank	3,000.00	-	-	3,000.00
Commission on Corporate Gaurantee	6.50	-	-	6.50
Balances:				
Trade payables	64.54	3.54	-	68.08

Year ended on 31st March 2022 (₹ in Lacs)

Particulars	Holding Company	Fellow Subsidiary	Key Management personnel	Total
Transactions:				
Administrative and general expenses	411.72	-	-	411.72
Sale of Products	464.87	-	-	464.87
Corporate Guarantee for overdraft limits taken from Bank	300.00	-	-	300.00
Commission on Corporate Gaurantee	0.03	-	-	0.03
Balances:				
Trade payables	47.10	-	-	47.10

Notes:

1) The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions.

Notes to the financial statements

For the year ended 31 March, 2023

36 Financial instruments and Risk management

36.1 Capital management

Capital management is driven by Company's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Company's capital. The Management monitors the capital structure and the net financial debt. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short-term investments. The debt equity ratio highlights the ability of a business to repay its debts. Accordingly the management and the Board of Directors periodically review and set prudent limit on overall borrowing limits of the Company.

36.2 Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value.

(₹ in Lacs)

Particulars	As at March 31	
	2023	2022
Financial assets		
(a) Measured at amortised cost		
(a) Cash and cash equivalent	64	18
(b) Bank balance other than (a) above	-	-
(c) Trade receivables	2,520	2,525
(d) Current Investment	-	-
(e) Other financial assets	-	-
Total Financial Assets	**2,585**	**2,543**
Financial liabilities		
(a) Measured at amortised cost		
(a) Borrowings	1,350	121
(b) Trade payables	888	801
(c) Other financial liabilities	26	17
Total Financial Liabilities	**2,264**	**939**

36.3 Financial risk management

The financial risks emanating from the Company's operating business include market risk, credit risk and liquidity risk. These risks are managed by the Company using appropriate financial instruments. The Company has laid down written policies to manage these risks.

36.3.1 Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Currency risk, Interest rate risk and other price risk.

Notes to the financial statements

For the year ended 31 March, 2023

A. Foreign currency risk management

The Company is exposed to foreign currency risk arising mainly on import of services and export of finished goods. Foreign currency exposures are managed within approved policy parameters utilising forward contracts.

The carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Nature of Transaction	Currency	As at March 31			
		2023		2022	
		Hedged	Unhedged	Hedged	Unhedged
Trade Payable	USD		-	-	-
Trade Recievable	USD	-	-	-	26,084

B. Foreign currency sensitivity analysis

The Company's exposure to Foreign Currency changes for all currencies is not material.

C. Interest rate risk management

The Company does not have interest rate risk exposure on its outstanding loans as at the year end as these loans are vehicle loan on fixed interest rate basis.

Credit risk arises from the possibility that a counter party's inability to settle its obligations as agreed in full and in time. The maximum exposure to credit risk in respect of the financial assets at the reporting date is the carrying value of such assets recorded in the financial statements net of any allowance for losses.

A. Trade Receivables

The Company's trade receivables consists of a offline and online sales through designated distributors. Hence the Company is not exposed to concentration and credit risk.

B. Other Financial Assets

The Company maintains exposure in cash and cash equivalents, time deposits with banks. Investment of surplus funds are made only with approved counter parties. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

36.3.2 Liquidity risk management

The objective of liquidity risk management is to maintain sufficient liquidity to meet financial obligations of the Company as they become due. The Treasury Risk Management Policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements. The Company manages the liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Notes to the financial statements

For the year ended 31 March, 2023

37. (i). No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

(ii). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

38. The Figures of the previous year have been regrouped/reclassified wherever necessary.

39. Ratios

No.	Particulars	Basis	As at March 31, 2023	As at March 31, 2022	Variance %	Reason for variation
a)	Current Ratio	times	0.99	1.26	-21%	
	Current Assets		4,286	3,128		
	/ Current Liabilities		4,321	2,489		
b)	Debt-Equity Ratio	times	6.87	0.15	4501%	Due to Borrowings during the current year to fund the working capital requirement and fund the losses for the year
	Total Borrowings		1,350	121		
	/ Shareholders' Funds (Share Capital + Reserves & surplus)		196	810		
c)	Debt Service Coverage Ratio	times	(5.43)	0.58	-1036%	Ratio is negative due to losses in current year & borrowings taken during the year
	Earnings available for Debt Service = Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.		(677)	28		
	/ Debt service = Interest & Lease Payments + Principal Repayments		125	48		
d)	Return on Equity Ratio	%	-122%	10%	-1346%	Due to losses in current year
	Net profit after tax		(613)	76		
	/ Average Shareholders' Funds (opening + closing)/2)		503	772		
e)	Inventory Turnover Ratio	times	4.26	5.36	-20%	Higher mix of product portfolios towards products with higher Cost ratio and Lead times
	Cost of Revenue from Operation = Cost of materials consumed + purchase of stock-in-trade + change in Inventory (FG; WIP and Stock in trade)		3,697	2,965		
	/ Average Inventory = (Opening Inventory + Closing Inventory)/2		867	553		

Notes to the financial statements

For the year ended 31 March, 2023

No.	Particulars	Basis	As at March 31, 2023	As at March 31, 2022	Variance %	Reason for variation
f)	Trade Receivables Turnover Ratio	days	86	66	31%	Improvement in average age of Receivables
	Revenue from Operations		10,661	9,489		
	/ Average Trade Receivable = (Opening Trade Receivable + Closing Trade Receivable)/2		2,522	1,718		
g)	Trade Payables Turnover Ratio	days	69	115	-40%	Due to new categories of products having lower credit terms
	Cost of materials consumed + purchase of stock-in-trade + change in Inventory (FG; WIP and Stock in trade) + other expenses		4,500	2,789		
	/ Average Trade Payable = (Opening Trade Payable + Closing Trade Payable)/2		845	880		
h)	Net Capital Turnover Ratio	times	-305.57	14.86	-2157%	Due to losses in Current year
	Revenue from Operations		10,661	9,489		
	/ Working Capital = Currnet Assets - Current Liabilities		(35)	639		
i)	Net Profit Ratio	%	-6%	1%	-823%	Due to losses in Current year
	Net profit after tax		(613)	76		
	/ Revenue from Operations		10,661	9,489		
j)	Return on Capital Employed	%	-48%	-4%	1220%	Due to losses in Current year
	Earnings before Interest & Taxes		(747)	(34)		
	/ Capital Employed = Shareholders' Funds + Total debt + deferred tax liability		1,546	931		
k)	Return on Investment.	%	NA	NA		
	As per guidance note issued by ICAI, this ratio is applicable to public limited company only.					

The Notes are an integral part of these financial statements.
As per our report of even date

For Haribhakti & Co. LLP
Chartered Accountants
Firm's Registration No: 103523W/W100048

For and on behalf of the Board of Directors
Zed Lifestyle Private Limited

Sumant Sakhardande
Partner
Membership No. 034828

Date : April 21, 2023
Place: Mumbai

Sujot Malhotra
Director
(DIN: 08777550)

Date : April 21, 2023
Place : Ahmedabad

Ketan Jain
Director
(DIN : 07942127)

Date : April 21, 2023
Place : Mumbai

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Arush Chopra Ms. Megha Sabhlok Mr. Pawan Agrawal Mr. Ketan Jain Mr. Sanjay Mishra
REGISTERED OFFICE	Plot No-202 PH-IX S.A.S Nagar, Mohali, Punjab - 160062
AUDITORS	S S Kothari Mehta & Company
BANKERS	HDFC Bank Limited Axis Bank Limited

INDEPENDENT AUDITOR'S REPORT

To the Members of

APCOS Naturals Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of APCOS Naturals Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013, as amended ("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, 2023, its loss including other comprehensive income/(loss), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' report but does not include the financial statements and our auditor's report thereon.

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the

INDEPENDENT AUDITOR'S REPORT

accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) Clause (i) of section 143(3) is not applicable to the Company as on March 31, 2023 pursuant to notification G.S.R 583(E) dated June 13, 2017.

   g) With respect to the other matters to be included in the auditor's Report in accordance with the requirement of section 197(16) of the Act, as Amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

INDEPENDENT AUDITOR'S REPORT

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements — Refer Note 40 to the financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended March 31, 2023.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of the rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has neither declared nor paid any dividend during the year. Accordingly, reporting under sub clause (f) of Rule 11 is not applicable to the Company.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
ICAI Firm registration number: 000756N

Harish Gupta
Partner
Membership No. 098336
UDIN: 23098336BGZCRV4055

Place: New Delhi
Date: May 04th, 2023

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ of our report to the Members of APCOS Naturals Private Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:

   (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

   (B) The Company has maintained proper records (including right of use assets) showing full particulars of intangible assets.

   (b) All property, plant and equipment have been physically verified by the management during the year. No material discrepancies were noticed on such verification.

   (c) The Company does not own any immovable properties as disclosed in Note 2 to the financial statements. Accordingly, reporting under clause 3(i)((c) of the Order is not applicable to the Company.

   (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its property, plant and equipment (including right of use assets) or intangible assets or both during the year. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

   (e) Based on the information and explanations furnished to us, no proceedings have been initiated on the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) We have been explained by the management that the inventory (except stock lying with the third parties and in transit, for which confirmations have been received/material received) has been physically verified at reasonable intervals and the procedures of physical verification of inventory followed by the management are reasonable in relation to the size of the Company and nature of its business. Discrepancies of 10% or more in the aggregate for each class of inventory were not noticed.

   (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees, from banks or financial institution on the basis of security of current assets. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not made any investments, granted secured or unsecured loans or advances in nature of loans, or stood guarantee, or provided security to any parties. Accordingly, reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

INDEPENDENT AUDITOR'S REPORT

v. According to the information and explanations given to us, the Company has not accepted any deposits or deemed deposits from the public within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

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. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) According to the information and explanation given to us and on the basis of examination of the records of the Company, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have generally been regularly deposited by the company with the appropriate authorities, though there has been delays in some cases. There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period more than six months from the date they become payable.

(b) According to the records of the Company, there are no arrears of statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues which have not been paid on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us, the term loans availed by the Company were applied for the purpose for which the term loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on a short-term basis have not been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any subsidiary, joint venture, or associate company (as defined under the Act). Accordingly, clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable.

x. (a) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) According to the information and explanation given to us and based on our examination of records of the Company, no fraud by the Company or any fraud on the Company has been noticed or reported during the course of audit.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of audit report.

(c) According to the information and explanation given to us and based on our examination of records of the Company, no whistle blower complaints were received by the Company during the year.

xii. In our opinion, the Company is not a Nidhi company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

In our opinion and according to the information and explanation given to us, the Company being private limited company, provisions of Section 177 of Act are not applicable to the Company. Accordingly, clause 3 (xiii) of the Order to the extent it relate to Section 177 is not applicable to the Company.

xiv. In our opinion and according to the information and explanations given to us, provisions of section 138 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, reporting under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.

(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Group does not have any Core investment Company (CIC), as defined in the regulations made by the Reserve Bank of India under Core Investment Companies (Reserve Bank) Directions, 2016. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has incurred cash losses of INR 1418.69 lakhs in the financial year and had incurred cash losses of INR 407.94 lakhs in the preceding financial year.

INDEPENDENT AUDITOR'S REPORT

xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, reporting under clause 3(xviii) is not applicable to the Company.

xix. According to the information and explanation given to us and on the basis of the financial ratios disclosed in Note 45 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In our opinion and according to the information and explanation given to us, the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx)(a) & (b) of the Order is not applicable to the Company.

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
ICAI Firm registration number: 000756N

Harish Gupta
Partner
Membership No. 098336
UDIN: 23098336BGZCRV4055

Place: New Delhi
Date: May 04th, 2023

BALANCE SHEET

As at March 31, 2023

(Amount in INR lakhs, except for share data and if otherwise stated) (Amount in lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	183.27	94.05
Intangible assets	3	2.56	2.40
Right of use assets	4	142.58	127.51
Other financial assets	5	7.24	6.72
Deferred tax assets (net)	6	565.71	202.87
Other non-current assets	7	-	47.63
Total non-current assets		**901.36**	**481.18**
Current assets			
Inventories	8	854.69	327.97
Financial Assets			
(i) Trade receivables	9	627.85	533.05
(ii) Cash and cash equivalents	10	403.03	66.36
(iii) Bank balances other than cash & cash equivalents	11	807.11	506.41
(iv) Other financial assets	12	21.15	2.00
Current tax assets (net)	13	15.88	8.52
Other current assets	14	258.87	115.43
Total current assets		**2,988.58**	**1,559.74**
Total Assets		**3,889.94**	**2,040.92**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1.92	1.62
Other equity	16	1,781.34	926.78
Total equity		**1,783.25**	**928.40**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17(a)	5.95	10.02
(ia) Lease liabilities	18	101.75	96.91
Employee benefit obligations	19	43.14	39.33
Total non-current liabilities		**150.84**	**146.26**
Current liabilities			
Financial liabilities			
(i) Borrowings	17(b)	360.65	187.13
(ia) Lease liabilities	18	54.51	41.25
(ii) Trade payables	20		
dues of micro enterprises and small enterprises		163.88	70.06
dues of creditors other than micro enterprises & small enterprises		1,096.05	546.17
(iii) Other financial liabilities	21	51.77	28.55
Other current liabilities	22	167.39	49.87
Provisions	23	25.00	20.00
Employee benefit obligations	19	36.59	23.23
Total current liabilities		**1,955.84**	**966.26**
Total liabilities		**2,106.68**	**1,112.52**
Total equity and liabilities		**3,889.94**	**2,040.92**
Summary of significant accounting policies	1.2		

The accompanying notes are an integral part of these financial statements.

In terms of our report attached
For S S Kothari Mehta & Company
Chartered Accountants
Firm Registration Number: 000756N

Harish Gupta
Partner
Membership Number - 098336

Place: New Delhi
Date : May 04, 2023

For and on behalf of the Board of Directors of
Apcos Naturals Private Limited
CIN: U74999PB2018PTC048652

Arush Chopra
Director
DIN: 08282394

Place: Mohali, Punjab
Date : May 04, 2023

Megha Sabhlok
Director
DIN: 08282396

Place: Mohali, Punjab
Date : May 04, 2023

STATEMENT OF PROFIT & LOSS

for the period ended March 31, 2023

(Amount in Rupees, except for share data and if otherwise stated)

(Amount in lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue			
Revenue from operations	24	5,924.69	3,506.23
Other income	25	19.10	45.65
Total income (I)		**5,943.79**	**3,551.88**
Expenses			
Cost of material consumed	26	1,557.87	818.15
Purchase of stock-in-trade	27	376.57	-
Changes in inventories of finished goods and work-in progress	28	(327.73)	(90.45)
Employee benefit expenses	29	664.75	429.36
Finance cost	30	43.81	22.39
Depreciation and amortisation expenses	31	78.13	71.47
Other expenses	32	5,066.73	3,001.21
Total expenses (II)		**7,460.13**	**4,252.13**
Loss before tax (III = II - I)		**(1,516.34)**	**(700.25)**
Income tax expense			
Current tax		-	-
Deferred tax expenses/(credit)	6	(365.13)	(199.33)
Total tax expense IV		**(365.13)**	**(199.33)**
Loss for the year (V= III-IV)		**(1,151.20)**	**(500.92)**
Other comprehensive income/(loss)			
i) Items that will not be subsequently reclassified to profit or loss			
a) remeasurements of the defined benefit liabilities		9.19	(13.61)
b) income tax relating to items that will not be reclassified to profit or loss	6	(2.31)	3.54
Total of other comprehensive income /(loss) for the year = (IV)		**6.88**	**(10.07)**
Total comprehensive income/(loss) for the year (net of tax)		**(1,144.32)**	**(510.99)**
Loss per equity share for (Nominal value Rs. 10 per share (Previous year: Rs. 10 per share)			
Basic loss per share (In INR)		(0.06)	(0.04)
Diluted loss per share (In INR)		(0.06)	(0.04)
Summary of significant accounting policies	1.2		

The accompanying notes are an integral part of these financial statements.

In terms of our report attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Registration Number: 000756N

For and on behalf of the Board of Directors of
Apcos Naturals Private Limited
CIN: U74999PB2018PTC048652

Harish Gupta
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Membership Number - 098336

Arush Chopra
Director
DIN: 08282394

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Director
DIN: 08282396

Place: New Delhi
Date : May 04, 2023

Place: Mohali, Punjab
Date : May 04, 2023

Place: Mohali, Punjab
Date : May 04, 2023

STATEMENT OF CASH FLOW

For the year ended 31 March, 2023 (Amount in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,516.34)	(700.25)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	76.93	71.21
Amortization of intangible assets	1.20	0.26
Int received on income tax refund	(0.19)	-
Unrealized foreign exchange (gain) / loss (net)	(1.17)	-
Provision for doubtful debts	-	19.92
Bad debts written off	3.31	-
Remeasurement gains/ (losses) on defined benefit plans	9.19	(13.61)
Interest income	(18.09)	(20.84)
Finance cost	34.44	17.92
Liabilities no longer required written back	(0.34)	(1.77)
Operating Profit/(loss) before working capital changes	**(1,411.06)**	**(627.18)**
Movement in working capital		
(Increase)/ decrease in trade receivables	(97.63)	(394.69)
(Increase)/ decrease in other financial assets	(2.86)	7.76
(Increase)/ decrease in inventories	(526.72)	(206.91)
(Increase)/ decrease in other assets	(47.48)	(141.33)
Increase/ (decrease) in trade payables	644.02	335.45
Increase/ (decrease) in other financial liabilities	23.20	10.69
Increase/ (decrease) in provisions	5.00	20.00
Increase/ (decrease) in employee benefit obligations	17.16	42.66
Increase/ (decrease) in other liability	114.92	33.29
Cash used from operations	**(1,281.45)**	**(920.25)**
Income tax paid (net of refunds)	(7.17)	(6.60)
Net cash used in operating activities (A)	**(1,288.62)**	**(926.85)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment & intangible assets	(165.66)	(19.98)
Proceeds from sale of property, plant and equipment	0.08	-
Interest income received	(0.07)	20.84
Bank deposits	(300.70)	(250.41)
Net cash flow used in investing activities (B)	**(466.35)**	**(249.55)**

STATEMENT OF CASH FLOW

For the year ended 31 March, 2023

(Amount in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	0.30	(3.99)
Securities premium received	1,998.88	857.44
Repayment of term loans	(2.42)	(0.74)
Payment of lease liabilities including interest thereon	(59.09)	(91.54)
Interest paid	(17.93)	(3.61)
Net cash flow from financing activities (C)	**1,919.76**	**757.55**
Net decrease in cash and cash equivalents (A+B+C)	**164.78**	**(418.85)**
Cash and cash equivalents at the beginning of the year	(107.58)	311.27
Effect of exchange differences on cash and cash equivalents held in foreign currency		
Cash and cash equivalents at the end of the year (Refer note below)	**57.19**	**(107.58)**
Notes :-		
1. The above Cash flow statement has been prepared under the “Indirect Method” as set out in Indian Accounting Standard-7, “Statement of Cash Flows”.		
For the purpose of the statement of cash flows, cash and cash equivalent comprises the followings:		
Cash and cash equivalents		
Balances with banks:		
On current accounts (Refer note 10)	402.82	65.77
Cash on hand (Refer note 10)	0.21	0.59
Cash credit from banks (Refer note 17)	(345.84)	(173.95)
	57.19	**(107.58)**

In terms of our report attached
For S S Kothari Mehta & Company

Chartered Accountants
Firm Registration Number: 000756N

Harish Gupta
Partner
Membership Number - 098336

Place: New Delhi
Date : May 04, 2023

For and on behalf of the Board of Directors of

Apcos Naturals Private Limited
CIN: U74999PB2018PTC048652

Arush Chopra
Director
DIN: 08282394

Place: Mohali, Punjab
Date : May 04, 2023

Megha Sabhlok
Director
DIN: 08282396

Place: Mohali, Punjab
Date : May 04, 2023

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March, 2023

A. Equity share capital

Particulars	Notes	Nos of shares (in lakhs)	Amount
As at April 01, 2021	15	0.10	1.00
Changes in equity share capital		0.06	0.61
As at March 31, 2022		**0.16**	**1.62**
Changes in equity share capital		0.03	0.31
As at March 31, 2023		0.19	1.92

B. Other equity

Particulars	Notes	Reserves and surplus		Total other equity
		Securities premium	Retained earnings	
Balance as at April 01, 2021	16	1,028.03	(447.70)	580.33
Loss for the year transferred from the statement of profit or loss		-	(500.92)	(500.92)
Other comprehensive loss for the year (net of income tax)		-	(10.07)	(10.07)
Total comprehensive income/(loss)		**-**	**(510.99)**	**(510.99)**
Issue of equity shares, net of transaction cost		857.44	-	857.44
Balance as at March 31, 2022		**1,885.47**	**(958.69)**	**926.78**
Loss for the year transferred from the statement of profit or loss		-	(1,151.20)	(1,151.20)
Other comprehensive loss for the year (net of income tax)		-	6.88	6.88
Total comprehensive income/(loss)		**-**	**(1,144.32)**	**(1,144.32)**
Issue of equity shares		1,998.88	-	1,998.88
Balance as at March 31, 2023		**3,884.35**	**(2,103.01)**	**1,781.33**

Nature and purpose of reserves

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Summary of significant accounting policies 12

The accompanying notes are an integral part of these financial statements.
In terms of our report attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Registration Number: 000756N
Harish Gupta
Partner
Membership Number - 098336
Place: New Delhi
Date : May 04, 2023

For and on behalf of the Board of Directors of
Apcos Naturals Private Limited
CIN: U74999PB2018PTC048652

Arush Chopra
Director
DIN: 08282394
Place: Mohali, Punjab
Date : May 04, 2023

Megha Sabhlok
Director
DIN: 08282396
Place: Mohali, Punjab
Date : May 04, 2023

NOTES

To The Financial Statements For The Year Ended 31st March, 2023

Note 1: Company information and significant accounting policy

Note 1.1: Background and operations

Apcos Naturals Private Limited was incorporated on November 18, 2018 under the Companies Act, 2013. The Company is carrying business of manufacturers, processors, producers, researchers and dealers in herbal beauty, skin care and ayurvedic healthcare and cosmetics products. During the FY 2021-22, the company became subsidiary of Marico Limited, a listed company.

Note 1.2: Significant accounting policies:

This note provides a list of the significant accounting policies adopted in preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

The financial statements of the Company for the year ended March 31, 2023 were approved for issue in accordance with the resolution of the Board of Directors on May 04, 2023.

a) Basis of preparation:

i. Compliance with IND AS :

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act)read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

ii. Historical cost convention:

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial instruments (including derivative instruments) and contingent consideration that are measured at fair value ;
- assets held for sale measured at lower of cost or fair value less cost to sell;
- defined benefit plan assets / liabilities measured at fair value; and
- share-based payments liability measured at fair value

iii. Current versus non-current classification:

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 Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

b) Segment reporting:

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Managing Director & CEO is designated as CODM.

Notes to the financial statement for the year ended 31st March 2023

c) Foreign currency transactions:

i. Functional and presentation currencies:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in INR which is the functional and presentation currency for Apcos Naturals Private Limited.

ii. Transactions & balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the Statement of Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

d) Revenue recognition:

Revenue towords satisfaction of a performance obligationis measured at the amount of transaction price (net of variable consideration) allocatedto the performance obligation. The transaction price of the goods sold and services to net the variable considration to account of various discounts and scheme offered by the companies the part of the contract.

The Company recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement

(i) Sale of goods:

Timing of recognition:

Sale of goods is recognized when control of the goods has transferred to the customers, depending on individual terms i.e. at the time of dispatch, delivery or formal customer acceptance depending on agreed terms.

Measurement of revenue: Accumulated experience is used to estimate and provide for discounts, rebates, incentives & subsidies. No element of financing is deemed present as the sales are made with credit terms, which is consistent with market practice.

(ii) Sale of services:

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations

(iii) Interest income:

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Notes to the financial statement for the year ended 31st March 2023

g) Income Tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an item in deferred tax asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of fifteen succeeding assessment years.

h) Property, plant and equipment:

Property, plant and equipment is recognised 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. Property, plant and equipment is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortisation and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Notes to the financial statement for the year ended 31st March 2023

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs & maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of property plant and equipments that are not yet ready for their intended use at the year end.

Depreciation and amortization

Depreciation is calculated using the straight-line method to allocate the cost of property, plant and equipment, net of residual values (5%), over their estimated useful lives.

As per technical evaluation of the Company, the useful life considered for the following items is lower than the life stipulated in Schedule II to the Companies Act, 2013:

Assets	Useful life (years)	
	As per Schedule II	As per FAR
Motor vehicle – motor car, bus and lorries, motor cycle, scooter	8	8
Office equipment – mobile and communication tools	5	2.5-5
Furniture and fixture	10	5-10
Computer – server network	3	1.5-3
Plant & equipment - moulds	10	5-10
Leasehold land	-	Lease period

Apart from the above, the useful lives of other class of assets are in line with that prescribed in the Schedule II to the Companies Act, 2013.

Fixtures in leasehold premises are amortized over the primary period of the lease or useful life of the fixtures whichever is lower.

Depreciation on additions / deletions during the year is provided from the month in which the asset is capitalized up to the month in which the asset is disposed off.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income.

i) Intangible assets:

i. Intangible assets with finite useful life:

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Notes to the financial statement for the year ended 31st March 2023

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given here under:

Particulars	Useful life (In years)	
	As per Schedule II	As per FAR
Computer software	3	3

j) Lease:

As a lessee

The Company's lease asset classes primarily consist of leases for land and buildings and plant & equipment. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i) the contract involves the use of an identified asset

ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Notes to the financial statement for the year ended 31st March 2023

k) Investment & financial assets:

i. Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

Classification of debt assets will be driven by the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

- Amortised Cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cashflows & for selling the financial assets, where the assets cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently

Notes to the financial statement for the year ended 31st March 2023

measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive the dividend is established.

iii. Impairment of financial assets:

The Company assesses if there is any significant increase in credit risk pertaining to the assets and accordingly creates necessary provisions, wherever required.

iv. Derecognition of financial assets:

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- the Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows so received to one or more recipients

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

l) Inventories:

Raw materials, packing materials, stores and spares are valued at lower of cost and net realizable value.

Work-in-progress, finished goods and stock-in-trade (traded goods) are valued at lower of cost and net realizable value.

By-products and unserviceable / damaged finished goods are valued at estimated net realizable value.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost is assigned on the basis of FIFO method. Costs of purchased inventory are determined after deducting rebates

Notes to the financial statement for the year ended 31st March 2023

and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

m) Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at cost less provision made for doubtful receivables as per expected credit loss method over the life of the asset depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company. However, trade receivables that do not contain a significant financing component are measured at transaction price.

n) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

o) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

p) Borrowing cost:

General and specific borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get 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.

Other borrowing costs are expensed in the period in which they are incurred.

q) Employee benefits:

i. Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting and are measured at

Notes to the financial statement for the year ended 31st March 2023

the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Defined contribution plan:

Provident fund:

The company makes contribution in provident fund according to ‘The Employee Provident Fund and Miscellaneous Provision Act, 1952.

iii. Defined benefit plan:

a) Gratuity:

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and shall not be reclassified to the statement of profit and loss in a subsequent period.

b) Leave encashment / compensated absences:

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation and classified as long term and short term. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the statement of profit and loss.

r) Provisions and contingent liabilities:

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

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

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

Notes to the financial statement for the year ended 31st March 2023

s) Commitments:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(i) estimated amount of contracts remaining to be executed on capital account and not provided for;

(ii) uncalled liability on shares and other investments partly paid;

(iii) funding related commitment to subsidiary, associate and joint venture companies; and

(iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

t) Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdraft.

u) Impairment of assets:

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

v) Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

w) Earnings per share:

i. Basic earnings per share: Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Notes to the financial statement for the year ended 31st March 2023

ii. Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

x) Contributed equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

y) Critical estimates:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Company may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

(a) Estimation of defined benefit obligations.

(b) Estimation of provisions and contingencies.

(c) Recognition of deferred tax assets including MAT credit.

(d) Lease Accounting

Notes to the financial statement for the year ended 31st March 2023

2 Property, plant and equipment

(Amount in lakhs)

Particulars	Computers	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Gross carrying amount						
As at April 01, 2021						
Opening gross carrying amount	**10.83**	**27.49**	**26.35**	**12.55**	**23.28**	**100.50**
Additions	13.10	14.03	4.95	8.56	-	40.64
Disposals	-	-	-	-	-	-
As at March 31, 2022	**23.93**	**41.52**	**31.30**	**21.11**	**23.28**	**141.14**
Additions	3.83	91.66	15.85	5.32	-	116.66
Disposals	(0.54)	-	(6.98)	-	-	(7.52)
As at March 31, 2023	**27.22**	**133.18**	**40.17**	**26.43**	**23.28**	**250.28**
Accumulated depreciation						
As at April 01, 2021	**4.30**	**6.96**	**8.76**	**6.09**	**1.78**	**27.89**
Depreciation for the year	**3.33**	**3.47**	**7.11**	**2.53**	**2.76**	**19.20**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**
As at March 31, 2022	**7.63**	**10.43**	**15.87**	**8.62**	**4.54**	**47.09**
Depreciation charge during the year	**7.09**	**11.23**	**2.78**	**3.50**	**2.76**	**27.36**
Disposals	(0.46)	0.00	(6.98)	0.00	0.00	(7.44)
As at March 31, 2023	**14.26**	**21.66**	**11.67**	**12.12**	**7.30**	**67.01**
Carrying value (as at March 31, 2022)	**16.30**	**31.09**	**15.43**	**12.49**	**18.74**	**94.05**
Carrying value (as at March 31, 2023)	**12.96**	**111.52**	**28.50**	**14.31**	**15.98**	**183.27**

3 Intangible Assets

(Amount in lakhs)

Particulars	Computer software	Total
Gross carrying amount		
As at April 01, 2021	**0.76**	**0.76**
Additions	1.92	1.92
Disposals	-	-
As at March 31, 2022	**2.68**	**2.68**
Additions	1.36	1.36
Disposals	**-**	**-**
As at March 31, 2023	**4.04**	**4.04**

Particulars	Computer software	Total
Accumulated amortisation		
As at April 01, 2021	**0.02**	**0.02**
Depreciation for the year	0.26	0.26
Disposals	-	-
As at March 31, 2022	**0.28**	**0.28**
Depreciation charge during the year	1.20	1.20
Disposals	**-**	**-**
As at March 31, 2023	**1.48**	**1.48**
Carrying value (as at March 31, 2022)	**2.40**	**2.40**
Carrying value (as at March 31, 2023)	**2.56**	**2.56**

Notes to the financial statement for the year ended 31st March 2023

4 Right of use assets

(Amount in lakhs)

Particulars	Buildings	Total
Gross carrying amount		
As at April 01, 2021	**200.41**	**200.41**
Additions	97.57	97.57
Disposals	(112.81)	(112.81)
As at March 31, 2022	**185.17**	**185.17**
Additions	64.64	64.64
Disposals	(19.05)	(19.05)
As at March 31, 2023	**230.77**	**230.77**
Accumulated depreciation		
As at April 01, 2021	50.31	50.31
Depreciation for the year	52.01	52.01
Disposals	(44.66)	(44.66)
As at March 31, 2022	**57.66**	**57.66**
Depreciation charge during the year	49.57	49.57
Disposals	(19.05)	(19.05)
As at March 31, 2023	**88.18**	**88.18**
Carrying value (as at March 31, 2022)	**127.51**	**127.51**
Carrying value (as at March 31, 2023)	**142.58**	**142.58**

5 Other financial assets - non-current

(Amount in lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Financial assets at amortized cost		
Security deposits-considered good	7.24	6.72
Total	**7.24**	**6.72**

6 Deferred tax balances

(Amount in lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Deferred tax assets	604.33	233.33
Deferred tax liabilities	(38.62)	(30.46)
Total deferred tax assets (net)	**565.71**	**202.87**

Notes to the financial statement for the year ended 31st March 2023

The following is the analysis of the movement in deferred tax assets/(liabilities) presented in financial statements:

2022-2023 (Amount in lakhs)

Particulars	As at March 31, 2022	(Charge)/ Credit to Profit or loss	(Charge)/ Credit to Other Comprehensive Income	As at March 31, 2023
Deferred tax liabilities :				
(a) Property, plant & equipment	2.24	(5.63)	-	(3.39)
(b) Right of use assets	(32.70)	(2.53)	-	(35.23)
	(30.46)	**(8.16)**	**-**	**(38.62)**
Deferred tax asset				
(a) Lease liability	35.92	3.41	-	39.33
(b) Defined benefit obligations	16.27	6.11	(2.31)	20.07
(c) Loss allowance on trade receivables	5.18	(5.18)	-	-
(d) Provisions for sales return	5.20	(5.20)	-	-
(e) Unabsorbed losses	170.76	368.95	-	539.71
(f) Unabsorbed deprecation	-	5.21	-	5.21
	233.33	**373.30**	**(2.31)**	**604.33**
Deferred tax assets (net)	**202.87**	**365.13**	**(2.31)**	**565.71**

The following is the analysis of the movement in deferred tax assets/(liabilities) presented in financial statements:

2021-2022 (Amount in lakhs)

Particulars	As at March 31, 2021	(Charge)/ Credit to Profit or loss	(Charge)/ Credit to Other Comprehensive Income	As at March 31, 2022
Deferred tax liabilities :				
(a) Property, plant & equipment	-	2.24	-	2.24
(b) Right of use assets	-	(32.70)	-	(32.70)
	-	**(30.46)**	**-**	**(30.46)**
Deferred tax asset				
(a) Lease liability	-	35.92	-	35.92
(b) Defined benefit obligations	-	12.73	3.54	16.27
(c) Loss allowance on trade receivables	-	5.18	-	5.18
(d) Provisions for sales return	-	5.20	-	5.20
(e) Unabsorbed losses	-	170.76	-	170.76
(f) Unabsorbed deprecation	-	-	-	-
	-	**229.79**	**3.54**	**233.33**
Deferred tax assets (net)	**-**	**199.33**	**3.54**	**202.87**

Notes to the financial statement for the year ended 31st March 2023

DTA has been recognised only to the extent it is considered probable that future taxable profits will be available. Based on the future business growth plan of the Company, financial projections, market conditions, and potential changes in tax laws, The board of director of the company is confident to generate the taxable profits in future. Hence deferred tax assets is recognised on temporary difference and unabsorbed depreciation and carry forward losses.

Income Tax (Amount in lakhs)

Particulars	For the year ended March 31, 2023	March 31, 2022
Current tax		
Current income tax charge for the year	-	-
Deferred tax		
Deferred tax charge / (credit) on profits for the year	(365.13)	(199.33)
Total deferred tax assets (net)	**(365.13)**	**(199.33)**

Recognised in other comprehensive income (Amount in lakhs)

Particulars	For the year ended March 31, 2023	March 31, 2022
Deferred tax		
Tax related to items that will not be reclassified to Profit and Loss	(2.31)	3.54
Income tax charged to Other Comprehensive income	**(2.31)**	**3.54**
Total deferred tax assets (net)	**(362.82)**	**(202.87)**

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Amount in lakhs)

Particulars	For the year ended March 31, 2023	March 31, 2022
Loss before tax as per statement of profit and loss (a)	**(1,516.34)**	**(700.25)**
Enacted income tax rate in India (b)	**25.17%**	**26.00%**
	(refer note below)	-
Income tax credit calculated (c)= a *b	**(381.66)**	**(182.07)**
Effect of expenses disallowed in determine taxable profits	25.32	1.83
Effect of tax on income charged at lower rate	(6.48)	-
Opening permanent differences	-	(22.63)
Total deferred tax assets (net)	**(362.82)**	**(202.87)**

Note: During the current financial year, the company has opted the income tax rate as per section 115BAA. It states that domestic businesses may pay tax at a rate of 22%, plus a surcharge as well as a cess of 10% as well as 4%, respectively.

Notes to the financial statement for the year ended 31st March 2023

7. Other non current assets (Amount in lakhs)

Particulars	For the year ended March 31, 2023	March 31, 2022
Capital advances	-	47.63
Total	**-**	**47.63**

8. Inventories (Amount in lakhs)

Particulars	For the year ended March 31, 2023	March 31, 2022
Raw materials	112.17	82.52
Packing materials	298.37	129.03
Work-in-progress	79.33	18.33
Finished goods [includes goods-in-transit INR 5.00 lakhs (as on March 31, 2023: INR 4.00 lakhs)]	120.02	98.09
Stock in trade	244.80	-
Total	**854.69**	**327.97**

9. Trade receivables (Amount in lakhs)

Particulars	For the year ended March 31, 2023	March 31, 2022
Non-current		
Carried at amortised cost		
Considered good - unsecured	627.85	533.05
Having significant increase in credit risk	5.71	19.92
	633.56	**552.97**
Less: provision for receivables having significant increase in credit risk	(5.71)	(19.92)
Total	**627.85**	**533.05**
Current portion	627.85	533.05
Non- current portion	-	-
Total	**627.85**	**533.05**

1. No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

2. The fair value of trade receivable approximates their carrying value in the balance sheet. Trade receivable are interest bearing post the normal credit period ranging from 0 to 120 days.

3. For explanations on the Company’s credit risk management processes, Refer note 39.

Notes to the financial statement for the year ended 31st March 2023

Trade receivables ageing schedule as at March 31, 2023

Particulars	Outstanding as on March 31, 2023 from due date of payment						
	Not due	Less than 6 Months	6 Months - 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total
Undisputed trade receivables - considered good	246.52	381.25		0.07	-	-	627.85
Undisputed trade receivables - which have significant increase in credit risk	-	-	-		5.71	-	5.71
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**246.52**	**381.25**	**-**	**0.07**	**5.71**	**-**	**633.56**

Trade receivables ageing schedule as at March 31, 2022

Particulars	Outstanding as on March 31, 2023 from due date of payment						
	Not due	Less than 6 Months	6 Months - 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total
Undisputed trade receivables - considered good	-	532.98	0.07		-	-	533.05
Undisputed trade receivables - which have significant increase in credit risk	-	-		19.92	-	-	19.92
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**-**	**532.98**	**0.07**	**19.92**	**-**	**-**	**552.97**

10 Cash and cash equivalents (Amount in lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Balances with banks:		
- On current accounts	402.82	65.77
Cash on hand	0.21	0.59
Total	**403.03**	**66.36**

Notes to the financial statement for the year ended 31st March 2023

11 Bank balances other than cash and cash equivalents (Amount in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits with maturity more than 3 months but less than 12 months	807.11	506.41
Total	**807.11**	**506.41**

12 Other financial assets - current (Amount in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
- Interest accrued on fixed deposit	18.59	0.43
- Security deposits-considered good	2.56	1.57
Total	**21.15**	**2.00**

13 Current tax assets (net) (Amount in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax and tax deduct at source	15.88	8.52
Total	**15.88**	**8.52**

14 Other current assets (Amount in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to vendors	97.90	64.77
Prepaid expenses	5.27	3.68
Goods and service tax recoverable	155.70	46.98
Total	**258.87**	**115.43**

15 Equity Share Capital (Amount in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised share capital		
30,000 (March 31, 2022 : 30,000) Equity shares of Rs. 10/- each	3.00	3.00
7,000 (March 31, 2022 : 7000) Compulsorily convertible preference shares of Rs. 100/- each	7.00	7.00
Total	**10.00**	**10.00**

Notes to the financial statement for the year ended 31st March 2023

Particulars	As at March 31, 2023	As at March 31, 2022
Issued, subscribed and paid-up equity shares		
19,232 (March 31, 2022 : 16,156) equity share capital of Rs. 10/- each	1.92	1.62
Issued, subscribed and paid-up Preference share		
7,000 (March 31, 2022 : 7000) Compulsorily convertible preference shares capital of Rs. 100/- each	7.00	7.00
Total	**8.92**	**8.62**

(i) Reconciliation of issued, subscribed and fully paid up share capital

Equity shares

Particulars	Number of shares	Amount
As at April 01, 2021	**10,010**	1.00
Changes during the year	6,146	0.61
As at March 31, 2022	**16,156**	**1.62**
Changes during the year	3,076	0.31
As at March 31, 2023	**19,232**	**1.93**

(ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuring annual general meeting. During the year ended March 31, 2023, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2022: Nil) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of Shares held by Holding company

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Re. 10/- each fully paid-up				
Marico Limited	11,539	60.00%	8,463	52.38%

Notes to the financial statement for the year ended 31st March 2023

(iv) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Re. 10/- each fully paid-up				
Arush Chopra	3,462	18.00%	3,462	21.00%
Megha Sablok	3,462	18.00%	3,462	21.00%
Neena Chopra*	769	4.00%	769	5.00%
Marico Ltd.	11,539	60.00%	8,463	52.00%

* Although percentage of holding is less than 5% in some of periods reported above, the number of shares and percentage holding have been disclosed for comparison purpose.

(v) Details of shares held by promotors

As at March 31, 2023

Name of Shareholder	Number of shares	% of total share	% change during year
Equity Shares of Re. 10/- each fully paid-up			
Arush Chopra	3,462	18.00%	3.00%
Megha Sablok	3,462	18.00%	3.00%

As at March 31, 2022

Name of Shareholder	Number of shares	% of total share	% change during year
Equity Shares of Re. 10/- each fully paid-up			
Arush Chopra	3,462	21.43%	23.07%
Megha Sablok	3,462	21.43%	23.07%

(vi) Convertible preference share capital

Particulars	Particulars Amount
As at April 01, 2021	4.61
Changes in equity share capital	(4.61)
As at March 31, 2022	-
Changes in equity share capital	-
As at March 31, 2023	-

Notes to the financial statement for the year ended 31st March 2023

(vii) Rights, preferences and restrictions attached to preference shares

The Company has issued only one class of compulsorily convertible preference shares having a par value of Rs. 100 per share. Each Seed CCPS shall have such number of votes as is equivalent to the number of equity shares into which such Seed CCPS wishes to exercise voting rights. Seed Compulsorily Convertible Preference Shares ("Seed CCPS") shall be entitled to a preferential non-cumulative dividend equal to 0.0001% per annum, subject to dividends being declared by the Board.

In the event of liquidation of the Company, each holder of the Liquidity Preference (LP) shares shall be entitled to receive, on account of its LP shares prior to and in preference to any distribution of the proceeds of the Liquidity Event to the holders of Non-LP shares by reason of their ownership thereof, the higher of: (I) an amount per LP share equal to the applicable Subscription Price of the relevant LP Share or (ii) the amount per LP share as would have been payable had the proceeds of the Liquidity Event been distributed pro-rata to such holder's shareholding in the Company immediately prior to the occurrence of such Liquidity Event. For calculating Liquidation Preference, the Subscription Price of a CCPS shall be appropriately adjusted on a proportionate basis for stock/share splits and consolidations, stock dividends/bonus shares, recapitalizations and other similar occurrences. Terms of Seed Compulsorily Convertible Preference Shares ("Seed CCPS"):

The Seed CCPS shall be convertible into equity shares upon the first to occur of the following events:

(A) automatically, one day prior to the nineteenth anniversary from the date of issuance of the Seed CCPS; or

(B) upon written request to the Company by a holder of Seed CCPS.

(vii) The Equity Share Holders and Preference Shareholders transferred their share holdings to Marico Limited by virtue of Share Purchase Agreement on 14.07.2022 and thereafter the Preference Shares has been converted into the Equity Shares. Further Company has issued 1539 and 3076 fresh Right issue to Marico Ltd in FY 2021-22 and FY 2022-23 respectively at face value of Rs. 10/- and premium of Rs. 64, 983/-By Virtue of this transfer and fresh issue, Marico Limited has become Holding company with 60% of Share holding.

(viii) The Company has not allotted any equity shares as fully paid up by the way of bonus shares or other than consideration in cash in the last 5 Periods.

As per the record of the company, including its registers of shareholdres/members and other declarations received from shareholders regarding beneficial interest,the aboveshareholding reptresents both legal and beneficial ownership of shares.

16 Other Equity (Amount in lakhs)

Reserves and Surplus

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium (refer note (i) below)	3,884.35	1,885.47
Retained earnings (refer note (ii) below)	(2,103.01)	(958.69)
Total	**1,781.34**	**926.78**

Notes to the financial statement for the year ended 31st March 2023

(i) **Securities premium** **(Amount in lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	1,885.47	1,028.03
Add: Issued during the Period	1,998.88	1,004.23
Less:- share issue expenses	-	(146.79)
Closing balance	**3,884.35**	**1,885.47**

(ii) **Retained earnings** **(Amount in lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	(958.69)	(447.70)
Loss for the year transfer from statement of profit and loss	(1,151.20)	(500.92)
Other comprehensie income /(loss) for the year	6.88	(10.07)
Closing balance	**(2,103.01)**	**(958.69)**

17 Borrowings

(a) Non-current borrowings

Particulars	Maturity Date	Terms of repayment	Coupon / interest rate	As at March 31, 2023	As at March 31, 2022
Secured					
Term loan					
-From banks	20-05-2023	The Loan is repayable on monthly basis over a period of 3 year commencing from 20th June, 2020.	11.75%	0.29	2.13
-From financial institution	08/10/2025	The Loan is repayable on monthly basis over a period of 5 year commencing from 10th September, 2020	9.26%	9.72	13.16
Sub total (a)				**10.01**	**15.29**
Less: Current maturities of long-term debt (b)				4.06	5.27
Total c= (a-b)				**5.95**	**10.02**

1) Term Loans aggregating to INR 10.01 lakhs are secured by specific charge on plant and machinery and vehicle hypothecated against these loans.

Notes to the financial statement for the year ended 31st March 2023

(b) Current borrowings

Particulars	Maturity Date	Terms of repayment	Coupon /interest rate	As at March 31, 2023	As at March 31, 2022
Secured					
(a) Current maturities of long-term debt Term loan					
-From banks	20-05-2023	The Loan is repayable over a period of 3 Period commencing from 20th June, 2020 on monthly basis	11.75%	0.29	1.83
From financial institution	08/10/2025	The Loan is repayable over a period of 5 Period commencing from 10th September, 2020 on monthly basis	9.26%	3.77	3.44
(b) Working capital demand loan					
Cash Credit	Payable on Demand	Payable on Demand	FY 22-23 Bank Base rate/ relevant Benchmark Rate plus applicable spread per annum (FY 21-22 : Bank Base rate/relevant Bench mark Rate plus applicable spread per annum	345.84	173.95
Unsecured				10.75	7.91
(c) Credit card payable					
Total				**360.65**	**187.13**

Note

2) Exclusive Charge by way of hypothecation on all the stock in trade both present and future consisting of raw material, finished good, goods in process of manufacturing and other goods, movable assets or merchandise whatsoever now.

Exclusive Charge by way of hypothecation on all the book debts, amount outstanding, monies receivables, claims and billswhich are now due and owing or which may at any time hereafter during the continuance of this security become due.

Notes to the financial statement for the year ended 31st March 2023

18 Lease liability (Amount in lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Non-current		
Lease Liabilities-non current	101.75	96.91
Total	**101.75**	**96.91**
Current		
Lease liabilities-current	54.51	41.25
Total	**54.51**	**41.25**

19 Employee benefit obligation (Amount in lakhs)

(a) Current

Particulars	As at	
	March 31, 2023	March 31, 2022
Gratuity (refer note (i) below)	4.65	2.20
Leave encashment	31.94	21.03
Total	**36.59**	**23.23**

(b) Non-Current

Particulars	As at	
	March 31, 2023	March 31, 2022
Gratuity (refer note (i) below)	43.14	39.33
Total	**43.14**	**39.33**

(i) Gratuity (Unfunded):

(a) Defined contribution plans

During the year the Company has recognized the following amounts in the statement of profit and loss:-

Particulars	As at	
	March 31, 2023	March 31, 2022
Employers contribution to provident fund	23.37	18.19
Employers contribution to ESIC	3.33	2.88
Total	**26.70**	**21.07**

(b) Defined benefit plan

The present value obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations. The summarized position of defined benefit plan is as under:

Notes to the financial statement for the year ended 31st March 2023

(c). Other short term benefits

A. Actuarial assumptions

Particulars	As at	
	March 31, 2023	March 31, 2022
Discount rate (per annum)	0.07	6.96%
Expected rate of increase in compensation levels (per annum)	0.25	20%
Retirement age (years)	60.00	58
Mortality table	0.10	1
Withdrawal Rate	100% of IALM 2012-14	100% of IALM 2012-14

B. Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at	
	March 31, 2023	March 31, 2022
Opening present value of obligation	41.53	19.91
Interest cost	2.89	1.08
Current service cost	12.47	6.93
Gratuity liability from business acquisition	-	-
Past service cost	-	-
Benefits paid	-	-
Actuarial loss/ (gain) on obligation	(9.44)	13.61
Closing present value of obligation	**47.45**	**41.53**

C. Expense recognized in the statement of profit and loss

Particulars	As at	
	March 31, 2023	March 31, 2022
Current service cost	12.47	6.93
Past service cost	-	
Interest cost	2.89	1.08
Expense recognized in the statement of profit and loss	15.36	8.01
Net actuarial loss/(gain) to be recognized in OCI	(9.44)	13.61
Expense recognized in the statement of profit and loss	**5.92**	**21.62**

Notes to the financial statement for the year ended 31st March 2023

D. Expense recognized in the statement of profit and loss

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	47.45	41.53
Fair value of plan assets		-
Net funded status	**47.45**	**41.53**
Recognized under:		
Non current provision	43.14	39.33
Current provision	4.65	**2.20**

E. Net assets / liability and actuarial experience gain / (loss) for present benefit obligation ('PBO') and plan assets on gratuity

Particulars	As at March 31, 2023	As at March 31, 2022
PBO	47.45	41.53
Plan assets		-
Net assets/(liability)	(47.45)	-41.53
Experience (gain)/loss on PBO	(9.44)	13.61
Experience (gain)/loss on plan assets		-

F. Employer's best estimate for payment during next year

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity	19.08	16.01

(ii) Provident fund

The company has made contribution in Provident fund according to The Employee Provident Fund and Miscellaneous Provision Act, 1952.

(iii) Leave encashment/ compensated absences.

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. Current leave obligations expected to be settled within the next 12 months.

Notes to the financial statement for the year ended 31st March 2023

20 Trade payables (Amount in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises	163.88	70.06
Total outstanding dues of creditors other than micro enterprises and small enterprises	**1,096.05**	**546.17**
Total	**1,259.93**	**616.23**

Note 1

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
I . The Principal amount remaining unpaid to any supplier as at the end of accounting Period included in trade payable	163.88	70.06
II. Interest due thereon	3.27	-
Trade Payables due to micro and small enterprises	**167.15**	**70.06**
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	220.61	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	3.27	-
The amount of interest accrued and remaining unpaid at the end of accounting year	3.27	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes to the financial statement for the year ended 31st March 2023

Trade payable ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
a. MSME (undisputed)	5.40	57.11	101.37	-	-	-	163.88
b. Others (undisputed)	322.05	390.01	381.83	2.16	-	-	1,096.05
c. Disputed dues MSME	-	-	-	-	-	-	-
d. Disputed dues others	-	-	-	-	-	-	-
Total	**327.45**	**447.12**	**483.20**	**2.16**	**-**	**-**	**1,259.93**

Trade payable ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1 - 2 year	2 - 3 year	More than 3 years	Total
a. MSME (undisputed)	-	-	70.06	-	-	-	70.06
b. Others (undisputed)	-	-	545.91	0.26	-	-	546.17
c. Disputed dues MSME	-	-	-	-	-	-	-
d. Disputed dues others	-	-	-	-	-	-	-
Total	**-**	**-**	**615.97**	**0.26**	**-**	**-**	**616.23**

21 Other financial liability (Amount in lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Salaries, bonus and other benefits payable to employees	51.77	28.55
Total	**51.77**	**28.55**

22 Other financial liability (Amount in lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Advance from customers	98.81	20.26
Goods and service tax payable	-	-
Unidentified receipts	1.15	-
Statutory dues	61.54	29.61
Interest accrued and not due on borrowing	2.62	-
Interest expense on MSME	3.27	-
Total	**167.39**	**49.87**

Notes to the financial statement for the year ended 31st March 2023

23 Provisions (Amount in lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Provision for sale return	25.00	20.00
Total	**25.00**	**20.00**

24 Revenue from operations (Amount in lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Sale of products	5,924.69	3,506.23
Total revenue	**5,924.69**	**3,506.23**

Details of sales

Particulars	As at	
	March 31, 2023	March 31, 2022
Hair care	763.92	531.55
Skin care	1,042.54	806.02
Body care	240.00	123.32
Make -up	3,690.48	2,034.78
Fragrances	179.25	-
Other	8.50	10.56
Total	**5,924.69**	**3,506.23**

25 Other Income (Amount in lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Other income		
Interest income on fixed depsoit	18.09	20.84
Goods and service tax refund	-	8.61
Liabilities written back	0.34	1.77
Interest received on income tax refund	0.19	-
Lease Income		
- Rental concession	-	4.53
- Lease interest income	0.48	0.90
- Gain on lease cancellation	-	9.00
Total	**19.10**	**45.65**

Notes to the financial statement for the year ended 31st March 2023

26 Cost of materials consumed (Amount in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials		
Raw materials at the beginning of the year	82.52	34.45
Purchases during the year	520.97	351.40
Raw materials at the end of the year	112.17	82.52
Cost of raw materials consumed	**491.32**	**303.33**
Packing materials		
Packing materials at the beginning of the year	129.03	60.63
Purchases during the year	1,235.89	583.22
Packing materials at the end of the year	298.37	129.03
Cost of packing materials consumed	**1,066.55**	**514.82**
Total	**1,557.87**	**818.15**

27 Purchase of stock-in-trade (Amount in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases of stock-in-trade	376.57	-
Total	**376.57**	**-**

28 Change in Inventory (Amount in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening inventories		
Finished goods	94.09	15.83
Finished goods - in transit	4.00	-
Work-in-progress	18.33	10.14
Stock-in-trade	-	-
	116.42	**25.97**
Closing inventories		
Finished goods	115.02	94.09
Finished goods - in transit	5.00	4.00
Work-in-progress	79.33	18.33
Stock-in-trade	244.80	-
	444.15	**116.42**
Total	**(327.73)**	**(90.45)**

Notes to the financial statement for the year ended 31st March 2023

29 Employee benefit expense (Amount in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	592.94	368.72
Contribution to provident and other funds	26.89	21.08
Leave encashment	12.86	21.03
Gratuity	15.43	8.02
Staff welfare expenses	16.63	10.51
Total	**664.75**	**429.36**

30 Finance costs (Amount in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowing	1.28	1.73
Other borrowing costs	-	-
Bank and other financial charges	2.26	1.39
Lease finance cost	13.89	14.31
Bank interest on CC Limit	19.27	3.61
Interest on TDS	3.80	1.33
Interest on eqalisation levy	0.03	
Interest on MSME payments	3.27	-
Other interest	-	0.02
Total	**43.81**	**22.39**

31 Depreciation, amortization and impairment expense (Amount in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment [refer note 2]	27.36	19.20
Amortisation of intangible assets [refer note 4]	1.20	0.26
Depreciation on right of use assets[refer note 3]	49.57	52.01
Total	**78.13**	**71.47**

Notes to the financial statement for the year ended 31st March 2023

32 Other expenses (Amount in lakhs)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Advertisement and sales promotion	3,851.07	2,204.03
Forwarding and distribution expenses	690.70	420.28
Commission	112.58	50.81
Membership and subscription expenses	107.75	46.15
Legal and professional charges	71.01	147.20
Repairs and maintenance	6.63	6.13
Rate and taxes	17.95	5.85
Power, fuel and water	10.39	5.47
Labour charges	109.86	19.77
Travelling, conveyance and vehicle expenses	26.20	5.75
Consumption of stores, spare and consumables	11.95	9.77
Bad debts	3.31	-
Provision for doubtful debts	-	19.92
Advances written off	0.07	1.60
Audit fees	-	-
- Statutory audit fees	5.00	4.50
- Tax audit fees	1.00	0.75
- Other	-	1.75
Foreign exchange difference	1.37	1.61
Rent and storage charges	17.24	8.25
Loss on sale of fixed assets	0.00	-
Miscellaneous expenses	22.65	41.62
Total	**5,066.73**	**3,001.21**

(a) Miscellaneous expenses include printing and stationery, communication, insurance and other expenses.

(b) Corporate social responsibility: As company is incurring losses in current period, CSR is not applicable on the company.

33 Capital management

(a) Risk management

Capital management is driven by company's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Company's capital. The Management monitors the capital structure and the net financial debt at individual level currency. Net financial debt is defined as current and non current borrowings. The debt equity ratio highlights the ability of a business to repay its debts. Refer below for net Debt equity ratio. The Company complies with all statutory requirement as per the extent regulations.

Notes to the financial statement for the year ended 31st March 2023

Particulars	As at	
	March 31, 2023	March 31, 2022
Net debt	366.60	197.15
Total equity	1,783.25	928.40
Net debt to equity ratio	**0.21**	**0.21**

34 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company operates only in one business segment i.e. manufacturing and sale of Ayurvedic products within India and outside India, hence does not have any Reportable segment as per Indian Accounting Standard 108 "operating segments" in Standalone.

35 Lease

The company elected to apply Indian Accounting Standards 116 (Ind AS 116) on leases with effect from 1st April, 2020 with modified approach. The company assesses each lease contract conveys, the right to control the use of an identified asset for the period of time in exchange of consideration, the company recognized Right to use Assets and lease liabilities for those lease contracts except the short term lease and lease of low value assets.

Amount recognized as current and non-current liabilities

Particulars	As at	
	March 31, 2023	March 31, 2022
Non-current lease liabilities	101.75	96.91
Current lease liabilities	54.51	41.25
Total	**156.26**	**138.16**

Amount recognized in statement of profit and loss during the year on account of Ind-AS 116

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Lease finance cost	13.89	14.31
Depreciation on right of use assets	49.57	52.01
Lease expenses derecognized	59.09	60.81
Interest income on lease assets	0.48	0.90
Gain on lease cancellation	-	9.00
Rent concession	-	4.53
Other Item included in statement of Profit and Loss during the year:-		
- Short term and low value lease payment	11.73	2.28

Notes to the financial statement for the year ended 31st March 2023

36 Related party disclosure

A. Name of related party and relationship

Related parties where control exists

Marico Limited - Holding Company

Key management personnel

Arush Chopra - Whole Time Director (Date of joining: November 19, 20218)

Megha Sabhlok - Whole Time Director (Date of joining: November 19, 2018)

Sanjay Mishra - Director (Date of joining: July 21, 2021)

Ketan Bhanwarlal Jain - Director (Date of joining: July 21, 2021)

Pawan Bhagwan Das Agrawal - Director (Date of joining: July 21, 2021)

Relative of Director

Neena Chopra - Mother of Arush Chopra - Whole Time Director

B. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Sr. No	Name of Related Party	Description of Relationship	Nature of Transaction	Transactions for the year ended March 31, 2023	Balance outstanding as at March 31, 2023
1	Arush Chopra	Director	Remuneration	53.76	3.36
2	Arush Chopra	Director	Reimbusment of expenses	0.07	0.06
3	Megha Sabhlok	Director	Remuneration	53.76	3.36
4	Megha Sabhlok	Director	Reimbusment of expenses	0.49	0.02
5	Neena Chopra	Mother of Director/ Employee	Remuneration	24.15	1.59
6	Neena Chopra	Mother of Director/ Employee	Reimbusment of expenses	0.35	-
7	Neena Chopra	Mother of Director/ Employee	Rent	7.99	
8	Pradeep Chopra	Father of Director	Rent	15.97	-
9	Marico Limited	Parent company	Share issue	0.31	-
10	Marico Limited	Parent company	Security Premium	1,998.88	-
11	Marico Limited	Parent company	Sale of Goods	(21.13)	95.76
12	Marico Limited	Parent company	Reimbusment of expenses	63.18	91.41

Notes to the financial statement for the year ended 31st March 2023

Sr. No	Name of Related Party	Description of Relationship	Nature of Transaction	Transactions for the year ended March 31, 2023	Balance outstanding as at March 31, 2023
1	Arush Chopra	Director	Remuneration	41.55	-
2	Megha Sabhlok	Director	Remuneration	40.50	0.60
3	Megha Sabhlok	Director	Reimbusment of expenses	0.04	-
4	Neena Chopra	Mother of Director/ Employee	Remuneration	15.75	1.43
5	Neena Chopra	Mother of Director/ Employee	Consultancy charges	2.55	-
6	Neena Chopra	Mother of Director/ Employee	Reimbusment of expenses	0.77	-
7	Pradeep Chopra	Father of Director	Rent	20.79	0.89
8	Pradeep Chopra	Father of Director	Reimbusment of expenses	0.12	-
9	Marico Limited	Parent company	Share issue	0.15	-
10	Marico Limited	Parent company	Transfer of equity shares	0.23	-
11	Marico Limited	Parent company	Transfer of prefrence shares	0.46	-
12	Marico Limited	Parent company	Security premium	1,004.23	-
13	Marico Limited	Parent company	Sale of goods	75.58	12.26
14	Marico Limited	Parent company	Reimbusment of expenses	20.51	-

37 Earnings per share

Basic EPS amounts are calculated by dividing the profit after tax for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit after tax for the year attributable to equity shareholders by weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(Amount in lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
(b)	**Basic Earnings Per Share**		
	Net Loss After Tax available for Equity Shareholders	(1,144.32)	(510.99)
	Weighted average number of equity shares used to compute basic earnings per share	17842	14342
	Basic earnings per share (in Rs.)	(0.06)	(0.04)
(b)	**Diluted earnings per share**		
	Net Loss After Tax available for Equity Shareholders	(1,144.32)	(510.99)
	Weighted average number of equity shares used to compute basic earnings per share	17,842	14,342
	Diluted earnings per share (in Rs.)	(0.06)	(0.04)

Notes to the financial statement for the year ended 31st March 2023

38 Assets pledged as security (Amount in lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
Assets		
First charge		
Asset 1	Generator	Generator
Asset 2	Vehicle	Vehicle
Floating charge		
Asset 1	Stock in Trade	Stock in Trade
Asset 2	Book Debts	Book Debts

The carrying amount of assets pledged as security for current and Non Current Borrowings are as follows:-

Particulars	As at	
	March 31, 2023	March 31, 2022
Generator	3.20	3 .64
Vehicle	15.97	18.73
Stock in Trade	854.69	327.97
Book Debts	-	-
Total	**873.86**	**350.34**

Note: This includes hypothecation of stock and debtors for working capital facilities.

39 Financial risk management

Financial risks

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk, market risk (including foreign currency risk and interest rate risk, commodity price risk and equity price risk). This note presents the Company's objectives, policies and processes for managing its financial risk and capital.

(A) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises on liquid assets, financial assets, derivative assets, trade and other receivables.

In respect of its investments the company aims to minimize its financial credit risk through the application of risk management policies. Credit limits are set based on a counterparty value. The methodology used to set the list of counterparty limits includes, counterparty Credit Ratings (CR) and sector exposure. Evolution of counterparties is monitored regularly, taking into consideration CR and sector exposure evolution. As a result of this review, changes on credit limits and risk allocation are carried out.

Trade receivables are subject to credit limits, controls & approval processes. Due to large geographical base & number of customers, the Company is not exposed to material concentration of credit risk. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables as per expected credit loss, using simplified approach over the life of the asset depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company.

Notes to the financial statement for the year ended 31st March 2023

The gross carrying amount of trade receivables is Rs.627.85 lakhs as at March 31, 2023 and Rs.533.05 lakhs as at March 31, 2022.

Reconciliation of loss allowance provision- trade receivables

Particulars	As at	
	March 31, 2023	March 31, 2022
Loss allowance at the beginning of the year	19.92	1.35
Less: Used for write off	14.21	1.35
Add : Changes in loss allowances	-	19.92
Loss allowance at the end of the year	**5.71**	**19.92**

Security deposits are interest free deposits given by the company for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of Security deposit is Rs 9.80Lakhs as at 31st March, 2023 and Rs 8.29 Lakhs as at 31st March, 2022.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability of committed credit lines.

The current ratio of the company as at March 31, 2023 is 1.53 (as at March 31, 2022 is 1.61) whereas the liquid ratio of the company as at March 31, 2023 is 0.94 (as at March 31, 2022 is 1.14).

Maturities of financial liabilities (Amount in lakhs)

Contractual maturities of financial liabilities as on March 31, 2023	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Borrowings (including interest accrued)	17(b)	360.65	4.13	1.82	-	366.60
Trade Payables	20	1,257.77	2.16	-	-	1,259.93
Lease Liabilities	18	54.51	25.84	30.86	45.04	156.25
Other Financial Liabilities	21	51.77	-	-	-	51.77
Total Non- derivative liabilities		1,724.70	32.13	32.68	45.04	1,834.55

Contractual maturities of financial liabilities as on March 31, 2023	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Borrowings (including interest accrued)	17(b)	187.13	4.06	4.13	1.82	197.15
Trade Payables	20	615.97	0.26	-	-	616.23
Lease Liabilities	18	41.25	42.40	14.87	39.63	138.16
Other Financial Liabilities	21	28.55	-	-	-	28.55
Total Non- derivative liabilities		1,082.91	46.72	19.01	41.45	980.08

Notes to the financial statement for the year ended 31st March 2023

(C) Market Risk

The Company is exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and future transactions.

(i) Foreign currency risk

The Company is exposed to foreign currency risk from transactions and translation.

Transactional exposures arise from transactions in foreign currency. They are managed within a prudent and systematic hedging policy in accordance with the company's specific business needs through the use of currency forwards and options.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR as on March 31, 2023

Particulars	USD	CAD	EUR
Financial assets			
Foreign currency debtors for export of goods	10,797	-	-
Other receivable / (payable) including advance for Export		-	-
Net exposure to foreign currency risk (assets)	**10,797**	**-**	**-**

Particulars	USD	CAD	EUR
Financial liabilities			
Foreign currency creditors for import of goods and services	(6,643)	-	(33,193)
Net Exposure to foreign currency risk (liabilities)		-	-

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR as on March 31, 2022

Particulars	USD	CAD	EUR
Financial assets			
Foreign currency debtors for export of goods	12,157	-	-
Other receivable / (payable) including advance for Export	(1,013)	(717)	-
Net Exposure to foreign currency risk (assets)	**11,144**	**(717)**	**-**

Particulars	USD	CAD	EUR
Financial liabilities			
Foreign currency creditors for import of goods and services	(34,011)	-	(17,611)
Net exposure to foreign currency risk (liabilities)	**(34,011)**	**-**	**(17,611)**

Notes to the financial statement for the year ended 31st March 2023

ii) Interest rate risk

The Company is exposed primarily to fluctuation in interest rates in domestic market.

The Company manages its cash flow interest rate risk on long term borrowing, if any, by using floating-to-fixed interest rate swaps. Under these swaps, the company agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The Company's fixed rate borrowings, if any, are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2023	March 31, 2022
Variable rate borrowings	9.75%	9.00%

Interest bearing financial assets classified at amortized cost , such as fixed deposit balances with banks have fixed interest rate. Hence, the Company is not subject to interest rate risk on such financial assets.

40 Contingent liabilities

(a) Claims against the Company not acknowledged as debts:

Particulars	As at	
	March 31, 2023	March 31, 2022
Income tax demand	-	3.10

Note : The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

41 Payment to auditor

Particulars	As at	
	March 31, 2023	March 31, 2022
Audit fees		
Statutory audit fees	5.00	4.50
Tax audit fees	1.00	0.75
Total	**6.00**	**5.25**

42 Share based payment

The Company does not have any share based payment.

43 Contractual commitments

The Company has no contractual commitments and corporate guarantee during the year under audit.

Notes to the financial statement for the year ended 31st March 2023

44 Capital commitments

Capital expenditure contracted for at the end of the reporting period , but not recognised as liabilities is as follows:

Particulars	As at	
	March 31, 2023	March 31, 2022
Property, plant and equipment	-	18.50
Capital expenditure not recognised as liabilities	-	18.50

45 Ratios

(a) Accounting Ratios

Ratio	Items included in numerator and denominator for computing	As at March 31, 2023	As at March 31, 2022	Variance (%age)	Remarks
(a) Current ratio	Current assets / Current liabilities	1.53	1.62	-5.68%	
(b) Debt-equity ratio	Total borrowings/Shareholders' funds (share capital + reserves & surplus)	0.21	0.21	-2.11%	
(c) Debt eervice coverage ratio	(Net profit after taxes + non-cash operating expenses + interest + other) / Debt service = Interest & lease payments + principal repayments	(0.75)	(1.52)	-50.68%	The change in ratio is due to increase in cash losses of the Company.
(d) Return on equity Ratio	Net profit after tax / Average shareholders' funds [(opening + closing)/2]	(0.84)	(0.66)	27.88%	The change in ration is due to further issue of share capital
(e) Inventory turnover ratio	Cost of revenue from operation [Cost of materials consumed + purchase of stock-in-trade + change in inventory (FG; WIP and stock in trade)] / Average inventory [(opening inventory + closing inventory)/2]	2.72	3.24	-16.14%	
(f) Trade receivables turnover ratio	Revenue from operations / Average trade receivables [(opening trade receivables + closing trade receivables)/2]	10.21	10.14	0.66%	

Notes to the financial statement for the year ended 31st March 2023

Ratio	Items included in numerator and denominator for computing	As at March 31, 2023	As at March 31, 2022	Variance (%age)	Remarks
(g) Trade payables turnover ratio	Net credit purchases / Average trade payables [(opening trade payables + closing trade payables)/2]	2.27	9.39	-75.78%	The change in ratio is due to increase in the closing balance of trade payables.
(h) Net capital turnover ratio	Revenue from operations / Working capital (Current assets - current liabilities)	5.74	5.84	-1.77%	
(i) Net profit ratio	Net profit after tax / Revenue from operations	(0.19)	(0.14)	37.96%	The change in ration is due to increase in revenue of the Company
(j) Return on capital employed	Net profit before interest and tax / Capital employed [Shareholders' funds (share capital + reserves & surplus) + non-current liabilities (long term borrowings + long term provisions)]	(0.79)	(0.65)	21.70%	
(k) Return on investment	Net profit before tax / Shareholders' funds (share capital + reserves & surplus)	(0.85)	(0.75)	13.38%	

(b) The Company has started its operations during financial year 2019-20 and since incurred losses due to start up phase of business. Further, during the current year, the company has entered into a Share Purchase Agreement (SPA) with Marico Ltd. by virtue of which, the company has become subsidiary of Marico Limited. As per the Share Holder's Agreement (SHA), holding company has committed to infuse the funds up to INR 2,000 lakhs in two tranches to meet company's fund flow requirement in near future. Based on the company's future plans and holding company's commitment to fund the operations of the company, the management of the Company is of the view that the these losses are temporary based on its future business plans. Accordingly, the accounts of the Company have been prepared on a going concern basis.

Notes to the financial statement for the year ended 31st March 2023

46 Other statutory information

a) The Company does not have any benami property, nor any proceeding has been initiated or pending against the Company for holding any benami property.

b) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of layers) Rules, 2017.

g) The Company is not declared wilful defaulter by any bank or financials institution or other lender during the year.

h) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

i) The Company does not have any borrowings from banks or financial institutions on the basis of security of current assets.

j) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

k) The title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the

Notes to the financial statement for the year ended 31st March 2023

financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

l) The company does not have any transactions with companies which are struck off.

m) The Company does not have any loan or advance in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment.

47 Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

48 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the

Notes to the financial statement for the year ended 31st March 2023

final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, by the Company, the additional impact on Provident Fund contributions by the Company is not expected to be material, whereas, the likely additional impact on Gratuity liability / contributions by the Company could be material. The Company will complete their evaluation and will give appropriate impact in the standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

49 Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

The accompanying notes are an integral part of these financial statements.

In terms of our report attached
For S S Kothari Mehta & Company
Chartered Accountants
Firm Registration Number: 000756N

Harish Gupta
Partner
Membership Number - 098336

Place: New Delhi
Date : May 04, 2023

For and on behalf of the Board of Directors of
Apcos Naturals Private Limited
CIN: U74999PB2018PTC048652

Arush Chopra
Director
DIN: 08282394

Place: Mohali, Punjab
Date : May 04, 2023

Megha Sabhlok
Director
DIN: 08282396

Place: Mohali, Punjab
Date : May 04, 2023

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Puru Gopesh Gupta Mr. Sreejith Moolayil Mr. Abhishek Goenka (until May 23, 2022) Mr. Arun Kumar Sipani (until May 23, 2022) Mr. Pawan Agrawal (appointed w.e.f. May 23, 2022) Mr. Ketan Jain (appointed w.e.f. May 23, 2022) Mr. Sanjay Mishra (appointed w.e.f. July 21, 2022)
REGISTERED OFFICE	S. No. 254, Tirumalla Industrial Estate, Hinjewadi, Taluka Mulshi, Pune - 411057
AUDITORS	M/s. Walker Chandiok & Co. LLP (until July 12, 2022) M/s. Haribhakti & Co. LLP (appointed w.e.f. July 21, 2022)
BANKERS	ICICI Bank Bank of Maharashtra

INDEPENDENT AUDITOR'S REPORT

To the Members of HW Wellness Solutions Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of HW Wellness Solutions Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2023, its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements..

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Directors report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act,

INDEPENDENT AUDITOR'S REPORT

read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based

INDEPENDENT AUDITOR'S REPORT

on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

a) The transition date opening balance sheet as at April 01, 2021 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2021 dated December 30, 2021 expressed an adverse opinion on those Ind AS financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. The adverse opinion as given by the predecessor auditor still persists in the Ind AS financial statement for the respective period.

b) The comparative financial information of the Company for the year ended March 31, 2022 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended March 31, 2022 dated September 30, 2022 expressed a qualified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. The qualified opinion as given by us still persists in the Ind AS financial statement for the respective period.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we report in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) 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, except for the server to be physically located in India and back-up to be done on a daily basis of the books of account and other books and papers of the Company maintained in electronic mode as per proviso to Rule 3(5) of the Companies (Accounts) Rules, 2014, which has been done by the company on a periodic basis.

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account

d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the Directors as on March 31, 2023, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 37 on Contingent Liabilities to the Ind AS financial statements;

   (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

   (iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 45(i) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (iv) (b) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 45(ii) to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.

(vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under clause 11(g) is not applicable.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 23034828BGWUFI8069

Place: Mumbai
Date: July 08, 2023

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of HW Wellness Solutions Private Limited ("the Company") on the Ind AS financial statements for the year ended March 31, 2023]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and of right-of-use assets.

(B) The Company does not have any Intangible Assets and accordingly, reporting under clause (i)(a)(B) of paragraph 3 of the Order is not applicable.

(b) During the year, the Property, Plant and Equipment of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not have any immovable property and accordingly, reporting under clause (i)(c) of paragraph 3 of the Order is not applicable.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year and the company do not have Intangible Assets. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.

(e) No proceedings have been initiated or are pending against the Company as at March 31, 2023 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year end, these have substantially been confirmed by them. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies were noticed on physical verification carried out during the year.

(b) The Company has been sanctioned working capital limits which is not in excess of five crore rupees during the year, in aggregate from banks and/or financial institutions, on the basis of security of current assets. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.

(iii) During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause (iii) of paragraph 3 of the Order is not applicable

(iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion, the Company has complied with the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Act and the rules made there under with regard to the acceptance of deposits or amounts which are deemed to be deposits, except for the refundable share application money which was outstanding for more than 15 days from the day it was due to be repaid, which has been subsequently paid during the year. Further, as informed, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits or amounts which are deemed to be deposits.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.

(vii) (a) The Company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, though there has been a slight delay in a few cases. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

AND

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable, except as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months (₹In Lakhs)

Name of the statute	Nature of the dues	Amount `	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Employees' State Insurance Act, 1948	ESIC	0.26	April 22 to October 22	15th of every following month	Not Paid	
The Employee's Provident Funds and Miscellaneous Provisions Act, 1952	PF	22.36	April 22 to October 22	15th of every following month	Not Paid	

(b) The dues outstanding with respect to provident fund, employees' state insurance, income tax, GST, sales tax, service tax, value added tax, customs duty, excise duty and cess, on account of any dispute, are as follows:

Statement of Disputed Dues (₹In Lakhs)

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where dispute is pending	Remarks, if any	Remarks, if any
Income Tax Act, 1961	Tax and Penalty	39.27	AY 2015-16	Commissioner of Income Tax (Appeals)	Not Paid	

(viii) We have not come across any transaction(s) which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, except for the details given below:

Nature of Borrowing including debt securities	**Name of lender**	**Amount not paid on due date (`)**	**Whether principal or interest**	**No of days delay or unpaid**	**Remarks if any**	**Remarks, if any**
Loan repayable on Demand	From Related parties	1.55 Lakhs	Interest	2days		

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not obtain any money by way of term loans during the year/and there were no outstanding term loans at the beginning of the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.

(d) On an overall examination of the Ind AS financial statements of the Company, no funds raised on short-term basis have, been used for long-term purposes by the Company.

(e) On an overall examination of the Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, as defined under the Act.

(x) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.

(xi) (a) 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 fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.

(b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.

(c) There are no whistle blower complaints received by the Company during the year and upto the date of this report.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) All transactions entered into by the Company with the related parties are in compliance with section 188 of the Act, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards. Since the Company is a private limited company, the provisions of section 177 of the Act are not applicable to the Company.

(xiv) In our opinion, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Hence, reporting under clause (xiv) of paragraph 3 of the Order is not applicable.

(xv) The Company has not entered into any non-cash transactions with its Directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.

(xvii) The Company has incurred cash losses for the current and the immediately preceding financial year amounting to Rs. 2,057.99 lakhs and Rs. 1,023.75 lakhs respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone@ Ind AS financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report and that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Sumant Sakhardande

Partner

Membership No. 034828

UDIN: 23034828BGWUFI8069

Place: Mumbai

Date: July 08, 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(i) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of HW Wellness Solutions Private Limited on the Ind AS financial statements for the year ended March 31, 2023]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of HW Wellness Solutions Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Sumant Sakhardande
Partner
Membership No. 034828
UDIN: 23034828BGWUFI8069

Place: Mumbai
Date: July 08, 2023

BALANCE SHEET

as at year ended March 31, 2023

(Amount in Rupees, except for share data and if otherwise stated)

(Amount in lakhs)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
ASSETS				
Non-current assets				
Property, Plant and Equipment	2	126.24	169.58	79.70
Right of use assets	3	517.42	151.15	199.25
Financial assets	**4**			
(i) Other financial assets		1,614.38	73.21	45.05
Current tax Assets (net)	5	65.89	35.54	11.80
Deferred tax assets (net)	6	481.01	-	173.57
Total non-current assets		**2,804.94**	**429.48**	**509.37**
Current assets				
Inventories	7	536.75	434.20	235.66
Financial Assets				
(i) Investment	8	280.33	0.50	132.57
(ii) Trade receivables	9	712.50	461.89	214.69
(iii) Cash and cash equivalents	10	171.05	31.97	247.99
(iv) Bank balances other than cash and cash equivalents	11	2,095.55	-	-
(v) Other Financial Assets	12	0.08	7.52	9.00
Other current assets	13	547.22	310.41	233.15
Total current assets		**4,343.48**	**1,246.49**	**1,073.06**
Total Assets		**7,148.42**	**1,675.97**	**1,582.43**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	14	2.25	1.53	1.51
Other Equity	15	5,169.31	-592.26	281.82
Total Equity		**5,171.55**	**-590.72**	**283.32**
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	16	-	911.72	634.51
(ia) Lease Liabilities	17	386.77	-	107.70
Provisions	18	42.08	30.85	45.45
Total Non-current liabilities		**428.85**	**942.57**	**787.66**
Current liabilities				
Financial Liabilities				
(i) Borrowings	16	-	285.09	0.01
(ia) Lease Liabilities	17	145.19	156.63	88.03
(ii) Trade payables	19			
Total outstanding dues of micro enterprises and small enterprises		227.52	204.51	116.70
Total outstanding dues of creditors other than micro enterprises and small enterprises		870.85	468.46	159.99
(iii) Other financial liabilities	20	125.85	18.91	5.97
Other current liabilities	21	56.65	67.64	58.15
Provisions	18	121.96	122.89	82.60
Total current liabilities		**1,548.02**	**1,324.13**	**511.45**
Total liabilities		**1,976.87**	**2,266.70**	**1,299.11**
Total equity and liabilities		**7,148.42**	**1,675.97**	**1,582.43**

Summary of significant accounting policies

The accompanying notes are an integral part of these financial statements

As per our Report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration Number: 103523W/W100048

Sumant Sakhardande
Partner
Membership Number - 034828

Place: Mumbai
Date: 8th July 2023

For and on behalf of the Board of Directors of
HW Wellness Solutions Private Limited
CIN: U51900PN2013PTC149864

Puru Gopesh Gupta
Director
DIN: 05017875

Place: Mumbai
Date: 8th July 2023

Sreejith Moolayil
Director
DIN: 06702399

Place: Mumbai
Date: 8th July 2023

STATEMENT OF PROFIT & LOSS

for the period ended March 31, 2023

(Amount in Rupees, except for share data and if otherwise stated)

(Amount in lakhs)

Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue			
Revenue from operations	22	5,739.61	4,584.23
Other Income	23	347.13	68.42
Total Income		**6,086.74**	**4,652.65**
Expenses			
Cost of material consumed	24	3,658.74	2,556.65
Changes in inventories of finished goods and work-in progress	25	-63.29	-104.10
Employee benefit expenses	26	1,444.70	1,063.00
Finance cost	27	99.93	217.82
Depreciation and amortisation expenses	28	270.40	204.97
Other expenses	29	3,017.10	1,903.96
Total Expenses		**8,427.58**	**5,842.30**
Profit/(Loss) before exceptional items and tax		**-2,340.84**	**-1,189.65**
Exceptional Items			
Profit/(Loss) before tax		**-2,340.84**	**-1,189.65**
Income Tax Expense			
Current Tax		-	-
Deferred Tax charge/(credit)	6	-479.16	173.57
Total tax expense		**-479.16**	**173.57**
Profit/(Loss) for the year		**-1,861.68**	**-1,363.22**
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		-7.37	31.33
Income tax relating to items that will not be reclassified to profit or (loss)		1.85	-
Total Other Comprehensive Income		**-5.52**	**31.33**
Total Comprehensive Income for the year		**-1,867.20**	**-1,331.89**
Earning per Equity share for (Nominal Value Rs. 10 per Share)			
Basic Earning Per share		(8,686.02)	(9,016.60)
Diluted Earning Per share		(8,686.02)	(9,016.60)

Summary of significant accounting policies 1

The accompanying notes are an integral part of these financial statements

As per our Report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration Number: 103523W/W100048

Sumant Sakhardande
Partner
Membership Number - 034828

Place: Mumbai
Date: 8th July 2023

For and on behalf of the Board of Directors of
HW Wellness Solutions Private Limited
CIN: U51900PN2013PTC149864

Puru Gopesh Gupta
Director
DIN: 05017875

Place: Mumbai
Date: 8th July 2023

Sreejith Moolayil
Director
DIN: 06702399

Place: Mumbai
Date: 8th July 2023

STATEMENT OF CHANGES IN EQUITY

for the period ended May 23, 2023

A. Equity Share Capital

Particulars	Amount
As at 1st April 2021	**1.51**
Change in Equity share capital due to prior period error	-
Restated balance at the beginning of the current reporting	**1.51**
Changes in equity share capital	0.03
As at 31st March 2022	**1.53**
Change in Equity share capital due to prior period error	
Restated balance at the beginning of the current reporting	**1.53**
Changes in equity share capital	0.71
As at 31st March 2022	**2.25**

B. Other Equity

(Amount in Rupees, unless otherwise stated)

Particulars	Convertible cumulative preference shares	Attributable to owners					
		Reserves and surplus			Equity Component of Compounding Financial Instrument	Other Compre-hensive Income	Total other equity
		Securities Premium	Retained earnings	Share Based Payment Reserve			
Balance as at 1st April, 2021 as per audited IGAAP financial statements:-	**0.17**	**1,198.14**	**-743.32**	**-**	**-**	**-**	**454.99**
- Ind AS Adjustment	-0.17	-347.90	-151.47	125.72	337.15	3.98	-32.78
- Prior period errors	-	-	-140.39	-	-	-	-140.39
Balance as at 1st April, 2021 - Restated	**-**	**850.24**	**-1,035.18**	**125.72**	**337.15**	**3.98**	**281.82**
-Profit/(Loss) for the year - Restated	-	-	-1,363.22	-	-	-	-1,363.22
-Premium on Issue of Equity Shares	-	380.97	-	-	-	-	380.97
-Other comprehensive income for the year	-	-	-	-	-	31.33	31.33
-Recognition of Share Based Payments	-	-	-	76.84	-	-	76.84
Balance as at 31st March, 2022 - Restated	**-**	**1,231.21**	**-2,398.40**	**202.56**	**337.15**	**35.31**	**-592.26**
-Profit/(Loss) for the year	-	-	-1,861.68	-	-	-	-1,861.68
-Other Comprehensive Income for the year	-	-	-	-	-	-5.52	-5.52
-Premium on Issue of Equity Shares	-	7,498.38	-	-	-		7,498.38
-Conversion of Preference Shares into Equity Shares	-	360.17	-	-	-337.15	-	23.02
-Transfer of SBP Reserve to Security Premium on Issue of shares.	-	130.54	-	-130.54	-	-	-
-Recognition of Share Based Payments	-	-	-	107.35	-	-	107.35
Balance as at 31st March, 2023	**-**	**9,220.30**	**-4,260.08**	**179.37**	**-**	**29.79**	**5,169.31**

The above statement of changes in equity should be read in conjunction with the accompanying notes..

Nature and Purpose of Reserves

Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Share Based Payment Reserve

The Company has established various equity settled share based payment plans for certain category of employees of the company.

Equity Component of Compounding Financial Instrument

During the financial year 2016-17, the Company issued 1660 Series A Cumulative Convertible preference share (“CCPS”) of Rs. 10 each fully paid – up at a premium of Rs. 20,958 per share. Series A preference share carry cumulative dividend @ 0.001% p.a. Each Series A preference share, at the option of holder at any time will convert into 1 Equity Shares without any additional payment for such conversion. During the period ended March 31, 2022, the preference share holder has excercied their rights and has converted their preference shares to equity shares.

As per our Report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration Number: 103523W/W100048

Sumant Sakhardande
Partner
Membership Number - 034828

Place: Mumbai
Date: 8th July 2023

For and on behalf of the Board of Directors of
HW Wellness Solutions Private Limited
CIN: U51900PN2013PTC149864

Puru Gopesh Gupta
Director
DIN: 05017875

Place: Mumbai
Date: 8th July 2023

Sreejith Moolayil
Director
DIN: 06702399

Place: Mumbai
Date: 8th July 2023

STATEMENT OF CASH FLOW

for the year ended March 31, 2023

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Cash flows from operating activities		
Profit for the year	**-2,340.84**	**-1,189.65**
Adjustments for:		
Depreciation on property, plant and equipment [refer note 2]	114.37	83.73
Depreciation on Right to Use Assets[refer note 3]	156.03	121.24
Dividend on Investment in liquid mutual funds	-88.20	-1.21
Interest on fixed deposits	-169.18	-3.54
Expenses on employee stock option scheme	107.35	76.84
Interest expenses on financial liabilities at amortised cost	0.39	3.70
Lease finance cost	34.04	22.96
Other finance cost	37.38	163.04
Provision for dountful debts	42.94	-3.60
Laibilities written back	-81.53	-51.08
Interest income from financial assets at amortised cost	-6.86	-6.95
Fixed assets write off	-	2.43
Profit on sale of fixed assets (net)	-	-0.44
Operating Cash Flow before Working Capital Changes	**-2,194.15**	**-782.55**
Adjustment for (increase)/decrease in operating assets:		
Inventories	-102.54	-198.54
Trade Receivables	-287.55	-196.12
Other Financial Assets	11.81	-33.63
Other Current/Non-Current assets	-242.81	-77.26
Adjustment for increase/(decrease) in operating Liabilities:		
Trade Payables	424.87	396.08
Other Financial Liabilities	102.21	11.36
Other current Liabilities	70.54	60.57
Provisions	2.93	25.70
Cash generated from operations	**-2,214.65**	**-794.37**
Taxes Paid (Net)	-30.35	-23.74
Net Cash(Used in)/Generated from Operating Activities (A)	**-2,245.00**	**-818.11**
Cash flows from investing activities		
Interest on fixed deposits	46.34	3.54
Dividend on Investment in liquid mutual funds	88.20	1.21
Purchase of property, plant and equipment	-64.30	-177.40
Sale of property, plant and equipment	-	1.79
Net proceeds/investments in fixed deposits	-3,527.03	-
Net proceeds/investments in mutual funds	-279.84	132.07
Net cash (used in)/generated by investing activities (B)	**-3,736.63**	**-38.79**

STATEMENT OF CASH FLOW (Contd.)

for the year ended March 31, 2023

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Cash flows from financing activities		
Proceeds from issuance of share capital	0.71	0.03
Proceeds from securities premium	7,498.38	380.97
Proceeds/(Repayment) from Optionally convertible debentures (OCD)	-798.23	200.00
Interest paid on Optionally convertible debentures (OCD)	-119.50	-70.43
Proceeds/(Repayment) of Borrowings-Unsecured Loan(Net)	-150.00	150.00
Interest paid on Borrowings-Unsecured Loan(Net)	-4.78	-2.55
Proceeds/(Repayment) of Borrowings-CC(Net)	-133.48	124.95
Interest paid on Borrowings-CC(Net)	-5.02	-8.52
Refund of share application money	-2.01	-1.57
Proceeds/(Repayment) of Lease liabilities	-165.36	-132.00
Net cash used in financing activities (C)	**6,120.71**	**640.88**
Net increase in cash and cash equivalents (A+B+C)	139.08	-216.02
Cash and cash equivalents at the beginning of the year	31.97	247.99
Cash and cash equivalents at the end of the year(Refer Note No. 9)	**171.05**	**31.97**

As per our Report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration Number: 103523W/W100048

Sumant Sakhardande
Partner
Membership Number - 034828

Place: Mumbai
Date: 8th July 2023

For and on behalf of the Board of Directors of
HW Wellness Solutions Private Limited
CIN: U51900PN2013PTC149864

Puru Gopesh Gupta
Director
DIN: 05017875

Place: Mumbai
Date: 8th July 2023

Sreejith Moolayil
Director
DIN: 06702399

Place: Mumbai
Date: 8th July 2023

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

1. Summary of significant Accouning Policies

A. Background and operations

"HW WELLNESS SOLUTIONS PRIVATE LIMITED was incorporated on 19th December 2013 under Companies Act, 2013. The Company is dealing in cereal breakfast food products. The Company owns brand ''True Elements'' India's 1st Clean Label & 100% Wholegrain certified food brand.

Address of the registered office: S No 254, Tirumalla Indutsry Estate, Phase 2 Road, Hinjawadi, Pune, Maharashtra, India, Pin - 411 057.

Address of the registered office:

S No 254, Tirumalla Indutsry Estate, Phase 2 Road, Hinjawadi, Pune, Maharashtra, India, Pin - 411 057.

B. Summary of Significant Accounting Policies

A. Basis Of Preparation:

(i) Statement of Compliance:

The financial statements comply with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 (the "Act"), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), relevant provisions of the Act and other accounting principles generally accepted in India. The financial statements are prepared on accrual and going concern basis.

(ii) Basis of Measurement:

The financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities which are measured at fair value or amortized cost at the end of each financial year.

(iii) Critical Accounting Estimates / Judgments:

In preparing these financial statements, the management has made judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities, income and expenses and hence actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates where necessary are recognized prospectively.

Significant areas of estimation and judgments (as stated in the respective Accounting Policies) that have the most significant effect on the financial statements are as follows:

a. Impairment of Asset

b. Estimate of provision for sales returns on account of damage and expiry.

c. Provision for inventories

d. Measurement of useful life and residual values of property, plant and equipment and components thereof

e. Recognition of Deferred Tax Assets

f. Judgement required for ascertainment of contracts in the nature of lease, lease term and fair value of lease as per Ind AS 116.

g. Measurement of Fair Values and Expected Credit Loss (ECL)

(iv) Functional and Presentation Currency

Currency of the primary economic environment in which the Company operates ("the Functional Currency") is Indian Rupees (INR) in which the Company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupees (INR). The financial statements are presented in Indian Rupees (INR) which is Company's Presentation and Functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs (up to two decimal), unless otherwise stated.

(v) Operating cycle & Classification of Current & Non-Current

All assets and liabilities are classified into current and non-current.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realized within 12 months after the reporting period; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting period; or

d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Co. being in service sector, there is no specific operating cycle. However, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

(vi) Financial statement is prepared in alignment with the accounting policy followed by the Holding Company for the purpose of Consolidation to the extent applicable. The Company has adopted similar Accounting Policy which were followed in there last Audited Financial statement on a consistent basis.

B. Accounting Policies:

a) Foreign currency transactions:

i. Functional and presentation currencies:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in INR which is the functional and presentation currency for HW Wellness Solutions Private Limited.

ii. Transactions & Balances:

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the Statement of Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

b) Revenue recognition:

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

The Company recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Timing of recognition in case of sale of goods:

Sale of goods is recognized when control of the goods has transferred to the customers, depending on individual terms i.e. at the time of dispatch, delivery or formal customer acceptance depending on agreed terms.

c) Income recognition:

Dividend:-

Dividends are recognised in Statement of Profit and Loss account only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

d) Income Tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

e) Property, plant and equipment:

Property, plant and equipment is recognised 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. Property, plant and equipment is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any.

All items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortisation and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs & maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of Property Plant and Equipments that are not yet ready for their intended use at the year end.

Depreciation and amortization

Depreciation is calculated using the written down value method to allocate the cost of Property, Plant and Equipment, net of residual values, over their estimated useful lives.

The estimated useful lives of property, plant and equipment of the Company are as follows:

Assets	Useful life (years)	Useful Life as specified in Schedule II of The Companies Act, 2013 (in Years)
Motor vehicle	8	6-8
Office Equipment*	5-10	5
Furniture and Fixture	2-10	10
Computer*	3-5	3
Plant & Equipment	2-10	10
Leasehold Improvement	Lease period	
Right to Use Asset	Lease period	

* * For these assets the Company uses different useful life than those prescribed in Schedule II to the Companies Act, 2013. The uselful life has been assessed based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset on the basis of management's best estimation of getting economic benefits from those class of assets.

Apart from the above, the useful lives of other class of assets are in line with that prescribed in the Schedule II to the Companies Act, 2013.

Fixtures in leasehold premises are amortized over the primary period of the lease or useful life of the fixtures whichever is lower.

Depreciation on additions / deletions during the year is provided from the month in which the asset is capitalized up to the month in which the asset is disposed off.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

f) Intangible Assets:

i. Intangible assets with finite useful life:

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated amortisation and impairment loss, if any. Cost includes taxes, duties and other incidental expenses related to acquisition and other incidental expenses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of respective intangible assets, but not exceeding the useful lives given here under:

Particulars	Useful life (In years)
Computer Software	3

g) Lease:

As a lessee

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i) the contract involves the use of an identified asset

ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

h) Investment& financial assets (Other than Trade Receivable):

i. Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair VALUE (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

Classification of debt assets will be driven by the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

- Amortised Cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cashflows & for selling the financial assets, where the assets cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive the dividend is established.

iii. Impairment of financial assets:

The Company assesses if there is any significant increase in credit risk pertaining to the assets and accordingly creates In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historical observed default rates are updated and changes in the forward-looking estimates are analysed.

iv. Derecognition of financial assets:

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- the Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows so received to one or more recipients

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

i) Inventories:

Raw materials, packing materials, stores and spares are valued at lower of cost and net realizable value.

Work-in-progress, finished goods and stock-in-trade (traded goods) are valued at lower of cost and net realizable value.

By-products and unserviceable / damaged finished goods are valued at estimated net realizable value.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost is assigned on the basis of FIFO method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

j) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

k) Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss..

l) Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get 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.

Other borrowing costs are expensed in the period in which they are incurred.

m) Employee Benefits:

i. Short term benefit:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Defined contribution plan:

Provident fund:

The company makes contribution in Provident fund according to ‘The Employee Provident Fund and Miscellaneous Provision Act, 1952. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefits expense when an employee renders the related service.

iii. Defined benefit plan:

Gratuity:

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

iv. Other long term employee benefits

Leave encashment:

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation and classified as long term and short term. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

n) Provisions and Contingent Liabilities:

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

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

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

o) Commitments:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(i) estimated amount of contracts remaining to be executed on capital account and not provided for;

(ii) uncalled liability on shares and other investments partly paid;

(iii) funding related commitment to subsidiary, associate and joint venture companies; and

(iv) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

p) Cash and Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdraft.

q) Impairment of assets:

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which asset’s carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset’s fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

r) Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

s) Earnings Per Share:

i. Basic earnings per share:

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii. Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

t) Contributed Equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

u) Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2022.

v) Segment Reporting:

The Company is engaged in food/cereal food products related business, which is the only reportable segment. Hence, the Company considers only channel wise revenue earned for the purposes of Segment Reporting. Operating segments are reported in a manner consistent with the internal financial reporting to the Chief Operating Decision Maker “CODM” of the Company i.e. the Board of Directors of the Company under Ind AS 108 “Operating Segments”.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

2 Property, Plant and Equipment

(Amount in lakhs)

Particulars	Computers	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Leasehold Improvement	Total
Year ended March 31, 2023							
Gross carrying amount							
Opening gross carrying amount	**18.39**	**131.52**	**76.93**	**12.76**	**13.41**	**-**	**253.01**
Additions	13.29	36.83	2.42	4.26	-	14.24	71.04
Impairment loss	-	-	-	-	-	-	-
Disposals / write off	-	-	-	-	-	-	-
Closing gross carrying amount	**31.68**	**168.35**	**79.35**	**17.02**	**13.41**	**14.24**	**324.05**
Accumulated depreciation							
Opening accumulated depreciation	7.54	38.33	28.77	4.60	4.20	-	83.44
Depreciation charge during the year	11.25	69.03	21.20	4.07	2.88	5.94	114.37
Disposals / write off	-	-	-	-	-	-	-
Closing accumulated depreciation	**18.79**	**107.36**	**49.97**	**8.67**	**7.08**	**5.94**	**197.81**
Net carrying amount	**12.89**	**60.99**	**29.38**	**8.35**	**6.33**	**8.30**	**126.24**

(Amount in lakhs)

Particulars	Computers	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Year ended March 31, 2022						
Gross carrying amount						
Deemed cost as at 1st April 2021*	**5.23**	**28.67**	**10.29**	**21.74**	**13.77**	**79.70**
Additions	12.71	88.40	66.50	9.79	-	177.40
Disposals / write off	0.17	1.98	1.74	0.19	-	4.08
Impact of reclassification	0.62	16.43	1.88	-18.56	-0.36	0.00
Closing gross carrying amount	**18.39**	**131.52**	**76.93**	**12.76**	**13.41**	**253.02**
Accumulated depreciation						
Opening accumulated depreciation	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge during the year	7.54	38.63	28.77	4.60	4.20	83.74
Assets included in a disposal group classified as held for sale	-	-	-	-	-	-
	-	0.30	-	-	-	0.30
Closing accumulated depreciation	**7.54**	**38.33**	**28.77**	**4.60**	**4.20**	**83.44**
Net carrying amount	**10.85**	**93.19**	**48.16**	**8.16**	**9.21**	**169.58**

* Refer Note no. 43 A.1 for reconciliation of deemed cost as considered by company persuant to transition provision under IND AS 101.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

3 Right of use Assets

(Amount in lakhs)

Particulars	Amount
Year ended March 31, 2023	
Gross carrying amount	
Opening gross carrying amount	**272.39**
Additions	**522.30**
Disposals / write off	**-**
Closing gross carrying amount	**794.69**
Accumulated depreciation	
Opening accumulated depreciation	**121.24**
Depreciation charged during the year	156.03
Disposals / write off	-
Closing accumulated depreciation	**277.27**
Net carrying amount	**517.42**

(Amount in lakhs)

Particulars	Amount
Year ended March 31, 2022	
Gross carrying amount	
Opening gross carrying amount	**-**
Recognition on transition to Ind AS	199.25
Additions	73.14
Disposals / write off	-
Closing gross carrying amount	**2 72.39**
Accumulated depreciation	
Opening accumulated depreciation	**-**
Depreciation charged during the year	121.24
Disposals / write off	-
Closing accumulated depreciation	**121.24**
Net carrying amount	**151.15**

4 Other Financial Assets (Non Current)

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Security Deposits-Considered Good	60.06	68.64	41.06
Deposit with SIDBI	-	4.57	3.99
Fixed Deposits with financial institutions	1,554.32	-	-
Total	**1,614.38**	**73.21**	**45.05**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

5 Current tax Assets (net)

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Advance Tax (including tax deducted at source) [net of provison for tax is Rs.Nil (as at 31st March 2022 is Rs.Nil, as at 1st April 2021 is Rs.Nil)	65.89	35.54	11.80
Total	**65.89**	**35.54**	**11.80**

6 Deferred Tax Asset/ (Liabilities)

The balance comprises temporary differences attributable to :

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Tax losses	1,658.59	-	-
Defined benefit obligations			
Deferred tax assets :			
Additional depreciation/amortisation on property plant and equipment, for tax purposes due to lower tax depreciation rates.	17.11	-	5.84
Liabilities / provisions that are deducted for tax purposes when paid	15.28	-	21.45
Lease assets	23.05	-	-
Provision for doubtful debts/ loans/ advances that are deducted for tax purposes when written off	8.13	-	-
Unabsorbed Business Losses	417.43	-	141.79
Others			4.49
Total deferred tax assets	**481.01**	**-**	**173.57**
Deferred tax liabilities :			
Additional depreciation/amortisation on property plant and equipment, and investment property for tax purposes due to higher tax depreciation rates.	-	-	-
Financial assets at fair value through Profit and loss	-	-	-
Other temporary differences	-	-	-
Total deferred tax liabilities	**-**	**-**	**-**
Net deferred tax assets	**481.01**	**-**	**173.57**

7. Inventories

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Raw & Packing materials	260.46	221.20	126.76
Finished goods			
- In stock	276.29	173.64	98.48
- In transit	-	39.36	10.42
Total	**536.76**	**434.20**	**235.66**

In the year ended 31 March 2023, the write-down of inventories to net realisable value amounted to Rs.0.23 Lakh (31 March 2022: Rs.2.64 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

8. Investment (Current)

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Investment in cash fund	280.33	0.50	132.57
Total	**280.33**	**0.50**	**132.57**

As on 31st March 2023

(Amount in lakhs)

Particulars	No of units	NAV	Amount
Non Trade Investment			
Unquoted			
Investments in mutual funds:			
Bandhan Liquid Fund-Growth-(Direct Plan)	10,311.76	2,718.58	280.33
			280.33

As on 31st March 2022

(Amount in lakhs)

Particulars	No of units	NAV	Amount
Non Trade Investment			
Unquoted			
Investments in mutual funds:			
IDFC Ultra Short Term Fund	0.04	12.50	0.00
IDFC Overnight Fund	43.38	1,133.90	0.49
IDFC Money Manager Funds	21.45	34.92	0.01
			0.50

As on 31st March 2021

(Amount in lakhs)

Particulars	No of units	NAV	Amount
Non Trade Investment			
Unquoted			
Investments in mutual funds:			
IDFC Ultra Short Term Fund	411.00	11.96	0.05
IDFC Overnight Fund	490.00	1,097.15	5.38
IDFC Cash Fund	5,114.00	2,486.12	127.14
IDFC Money Manager Funds	21.00	34.36	0.01
			132.58

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

9 Trade Receivables

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Trade receivables considered good - Secured	-	-	-
Trade receivables considered good - Unsecured	623.17	461.89	214.69
Undisputed Trade Receivables - which have significant increase in credit risk	119.11	-	3.67
Undisputed Trade Receivables - Credit Impaired	3.39	0.01	3.62
	745.67	**461.90**	**221.98**
Less: Provision for credit loss	33.17	0.01	7.29
Total	**712.50**	**461.91**	**214.69**

Trade Receivable

As on 31st March 2023

(Amount in lakhs)

Sr. No	Particulars	Outstanding as on 31st March, 2023 from due date of payment						Total
		Not Due	<6 Months	6 Months - 1 Year	1-2 Year	2-3 years	>3 Years	
1	Undisputed Trade Receivables - Considered good	221.41	327.20	55.43	19.13	-	-	623.17
2	Undisputed Trade Receivables - which have significant increase in credit risk	-	1.21	117.90	-	-	-	119.11
3	Undisputed Trade Receivables - Credit Impaired	0.97	0.22	0.84	0.90	0.44	0.02	3.39
4	Disputed Trade Receivable - Considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
		222.38	**328.63**	**174.17**	**20.03**	**0.44**	**0.02**	**745.67**
	Less: Provision for credit loss	0.97	0.52	30.32	0.90	0.44	0.02	33.17
	Total	**221.41**	**328.11**	**143.85**	**19.13**	**-**	**-**	**712.50**

As on 31st March 2022

Sr. No	Particular	Outstanding as on 31st March, 22 from due date of payment						Total
		Not Due	<6 Months	6 Months - 1 Year	1-2 Year	2-3 years	>3 Years	
1	Undisputed Trade Receivables - Considered good	185.39	273.39	2.53	0.58	-	-	461.89
2	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
3	Undisputed Trade Receivables - Credit Impaired	0.00	0.00	0.00	0.00	0.01	-	0.01
4	Disputed Trade Receivable - Considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
		185.39	**273.39**	**2.53**	**0.58**	**0.01**	**-**	**461.90**
	Less: Provision for credit loss	0.00	0.00	0.00	0.00	0.01	-	0.01
	Total	**185.39**	**273.39**	**2.53**	**0.58**	**0.00**	**-**	**461.89**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

As on 31st March 2021

Sr. No	Particular	Outstanding as on 31st March, 22 from due date of payment						
		Not Due	<6 Months	6 Months - 1 Year	1-2 Year	2-3 years	>3 Years	Total
1	Undisputed Trade Receivables - Considered good	119.24	95.46	-0.00	-	-	-	214.69
2	Undisputed Trade Receivables - which have significant increase in credit risk	-	0.50	1.95	1.22	-	-	3.67
3	Undisputed Trade Receivables - Credit Impaired	0.43	0.73	0.06	0.07	2.32	-	3.62
4	Disputed Trade Receivable - Considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
		119.67	**96.69**	**2.01**	**1.30**	**2.32**	**-**	**221.99**
	Less: Provision for credit loss	0.43	1.23	2.01	1.30	2.32	-	7.29
	Total	**119.24**	**95.46**	**0.00**	**0.00**	**0.00**	**-**	**214.70**

10 Cash and Cash Equivalents

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Bank balances in current accounts	170.98	11.58	45.89
Deposits with original maturity of less than three months	-	20.36	201.73
Cash on hand	0.07	0.03	0.37
Total	**171.05**	**31.97**	**247.99**

11 Bank balances other than cash and cash equivalents

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Fixed deposits with maturity more than 3 months but less than 12 months	2,095.55	-	-
Total	**2,095.55**	**-**	**-**

12 Other Financial Assets

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Receivable from employees	-	7.49	-
Less: Provision for doubtful receivables	-	-	-
Receivable from employees (net)	-	7.49	-
Deposit rent	-	-	9.00
Advance salary	0.08	0.03	-
Total	**0.08**	**7.52**	**9.00**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

13 Other Current Assets

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Advances to vendors	9.11	9.25	17.41
Less: Provision for doubtful	6.00	-	-
Advances to vendors (Net of provision)	3.11	9.25	17.41
Prepaid expenses	21.95	13.46	8.16
Balances with government authorities	506.27	268.36	200.21
Others	15.89	19.34	7.37
Total	**547.21**	**310.41**	**233.15**

14 Equity Share Capital

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Authorised share capital			
As at 31st March, 2023			
48000,(previous year 48,000) Equity shares of Re. 10/- each	4.80	4.80	4.80
Total	**4.80**	**4.80**	**4.80**

(Amount in lakhs)

Issued, subscribed and paid-up as at March 31, 2023	No of shares	Face Value
Equity shares of Rs. 10 each	22,456	2.25
Total	**22,456**	**2.25**

(Amount in lakhs)

Issued, subscribed and paid-up as at March 31, 2022	No of shares	Face Value
Equity shares of Rs. 10 each	15,324	1.53
Total	**15,324**	**1.53**

(Amount in lakhs)

Issued, subscribed and paid-up as at March 31, 2021	No of shares	Face Value
Equity shares of Rs. 10 each	15,070	1.51
Total	**15,070**	**1.51**

(i) Reconciliation of equity share capital

(Amount in lakhs)

Particulars	No of shares	Face Value
As at 1st April, 2021	15,070	1.51
Increases during the year		
Right issue	65	0.01
Fresh issue	189	0.02
As at 31st March, 2022	**15,324**	**1.54**
Increases during the year		
Right issue	5,004	0.50
Conversion of Preference Shares into Equity Shares	1,660	0.17
Employees stock options	468	0.05
As at March 31, 2023	**22,456**	**2.26**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

(ii) Details of shareholders holding more than 5% shares in the Company

(Amount in lakhs)

Name of Shareholder	As at 31st March, 2023	
Equity Shares of Re. 10/- each fully paid-up	**No. of Shares held**	**% of Holding**
Marico Limited	12,121	53.98%
Puru Gupta	5,000	22.27%
Sreejith Moolayil	5,000	22.27%

(Amount in lakhs)

Name of Shareholder	As at 31st March, 2022	
Equity Shares of Re. 10/- each fully paid-up	**No. of Shares held**	**% of Holding**
Puru Gupta	5,075	33.12%
Sreejith Moolayil	5,022	32.77%
Arun Kumar Sipani	1,300	8.48%

(Amount in lakhs)

Name of Shareholder	As at 31st March, 2022	
Equity Shares of Re. 10/- each fully paid-up	**No. of Shares held**	**% of Holding**
Puru Gupta	5,055	33.54%
Sreejith Moolayil	5,022	33.32%
Arun Kumar Sipani	1,300	8.63%

(iii) Shares held by Promoters

(Amount in lakhs)

Promoter Name	As at 31st March, 2023		
	No. of shares	**% of total share**	**% change during year**
Puru Gupta	5,000	22.27%	1.48%
Sreejith Moolayil	5,000	22.27%	0.44%

(Amount in lakhs)

Promoter Name	As at 31st March, 2022		
	No. of shares	**% of total share**	**% change during year**
Puru Gupta	5,075	33.12%	1.27%
Sreejith Moolayil	5,022	32.77%	1.66%

(Amount in lakhs)

Promoter Name	As at 31st March, 2021	
	No. of shares	**% of total share**
Puru Gupta	5,055	33.54%
Sreejith Moolayil	5,022	33.32%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

Note (a)- The Equity Share Holders and Preference Shareholders transferred their share holdings to Marico Ltd by virtue of Share Purchase Agreement on 23.05.2022 and thereafter the Preference Shares has been converted into the Equity Shares. Further Company has issued 5004 fresh Right issue to Marico Ltd at face value of ₹ 10/- and premium of ₹ 1,49,847/- By Virtue of this transfer and fresh issue, Marico Ltd has became Holding company with 54% of Shareholding.

The Company has not allotted any equity shares as fully paid up by the way of bonus shares or other than consideration in cash in the last 5 years.

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all secured and preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15 Other Equity

Equity Component of Financial Instrument

(Amount in lakhs)

Particulars	Amount
Balance as at 1st April, 2021 as per audited IGAAP financial statements:-	-
-Ind AS Adjustment	337.15
Balance as at 1st April, 2021 - Restated	337.15
-Changes during the year	-
Balance as at 31st March, 2022 - Restated	337.15
-Conversion of Preference Shares into Equity Shares	-337.15
Balance as at 31st March, 2023	-

(i) a. Reconciliation of preference share capital

(Amount in lakhs)

Particulars	No of shares	Face Value
As at 1st April, 2021	1,660	0.17
Changes during the year	-	-
As at 31st March, 2022	**1,660**	**0.17**
Increases during the year		
Conversion of Preference Shares into Equity Shares	(1,660)	-0.17
As at March 31, 2023	**-**	**-**

(ii) b. Rights, preferences and restrictions attached to preference shares

During the financial year 2016-17, the Company issued 1660 Series A Cumulative Convertible preference share ('Series A preference share') of ₹10 each fully paid-up at a premium of ₹20,958 per share. Series A preference share carry cumulative dividend @ 0.001% p.a. Each Series A preference share, at the option of holder at any time will convert into 1 (one) Equity Share (subject to certain adjustments) without any additional payment for such conversion, but not later than 19 years and 11 months from the date of issue of such shares. The Series A preference share will, with respect to dividends and distributions upon the dissolution, liquidation or winding-up of the Company and all other rights and preferences, rank prior, superior and in preference to all classes of Equity Shares and to each other class of Shares or series of preference shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

During the period ended March 31st, 2023, the preference share holder has excercied their rights and has converted their preference shares to equity shares.

Reserves and Surplus

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Securities premium	9,220.31	1,231.21	850.24
Retained earnings	-4,260.08	-2,398.41	-1,035.19
Share based payment reserve	179.35	202.56	125.72
Total	**5,139.57**	**-964.64**	**-59.23**

(i) Securities premium

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Opening balance	1,231.21	850.24	1,198.14
Less: Ind AS Adjustment			-347.90
Add: Exercise of employee stock options	130.54	-	-
Add: Changes during the year	7,858.56	380.97	-
Closing balance	**9,220.31**	**1,231.21**	**850.24**

(ii) Retained earnings

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Opening balance	-2,398.41	-1,035.19	-743.32
Less: Ind As Adjustment in Opening Balance Sheet	-	-	-151.47
Less: Prior period errors	-	-	-140.39
Opening balance after Ind As Adjustment	**-2,398.41**	**-1,035.19**	**-1,035.19**
Net Profit/Loss during the period	-1,861.68	-1,363.22	-
Closing balance	**-4,260.08**	**-2,398.41**	**-1,035.19**

(iii) Other Comprehensive Income

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Opening balance	35.31	3.98	-
Add: Ind As Adjustment in Opening Balance Sheet	-	-	3.98
Opening balance after Ind As Adjustment	**35.31**	**3.98**	**3.98**
Other comprehensive income for the year	-5.52	31.33	-
Closing balance	**29.79**	**35.31**	**3.98**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

(iv) Share Based Payment Reserve

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Opening balance	202.56	125.72	-
Add: Employee share-based payment expense for the year	107.35	76.84	125.72
Less: Transferred to Securities Premium	130.54	-	-
Closing balance	**179.35**	**202.56**	**125.72**

16 Non-Current Borrowings

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Secured			
From Banks	-	-	-
From Financial Institution	-	-	-
Unsecured			
Debetures - Liabiility component of compound financial instrument	-	888.53	615.02
Preference Shares - Liabiility component of compound financial instrument	-	23.19	19.49
Sub Total	**-**	**911.72**	**634.51**
Less: Current Maturities of long-term debt	-	-	-
Total	**-**	**911.72**	**634.51**

Current Borrowings

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Secured			
From Banks	-	-	-
Cash Credit	-	133.48	-
From Financial Institution	-	-	0.01
Unsecured			
Term Loans			
From shareholders	-	55.00	-
From Director	-	20.00	-
From relative of Director	-	76.61	-
Total	**-**	**285.09**	**0.01**

1 Overdraft from Bajaj Finance is repayable on demand. The loan is secured by hypothecation of inventory and trade receivables of the company. Further, the loan has been guaranteed by the personal guarantee of the managing Director of the Company.

2 Overdraft from Bank of Baroda is repayable on demand. The loan is secured by hypothecation of inventory and trade receivables of the Company. Further, the loan has been guaranteed by the personal guarantee of the managing Director of the Company.

3 The Company has issued optionally convertible debentures on 21 December 2020 and on 21 January 2022. Post expiry of two years, the debenture holders will be conferred with an option of conversion of debentures

into equity shares of the Company at the rate that would be determined by independent valuer. The Company has an option to buy-back these debentures in full at any time during 1 July 2021 to 31 December 2022 at a price which gives debenture holder a minimum aggregate return of 24% p.a. The outstanding debentures as at 31 December 2023 would be redeemed by the Company at a price which gives debenture holder a minimum aggregate return of 24% p.a. The debentures carry an interest of 24% of which 12% is payable on quarterly basis. The balance 12% shall accrue quarterly and would be settled at the time of redemption/conversion/buy-back of debentures.

4 Loan from related parties is repayable on demand along with interest @14% p.a. from the date of loan.

5 Cash credit from Bank of Maharashtra is repayable on demand. The loan is secured by hypothecation of inventory and trade receivables of the Company. Further, the loan has been guaranteed by the personal guarantee of the managing Director of the Company.

6 During the financial year 2016-17, the Company issued 1660 Series A Cumulative Convertible preference share (‘Series A preference share’) of ₹10 each fully paid-up at a premium of ₹20,958 per share. Series A preference share carry cumulative dividend @ 0.001% p.a. Each Series A preference share, at the option of holder at any time will convert into 1 (one) Equity Share (subject to certain adjustments) without any additional payment for such conversion, but not later than 19 years and 11 months from the date of issue of such shares. The Series A preference share will, with respect to dividends and distributions upon the dissolution, liquidation or winding-up of the Company and all other rights and preferences, rank prior, superior and in preference to all classes of Equity Shares and to each other class of Shares or series of preference shares of the Company.

17 Lease Liabilities

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Non-current			
Lease Liabilities	386.77	-	107.70
Current			
Lease Liabilities	145.19	156.63	88.03

18 Provisions - non current

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Gratuity (refer note no 44)	42.08	30.85	45.45
Leave Encashment (refer note no 44)	-	-	-
Total	**42.08**	**30.85**	**45.45**

Provisions- current

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Gratuity (refer note 44)	3.27	1.48	2.32
Leave Encashment (refer note 44)	10.47	26.54	7.69
Provision for damage and expiry	108.22	94.87	72.59
Total	**121.96**	**122.89**	**82.60**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

19 Trade Payables

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Current			
Trade payables:			
Total outstanding dues of micro enterprises and small enterprises	227.52	204.51	116.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	870.85	468.46	159.99
Total	**1,098.37**	**672.97**	**276.69**

Note 1

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows: (Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
I . The Principal amount remaining unpaid to any supplier as at the end of accounting year included in trade payable	180.27	183.50	114.70
II. Interest due thereon	47.25	21.01	2.00
Trade Payables due to micro and small enterprises	**227.52**	**204.51**	**116.70**
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	47.25	21.01	2.00
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year.	-	-	-
Interest due and payable towards suppliers registered under MSMED Act for payments already made.	23.98	17.97	1.91
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-	-
Total	**227.52**	**204.51**	**116.70**

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

As on 31st March, 2023

(Amount in lakhs)

Trade Payables

Sr. No	Particular	Outstanding for following periods from due date of payment					Total
		Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 year	
1	MSME (undisputed)	78.04	128.45	21.03	-	-	227.52
2	Others (undisputed)	380.08	488.97	1.80	-	-	870.85
3	Disputed dues MSME	-	-	-	-	-	-
4	Disputed dues others	-	-	-	-	-	-
Total		**458.12**	**617.42**	**22.83**	**-**	**-**	**1,098.37**

As on 31st March, 2022

Trade Payables

(Amount in lakhs)

Sr. No	Particular	Outstanding for following periods from due date of payment					Total
		Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 year	
1	MSME (undisputed)	160.95	43.56	-	-	-	204.51
2	Others (undisputed)	237.19	229.58	1.55	0.14	-	468.46
3	Disputed dues MSME	-	-	-	-	-	-
4	Disputed dues others	-	-	-	-	-	-
Total		**398.14**	**273.14**	**1.55**	**0.14**	**-**	**672.97**

As on 31st March, 2021

Trade Payables

(Amount in lakhs)

Sr. No	Particular	Outstanding for following periods from due date of payment					Total
		Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 year	
1	MSME (undisputed)	91.70	25.00	-	-	-	116.70
2	Others (undisputed)	96.14	60.76	3.09	-	-	159.99
3	Disputed dues MSME	-	-	-	-	-	-
4	Disputed dues others	-	-	-	-	-	-
Total		**187.84**	**85.76**	**3.09**	**-**	**-**	**276.69**

20 Other Financial Liabilities

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Current			
Salaries, bonus and other benefits payable to employees	119.11	16.90	2.39
Refundable Share Application Money	-	2.01	3.58
Capital Creditors	6.74	-	-
Total	**125.85**	**18.91**	**5.97**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

21 Other Financial Liabilities

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Tax deducted at source payable	15.89	6.65	43.66
Provident fund payable	38.72	25.50	3.57
ESI Payable	1.29	3.14	0.61
Professional tax payable	0.71	0.52	0.41
Others	0.04	0.01	-0.01
	56.65	**35.82**	**48.24**
Advance from customers	-	31.82	9.91
Statutory Dues	56.65	35.82	48.24
Total	**56.65**	**67.64**	**58.15**

22 Revenue from Operations

(Amount in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Sale of products:		
Finished goods*	5,737.53	4,582.43
Other operating revenue:		
Sale of scrap	2.08	1.80
Total	**5,739.61**	**4,584.23**

*Finished goods includes traded goods

Reconciliation of Revenue from sale of products with the contracted price

(Amount in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Contracted Price	6,710.83	5,220.56
Less: Discounts	976.60	640.17
Add: Shipping outward	3.30	2.04
Sale of Products	**5,737.53**	**4,582.43**

23 Other Income

(Amount in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Other income		
Discount Received	0.24	0.22
Dividend on Investment in liquid mutual funds	88.20	1.21
Interest on fixed deposits	169.18	3.54
Interest income from financial assets at amortised cost	6.86	6.95
Others	1.12	4.98
Liabilities Written Back	81.53	51.08
Profit on sale of property, plant and equipment (net)	-	0.44
Total	**347.13**	**68.42**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

24 Cost of materials consumed

(Amount in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Raw and Packing materials at the beginning of the year	221.20	126.76
Add: Raw and Packing material purchases	3,698.00	2,651.09
Less: Raw and Packing materials at the end of the year	260.46	221.20
Raw and Packing materials consumed	**3,658.74**	**2,556.65**
Total	**3,658.74**	**2,556.65**

25 Changes in inventories of finished goods and work-in-progress

(Amount in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening inventories		
Finished goods	173.64	98.48
Finished goods - in transit	39.36	10.42
	213.00	**108.90**
Closing inventories		
Finished goods	276.29	173.64
Finished goods - in transit	-	39.36
	276.29	**213.00**
Total	**-63.29**	**-104.10**

26 Employee Benefit Expense

(Amount in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries, wages and bonus	1,267.85	879.37
Contribution to provident and other funds	44.41	42.95
Leave Encashment (refer note 43)	-15.11	18.85
Gratuity (refer note 43)	10.90	15.88
Employee share-based payment expense (refer note 39)	107.35	76.84
Staff welfare expenses	29.30	29.11
Total	**1,444.70**	**1,063.00**

27 Finance Costs

(Amount in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest expenses on financial liabilities at amortised cost	0.39	3.70
Other borrowing costs	32.36	154.52
Bank and other financial charges	0.43	7.17
Lease finance cost	34.04	22.96
Bank Interest on CC Limit	5.02	8.52
Interest on TDS	-	1.35
Interest on MSME late payments	26.23	19.01
Other interest	1.46	0.59
Total	**99.93**	**217.82**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

28 Depreciation, Amortization and Impairment Expense

(Amount in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation on property, plant and equipment (refer note 2)	114.37	83.73
Depreciation on Right to Use Assets (refer note 3)	156.03	121.24
Total	**270.40**	**204.97**

29 Other Expenses

(Amount in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Advertisement and sales promotion	1,501.43	770.80
Processing and Other Manufacturing Charges	21.16	13.16
Forwarding and Distribution expenses	814.39	697.24
Commission	225.37	199.00
Storage Charges	43.78	22.07
Legal and Professional Charges	45.35	13.77
Repairs and Maintenance	27.39	13.99
Power, fuel and water	57.45	40.16
Travelling, conveyance and vehicle expenses	84.95	45.29
Consumption of stores, spare and consumables	47.16	36.66
Bad debts	3.79	-
Provision for doubtful debts	39.15	-3.60
Audit fees		
- Statutory Audit fees	8.00	5.15
- Tax Audit fees	1.50	1.25
- Other	6.20	-
Fixed assets written off	-	2.43
Rent, Rates & taxes	33.46	5.76
Miscellaneous expenses	56.57	40.83
Total	**3,017.10**	**1,903.96**

(a) Miscellaneous expenses include printing and stationery, communication, insurance and other expenses.

(b) Corporate Social Responsibility:- As company is incurring losses in current year, CSR is not applicable on company.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

30 Income taxes

A. Amounts recognised in profit or loss

(Amount in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Current taxes		
Current year	-	-
Related to prior years	-	-
Deferred taxes	-479.16	173.57
	-479.16	**173.57**

B. Income tax recognised in other comprehensive income

Particulars	31 March 2023			31 March 2022		
	Before tax	Tax expenses	Net of tax	Before tax	Tax expenses	Net of tax
Remeasurements of defined benefit liability (asset)	-7.37	1.85	-5.52	31.33	-	31.33
	-7.37	**1.85**	**-5.52**	**31.33**	**-**	**31.33**

C. Reconciliation of effective tax rates

Profit before tax	Disallowance	31 March 2023	-2,340.88
Tax using the company's domestic tax rate		25.168%	-589.14
Effect of:			
Permanent Disallowance of Pre acqusition Loss	390.70	-4.201%	98.33
Permanent disallowances of 43B	18.24	-0.196%	4.59
Personal Expense disallowance	9.95	-0.107%	2.50
MSME Interest	21.20	-0.228%	5.33
GST and TDS Fine	0.48	-0.005%	0.12
Others	-3.55	0.038%	-0.89
		20.469%	**-479.15**

D. Recognised deferred tax assets and liabilities

Particulars	Year ended 31 March 2022	Charged / Credit through Profit & Loss	Charged / Credit through OCI	Year ended 31 March 2023
Deferred income tax assets:				
Loss	-	417.45	-	417.45
43B Allowance	-	4.35	-	4.35
TDS Disallowance	-	8.60	-	8.60
Gratuity	-	0.48	1.85	2.33
ROU/Lease Liab	-	23.05	-	23.05
Depreciation	-	17.11	-	17.11
Provision for bad and Doubtful debts	-	8.13	-	8.13
	-	**479.16**	**1.85**	**481.01**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

E. Movement in deferred tax assets and liabilities

(Amount in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Net deferred income tax asset at the beginning	-	173.57
Credit / (charge) relating to temporary difference (including Other Comprehensive Income)	481.02	-173.57
Temporary differences on other comprehensive income	-	-
	481.02	**-**

31 Capital Management

(a) Risk Management

Capital management is driven by company's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Company's capital. The Management monitors the capital structure and the net financial debt at individual level currency. Net financial debt is defined as current and non current borrowings. The debt equity ratio highlights the ability of a business to repay its debts. Refer below for net Debt equity ratio. The Company complies with all statutory requirement as per the extent regulations.

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Total debt	-	1,196.81	386.53
Less:- Cash and Cash Equivalents	-	31.97	247.99
Net debt	-	1,164.84	138.54
Total equity	5,171.55	-590.72	283.32
Net debt to equity ratio	**-**	**-1.97**	**0.49**

32 Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the COO and CEO of the Company. The Company operates only in one reportable segment i.e. manufacturing and sale of breakfast serial products.

As per para 13 of Ind AS 108, reported revenue including both sales to external customers and intersegment sales or transfers, is 10 per cent or more of the combined revenue, internal and external, of all operating segments.

Information about major customers

During the year, two of the major customers contributed for more than 10% {Rs.2745.46 Lakhs (Previous Year: Rs.2346.01 Lakhs)} of the company's total revenue from operations.

33 Lease

The company elected to apply Indian Accounting Standards 116 (IND AS 116) on leases with effect from 1st April, 2021 with retrospective modified approach. The company assesses each lease contract conveys, the right to control the use of an identified asset for the period of time in exchange of consideration , the company recognized Right to use Assets and lease liabilities for those lease contracts except the short term lease and lease of low value assets. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1st April 2021. The lessee's incremental borrowing rate applied to the lease liabilities on 1st April 2021 was 13.55%. The rate applied to current year addition is 8.65%.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

Amount recognized as Current and Non- Current Liabilities

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Non Current Lease Liabilities	386.77	-	107.70
Current Lease Liabilities	145.19	156.63	88.03
Total	**531.96**	**156.63**	**195.73**

Amount recognized in Statement of Profit and Loss during the year on account of IND AS 116

(Amount in lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Lease Finance Cost	34.04	22.96
Depreciation on Right to use Assets	156.03	121.24
Interest income on Lease Assets	6.86	6.95
Rent concession	137.80	126.13

The movement in Lease liabilities (Non-current and Current) is as follows:

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance as at beginning of the year	156.63	-
Recognition on transition to Ind AS 116	-	195.74
Add: Addition	506.65	69.93
Add: Accretion of interest	34.04	22.96
Less: Payments (including foreclosure)	165.36	132.00
Less: Others (including foreclosure)	-	-
Balance as at end of the year	531.96	156.63

The total cash outflow for leases during the financial year was:

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Operating cash flows: Interest expenses	34.04	22.96
Financial cash flows: Lease repayment	131.32	109.04

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

34 Names of related parties

Relationship	Name	Relation
Key management personnel (KMP)	Puru Gupta	Director
	Sreejith Moolayil	Director
	Ketan Jain	Director (appointed w.e.f. May 23rd, 2022)
	Sanjay Mishra	Director (appointed w.e.f. July 21st, 2022)
	Pawan Agarwal	Director (appointed w.e.f. May 23rd, 2022)
	Arun Sipani	Director (resigned w.e.f. May 23rd, 2022)
	Abhishek Goenka	Director (resigned w.e.f. May 23rd, 2022)
Holidng Company	Marico Limited	Holidng Company (w.e.f. 23rd May 2022)
Relative of key management personnel	Abhijit Sipani	Relative of Director
	Shashi Gupta	Relative of Director
	Balchandrika Moolayil	Relative of Director
	Kriti Mehta	Relative of Director

Disclosure of Related Party Transactions in accordance with - Related Party Disclosures.

(Amount in lakhs)

Sr. No	Name of Related Party	Description of Relationship	Nature of Transaction	Transactions during the year	Balance Outstanding as on 31st March, 2023
1	Puru Gupta	Director	Remuneration	73.01	5.27
2	Puru Gupta	Director	Reimbursement of Expenses	6.72	-
3	Sreejith Moolayil	Director	Remuneration	73.01	4.49
4	Sreejith Moolayil	Director	Reimbursement of Expenses	4.58	-
5	Sreejith Moolayil	Director	Interest Expenses	0.42	-
6	Sreejith Moolayil	Director	Repayment of unsecured loan	20.00	-
7	Abhijit Sipani	Relative of Director	Interest Expenses	0.32	-
8	Abhijit Sipani	Relative of Director	Repayment of unsecured loan	15.00	-
9	Shashi Gupta	Relative of Director	Interest Expenses	1.05	-
10	Shashi Gupta	Relative of Director	Repayment of unsecured loan	50.00	-
11	Balchandrika Moolayil	Relative of Director	Interest Expenses	0.21	-
12	Balchandrika Moolayil	Relative of Director	Repayment of unsecured loan	10.00	-
13	Marico Limited	Holidng Company	Equity shares issued	0.50	-
14	Marico Limited	Holidng Company	Security Premium	7,498.38	-
15	Marico Limited	Holidng Company	Sale of Goods	43.35	0.42

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

(Amount in lakhs)

Sr. No	Name of Related Party	Description of Relationship	Nature of Transaction	Amount	Balance Outstanding as on March 31, 2022
1	Puru Gupta	Director	Remuneration	39.72	-
2	Puru Gupta	Director	Reimbursement of Expenses	15.18	0.01
3	Shreejith Moolayil	Director	Remuneration	39.72	-
4	Shreejith Moolayil	Director	Reimbursement of Expenses	1.40	0.65
5	Shreejith Moolayil	Director	Loan Taken	20.00	20.00
6	Shreejith Moolayil	Director	Interest Expenses	0.60	-
7	Abhijit Sipani	Relative of Director	Loan Taken	15.00	15.00
8	Abhijit Sipani	Relative of Director	Interest Expenses	0.46	-
9	Balachandrika Moolayil	Relative of Director	Loan Taken	10.00	10.00
10	Balachandrika Moolayil	Relative of Director	Interest Expenses	0.32	-
11	Shashi Gupta	Relative of Director	Interest Expenses	1.60	-
12	Shashi Gupta	Relative of Director	Loan Taken	50.00	50.00

(Amount in lakhs)

Sr. No	Name of Related Party	Description of Relationship	Nature of Transaction	Amount	Balance Outstanding as on April 1st, 2021
1	Puru Gupta	Director	Remuneration	37.08	-
2	Puru Gupta	Director	Reimbursement of Expenses	24.24	5.12
3	Shreejith Moolayil	Director	Remuneration	37.08	-
4	Shreejith Moolayil	Director	Reimbursement of Expenses	1.37	-
5	Abhijit Sipani	Relative of Director	Loan Taken	20.00	-
6	Abhijit Sipani	Relative of Director	Repayment of unsecured loan	35.00	-
7	Abhijit Sipani	Relative of Director	Interest Expenses	2.46	-
8	Balachandrika Moolayil	Relative of Director	Repayment of unsecured loan	10.00	-
9	Balachandrika Moolayil	Relative of Director	Interest Expenses	1.07	-
10	Kriti Mehta	Relative of Director	Loan Taken	45.00	-
11	Kriti Mehta	Relative of Director	Repayment of unsecured loan	45.00	-
12	Kriti Mehta	Relative of Director	Interest Expenses	2.62	-
13	Shashi Gupta	Relative of Director	Loan Taken	20.00	-
14	Shashi Gupta	Relative of Director	Repayment of unsecured loan	30.00	-
15	Shashi Gupta	Relative of Director	Interest Expenses	2.05	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

35 Earnings Per Share

Basic EPS amounts are calculated by dividing the profit after tax for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit after tax for the year attributable to equity shareholders by weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(Amount in lakhs)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
(a)	**Basic earnings per share**		
	From discontinued operation		
	Net Loss After Tax available for Equity Shareholders	-1,861.72	-1,363.23
	Weighted average number of equity shares used to compute basic earnings per share	21,433	15,119
	Basic earnings per share (in Rs.)	-8,686.23	-9,016.68
(b)	**Diluted earnings per share**		
	From discontinued operation		
	Net Loss After Tax available for Equity Shareholders	-1,861.72	-1,363.23
	Weighted average number of equity shares used to compute basic earnings per share	21,433	15,119
	Diluted earnings per share (in Rs.)	-8,686.23	-9,016.68

Note:-The effect of dilutive preference share, Debenture and employee stock options are Anti dilutive, hence not considered.

36 Financial Risk Management

Financial Risks

In the course of its business, the Company is exposed to a number of financial risks: credit risk and liquidity risk. This note presents the Company's objectives, policies and processes for managing its financial risk and capital.

(A) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk arises on liquid assets, financial assets, trade and other receivables.

In respect of its investments the company aims to minimize its financial credit risk through the application of risk management policies.

Trade receivables are subject to controls & approval processes. Due to large geographical base & number of customers, the Company is not exposed to material concentration of credit risk. Basis the historical experience, the risk of default in case of trade receivable is low. Provision is made for doubtful receivables as per expected credit loss, using simplified approach over the life of the asset depending on the customer ageing, customer category, specific credit circumstances and the historical experience of the Company.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

The gross carrying amount of trade receivables is Rs.745.66 Lakhs as at 31st March, 2023, Rs.461.92 Lakhs as at 31st March, 2022 and Rs.222.05 Lakhs as at 1st April 2021.

The movement in allowance of impairement in respect of trade and other receivables

(Amount in lakhs)

Particulars	As on 31st March 2023		As on 31st March 2022		As on 31st March 2021	
	Net Carrying Amount	Weighted Average loss rate-range	Net Carrying Amount	Weighted Average loss rate-range	Net Carrying Amount	Weighted Average loss rate-range
Not Due	221.41	0.44%	185.39	0.00%	119.24	0.36%
Less than 6 Months	328.11	0.16%	273.39	0.00%	95.46	1.28%
6 Months - 1 Year	143.85	17.41%	2.53	0.01%	0.00	100.00%
1-2 Year	19.13	4.48%	0.58	0.09%	0.00	100.00%
2-3 years	-	100.00%	0.00	100.00%	0.00	100.00%
More than 3 Years	-	100.00%	-	0.00%	-	0.00%
	712.51		**461.89**		**214.70**	

Reconciliation of loss allowance provision- trade receivables

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Loss allowance at the beginning of the year	-	3.67	-
Less: Used for Write Off	-	3.67	-
Add : Changes in loss allowances	33.16	-	3.67
Loss allowance at the end of the year	**33.16**	**-**	**3.67**

Security deposits are interest free deposits given by the company for properties taken on lease. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of Security deposit is Rs 78.00 Lakhs as at 31st March, 2023, Rs.78.00 Lakhs as at 31st March, 2022 and Rs 54.00 Lakhs as at 31st March, 2021.

Credit Risk on cash and cash equivalent, deposits with the banks/ financial institutions is generally low as the said deposits have been made with the banks/ financial institutions who have been assigned high credit rating by international and domestic rating agencies. Investments of surplus funds are made only with approved Financial Institutions/Counterparty. Investments primarily include investment in units of mutual funds. These Mutual Funds and Counterparties have low credit risk.

Other financial assets includes investment, advance to employees and other receivables. The provision is made where there is significance credit risk of assets.

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability of committed credit lines.

The current ratio of the company as at 31st March, 2023 is 2.77 (as at 31st March 2022 is 0.93) whereas the liquid ratio of the company as at 31st March, 2023 is 2.42 (as at 31st March 2022 is 0.60).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

Maturities of financial liabilities

(Amount in lakhs)

Contractual maturities of financial liabilities 31st March 2023	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Borrowings (including interest accrued)	16	-	-	-	-	**-**
Trade Payables	19	640.25	-	-	-	**640.25**
Lease Liabilities	17	145.19	386.77	-	-	**531.96**
Other Financial Liabilities	17	125.85	-	-	-	**125.85**
Total Non- derivative liabilities		**911.29**	**386.77**	**-**	**-**	**1,298.05**

(Amount in lakhs)

Contractual maturities of financial liabilities 31st March 2022	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Borrowings (including interest accrued)	16	285.09	911.72	-	-	**1,196.81**
Trade payables	19	274.83	-	-	-	**274.83**
Lease Liabilities	17	156.63	-	-	-	**156.63**
Other financial liabilities	17	18.91	-	-	-	**18.91**
Total Non- derivative liabilities		**735.46**	**911.72**	**-**	**-**	**1,647.18**

(Amount in lakhs)

Contractual maturities of financial liabilities1st April 2021	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Borrowings (including interest accrued)	16	0.01	634.51	-	-	**634.52**
Trade payables	19	88.85	-	-	-	**88.85**
Lease Liabilities	17	88.03	107.70	-	-	**195.73**
Other financial liabilities	17	5.97	-	-	-	**5.97**
Total Non- derivative liabilities		**182.86**	**742.21**	**-**	**-**	**925.07**

(C) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and other prices such as equity price. These will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. Financial instruments affected by market risk include loans, borrowings and deposits. The Company is not exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and future transactions.

(i) Foreign currency risk

The Company is not exposed to any foreign currency risk from transactions and translation.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

(ii) Interest rate risk

The sensitivity analysis below have been determined based on exposure to interest rates for term loans and debentures that have floating rate at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	32.52	32.20	155.29	153.75
Effect on profit before tax	- 32.52	-32.20	-155.29	-153.75

37 Contingent liabilities

(a) Contingent liabilities

The company had contingent liabilities in respect of :

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
(i) Claims against the company not acknowledge as debt			
Disputed tax demands / claims :			
Income tax	39.27	39.27	39.27
Total	**39.27**	**39.27**	**39.27**

Note:

1 The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

2(a) The tax demand is mainly on account of consideration of securities premium as 'Income from other sources' under section 56(2)(viib)(a) of Income Tax Act. The matter is pending before the Commissioner of Income tax (Appeals). In relation to this, the Company has obtained letter dated 20 March 2019 from CBDT stating that the provisions of clause (viib) of sub section 2 of Section 56 of the Income-tax Act,1961 ('Act') shall not apply to Company on the amounts received as consideration towards issue of shares. The Company is contesting the demand and the management, including its tax advisors, believe that its position is likely to be upheld in favour of the Company.

3 The company is involved in other disputes, claims, enquiries and proceedings including commercial matters that arise from time to time in the ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given accounting period.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

38 Payment to Auditor

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Audit Fees		
Statutory Audit	8.00	5.15
Tax Audit	1.50	1.25
Others	6.20	-
Total	**15.70**	**6.40**

39 Share Based Payment

The company provides share-based payment schemes to its employees. The board of Directors approved the Employee Stock Option Plan 2017 (Scheme 2017) for issue of stock options to the key employees and Directors of the company. According to the Scheme 2017, the number of Options that may be offered to any specific Employee shall be lesser than 1% of the total issued capital of the Company at the time of grant of Options under Scheme2017, subject to satisfaction of the prescribed vesting conditions. The contractual life (comprising the vesting period and the exercise period) of options granted is 4 years. During the year ended 31 March 2023, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

Vesting period	4 years
Vesting schedule (If ESOP given as a increment)	Year 1 - 30%
	Year 2 - 30%
	Year 3 - 20%
	Year 4 - 20%
Vesting schedule (If ESOP given on joining)	Year 1 - 0%
	Year 2 - 60%
	Year 3 - 20%
	Year 4 - 20%
Exercise period	3 months from shares vested
Expected life	2.55 years
Exercise price	INR 10/-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

The details of activity under the Scheme 2017 are summarised below:

Particular	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021	As at 1st April, 2020	As at 1st April, 2019	As at 1st April, 2018
Options - Outstanding at the beginning of the year	785	597	508	428	94	-
Options - Granted during the year	10	221	132	80	334	94
Options - Forfeited during the year	67	33	43	-	-	-
Options - Exercised during the year	468	-	-	-	-	-
Options - Outstanding at the end of the year	260	785	597	508	428	94
Options - Exercisable at the end of the year	76	493	404	348	28	-
Share price	₹ 149,986	₹ 149,986	₹ 44,436	₹ 40,800	₹ 26,400	₹ 20,968
Exercise price	₹ 10	₹ 10	₹ 10	₹ 10	₹ 10	₹ 10

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

40 Contractual Commitments

The Company has no contractual Commitments and corporate guarantee during the year under audit.

41 Capital Commitments

The Company has no capital Commitments during the year under audit.

42(a) Ratios

Ratio	Items included in numerator and denominator for computing	As at 31st March, 2023	As at 31st March, 2022	Variation beyond 25%	Reasons
(a) Current Ratio,	Current Assets / Current Liabilities	2.81	0.94	Yes	There is an significant increased in investment and cash & bank balance during the FY 23 due to Marico Ltd has infused the funds which resulted in to increased in the current ratio.
(b) Debt-Equity Ratio,	Total Borrowings/ Shareholders' Funds (Share Capital + Reserves & surplus)	-	-2.03	Yes	All the loans and borrowings fully repaid during the FY 23 and there is no loan outstanidng on the balance sheet date, it is resulted into 'nil' debt- equity ratio.
(c) Debt Service Coverage Ratio,	Net Profit after taxes + Non-cash operating expenses + Interest + other /Debt service = Interest & Lease Payments + Principal Repayments	-1.11	-3.37	Yes	Majority of the loans are repaid in first quarter of FY 23, hence there is a signficant decreased in finance cost resulted into decreased in debt service coverage ratio.
(d) Return on Equity Ratio,	Net Profit after tax/ average Shareholders' Funds (opening + closing)/2)	-0.81	-8.87	Yes	During the FY 23 equity shares issued to Marico Ltd at premium resulted into signficant increased in other equity.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

Ratio	Items included in numerator and denominator for computing	As at 31st March, 2023	As at 31st March, 2022	Variation beyond 25%	Reasons
(e) Inventory turnover ratio,	Cost of Revenue from Operation /Average Inventory Cost of Revenue from Operation = Cost of materials consumed + purchase of stock-in-trade + change in Inventory (FG; WIP and Stock in trade) Average Inventory = (Opg Inventory + Closing Inventory)/2	7.41	7.32	No	
(f) Trade Receivables turnover ratio,	Revenue from Operations/ Average Trade Receivable Average Trade Receivable = (Opg Trade Receivable + Clg Trade Receivable)/2	9.77	13.55	Yes	Timely receipts of dues
(g) Trade payables turnover ratio,	Net Credit Purchases/ Average Trade Payable Average Trade Payable = (Opg Trade Payable + Clg Trade Payable)/2	4.18	5.58	Yes	Timely repayment of dues
(h) Net capital turnover ratio,	Revenue from Operations/ working Capital (Current Assets- Current Liabilities)	2.05	-59.05	Yes	There is an significant increased in working capital in FY 23 due to funds infused by Marico Ltd. Rsulted into increased in Net profit ratio.
(i) Net profit ratio,	Net Profit After tax/ Revenue from Operations	-32%	-30%	No	
(j) Return on Capital employed,	Net Profit before interest and tax/ Capital Employed Capital Employed = Shareholders' Funds (Share Capital + Reserves & surplus) + Non-Current liabilities (Long term borrowings + Long term Provisions)	-45%	-169%	Yes	During the FY 23 equity shares issued to Marico Ltd at premium resulted into signficant increased in other equity. Furthermore, all the loans are repaid during the FY 23.
(k) Return on investment.	Net Profit before tax/ Shareholders' Funds (Share Capital + Reserves & surplus)	-45%	-201%	Yes	There is an signficant increased in other equity because of shares issued on premium to Marico Ltd.

42(b) The Company has started its operations during financial year 2013-14 and since incurred losses due to start up phase of business. Further, during the current year, the company has entered into a Share Purchase Agreement (SPA) with Marico Ltd. by virtue of which, the company has become subsidiary of Marico Ltd. As per the Share Holder's Agreement (SHA), holding company has infused the of Rs.7498.88 Lakhs to meet company's fund flow requirement in near future. Based on the company's future plans and holding company's commitment to fund the operations of the company , the management of the Company is of the view that the these losses are temporary based on its future business plans. Accordingly, the accounts of the Company have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

43 Explanation to Transition to IND AS:-

First time adoption of Ind AS

There are Company's First Financial Statements prepared in accordance with IND AS.

The Accounting policies set out in Note no. 2 has been applied in preparing the Financial Statements for the interim period ended 31st March, 2023, the comparative information presented in these financial statements for the year ended 31st March, 2022 and in the preparation of an opening Ind AS Balance sheet as at 1st April, 2021 (the company date of transition). In preparing its opening Ind AS Balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the Accounting standards notified under companies (Accounting Standards) rules, 2006 (as amended) and other relevant provisions of the Act(Indian GAAP).

43 A Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

Information relating to gross carrying amount of assets and accumulated depreciation as on the transition date as per previous GAAP is as follows:

Asset Category	Computers	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Gross carrying amount as at 1st April 2021	17.07	36.11	20.96	44.68	16.04	134.86
Accumulated depreciation as at 1st April 2021	11.84	7.44	10.66	22.95	2.27	55.16
Deemed cost as at 1st April 2021	5.23	28.67	10.29	21.74	13.77	79.70

A.2 Right to use Assets

Ind AS 116 requires the Lessee to recognises a right-of-use asset ("ROU") and a corresponding lease liability at the date of commencement of the lease for all lease arrangements except for leases with a term of twelve months or less (short-term leases) and leases of low-value assets. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs . The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease agreement or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet. Ind AS 101 permits first-time adopter to recognises lease liabilities at the date of transition to Ind AS at the present value of the remaining lease payments discounted using the incremental borrowing rate at the date of transition to Ind AS. Ind AS 101 also permits the first-time adopters to recognises a right-of-use asset at the date of transition to Ind AS at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS. Accordingly, the lease liability is recognised basis the remaining lease payment using the incremental borrowing rate at the transition date and such liability is accredited through interest expense over the lease term and repaid through lease payments. The ROU is depreciated over the remaining lease term on a straight line basis.

43 B Reconciliation Between the Previous GAAP and IND AS

Reconciliation of Balance Sheet as at date of Transition (1st April, 2021)

Previous GAAP figures are post adjustment of prior period expenses and regrouping made in Note no. 43 D.

(Amount in lakhs)

Particulars	Previous GAAP	IND-AS adjustments	Ind AS
	As at 1 April 2021	As at 1 April 2021	As at 1 April 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	79.70	-	79.70
Right of use assets	-	199.25	199.25
Financial assets	-	-	-
(i) Other Financial Assets	59.27	-14.22	45.05
Current Tax Assets (Net)	11.80	-	11.80
Deferrred Tax Assets	173.57	-	173.57
Total non-current assets	**324.34**	**185.03**	**509.37**
Current assets			
Inventories	235.66	-	235.66
Financial Assets			
(i) Investment	132.44	0.13	132.57
(ii) Trade receivables	218.31	-3.62	214.69
(iii) Cash and cash equivalents	247.99	-	247.99
(iv) Bank balances other than (iii) above	-	-	-
(v) Other Financial Assets	9.00	-	9.00
Other current assets	232.17	0.98	233.15
Total current assets	**1,075.57**	**-2.51**	**1,073.06**
Total Assets	**1,399.91**	**182.52**	**1,582.43**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	1.51	-	1.51
Other Equity	311.43	-29.62	281.81
Equity attributable to owners	**312.94**	**-29.62**	**283.32**
Total Equity	**312.94**	**-29.62**	**283.32**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

(Amount in lakhs)

Particulars	Previous GAAP As at 1 April 2021	IND-AS adjustments As at 1 April 2021	Ind AS As at 1 April 2021
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	618.10	16.41	634.51
(ia) Lease Liabilities	-	107.70	107.70
Provisions	45.45	-	45.45
Total Non-current liabilities	**663.55**	**124.11**	**787.66**
Current liabilities			
Financial Liabilities			
(i) Borrowings	0.01	-	0.01
(ia) Lease Liabilities	-	88.03	88.03
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	116.70	-	116.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	159.99	-	159.99
(iii) Other financial liabilities	5.97	-	5.97
Other current liabilities	58.15	-	58.15
Provisions	82.60	-	82.60
Total current liabilities	**423.42**	**88.03**	**511.45**
Total liabilities	**1,086.97**	**212.14**	**1,299.11**
Total equity and liabilities	**1,399.91**	**182.52**	**1,582.43**

43 B Reconciliation Between the Previous GAAP and IND AS

Reconciliation of Balance Sheet as at date of Transition (31st March, 2022)

(Amount in lakhs)

Particulars	Previous GAAP As at 31 March 2022	IND-AS adjustments As at 31 March 2022	Ind AS As at 31 March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	169.57	-	169.57
Right of use assets	-	151.15	151.15
Financial assets			-
(i) Other Financial Assets	83.11	-9.90	73.21
Current Tax Assets (Net)	35.54	-	35.54
Total non-current assets	**288.22**	**141.25**	**429.47**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

(Amount in lakhs)

Particulars	Previous GAAP As at 31 March 2022	IND-AS adjustments As at 31 March 2022	Ind AS As at 31 March 2022
Current assets			
Inventories	434.20	-	434.20
Financial Assets			
(i) Investment	0.50	-	0.50
(ii) Trade receivables	461.90	-0.01	461.89
(iii) Cash and cash equivalents	31.97	-	31.97
(iv) Other Financial Assets	7.52	-	7.52
Other current assets	315.89	-5.48	310.41
Total current assets	**1,251.98**	**-5.49**	**1,246.49**
Total Assets	**1,540.20**	**135.76**	**1,675.96**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	1.53	-	1.53
Other Equity	-554.16	-38.10	-592.26
Equity attributable to owners	**-552.63**	**-38.10**	**-590.73**
Total Equity	**-552.63**	**-38.10**	**-590.73**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	894.49	17.23	911.72
(ia) Lease Liabilities	-	-	-
Provisions	30.85	-	30.85
Total Non-current liabilities	**925.34**	**17.23**	**942.57**
Current liabilities			
Financial Liabilities			
(i) Borrowings	285.09	-	285.09
(ia) Lease Liabilities	-	156.63	156.63
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	204.51	-	204.51
Total outstanding dues of creditors other than micro enterprises and small enterprises	468.46	-	468.46
(iii) Other financial liabilities	18.90	-	18.90
Other current liabilities	67.64	-	67.64
Provisions	122.89	-	122.89
Total current liabilities	**1,167.49**	**156.63**	**1,324.12**
Total liabilities	**2,092.83**	**173.86**	**2,266.69**
Total equity and liabilities	**1,540.20**	**135.76**	**1,675.96**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

43 B Reconciliation Between the Previous GAAP and IND AS

Reconciliation of Statement of Profit and Loss Account as at date of Transition (31st March, 2022)

Previous GAAP figures are post adjustment of prior period expenses and regrouping made in Note no. 43 D.

(Amount in lakhs)

Particulars	Previous GAAP 31st March 2022	IND-AS adjustments As at 31st March 2022	Ind AS As at 31st March 2022
Revenue			
Revenue from operations	4,584.23	-	4,584.23
Other Income	61.02	7.40	68.42
Total Income	**4,645.25**	**7.40**	**4,652.65**
Expenses			
Cost of material consumed	2,556.65	-	2,556.65
Changes in inventories of finished goods and work-in progress	-104.10	-	-104.10
Employee benefit expenses	1,034.51	28.49	1,063.00
Finance cost	193.46	24.37	217.83
Depreciation and amortisation expenses	83.73	121.24	204.97
Other expenses	2,033.69	-129.73	1,903.96
Total Expenses	**5,797.94**	**44.37**	**5,842.31**
Profit/(Loss) before exceptional items and tax	**-1,152.69**	**-36.97**	**-1,189.66**
Exceptional Items	-	-	-
Profit/(Loss) before tax	**-1,152.69**	**-36.97**	**-1,189.66**
Income Tax Expense			
Current Tax			
- For the year	-	-	-
- In respect of earlier years	-	-	-
Deferred Tax (includes MAT credit written off)	173.57	-	173.57
Total tax expense	**173.57**	**-**	**173.57**
Profit/(Loss) for the year	**-1,326.26**	**-36.97**	**-1,363.23**
Other Comprehensive income			
Items that will not be reclassified to profit or (loss)	**-**	**-**	**-**
Remeasurements of post employment benefit obligations	-	31.33	31.33
Income tax relating to items that will not be reclassified to profit or (loss)	-	-	-
Total	**-**	**31.33**	**31.33**
Total comprehensive income for the year	**-1,326.26**	**-5.64**	**-1,331.90**

Adjustment of IND AS:-

a.) Security Deposit:-

Under previous GAAP, the security deposits paid for lease rent are shown at the transaction value. Whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting year. Accordingly, thedifference between the transaction and discounted value of the security deposits paid is recognized as right-of- use assets and is amortized over the period of the lease term. Further, interest is accreted on the present value of the security deposits paid for lease rent.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

b.) Share based payment to employee:-

Under the previous GAAP the cost of equity settled share based plan were recognised using the intrinsic value method. Under the IND AS the cost of equity settled share based payment is recognised based on the fair value of the options as at the grant date.

c.) Re-measurement of post employement benefit:-

Under IND AS remeasurement i.e. acturial gain and loss and the return on the plan assets on the net defined benefit obligation are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a of this change, acturial gain has been recognised in other comprehesive income instead of profit or loss.

d.) Convertible cumulative preference shares:-

Ind As requires the Preference share capital to be classified as Debt or Equity instrument according to the nature of compound financial instrument received. Accordingly, preference share capital paid up capital have been reclassified under debt or equity component of shares.

e.) Leases:-

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating lease were expensed in the statement of profit and loss. Under Ind AS 116, all arrangement that fall under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Company has recognized a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

f.) Investments:-

Under previous GAAP, current investments were valued at cost or fair value which ever is lower. However under IND AS investments are valued as per the business model test, hence Company have valued invesments at fair value through profit or loss.

43 C Notes on First-time adoption

1 Right to use Assets

Ind AS 116 requires the Lessee to recognises a right-of-use asset (“ROU”) and a corresponding lease liability at the date of commencement of the lease for all lease arrangements except for leases with a term of twelve months or less (short-term leases) and leases of low-value assets. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease and any initial direct costs .The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease agreement or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet.

Ind AS 101 permits first-time adopter to recognises lease liabilities at the date of transition to Ind AS at the present value of the remaining lease payments discounted using the incremental borrowing rate at the date of transition to Ind AS. Ind AS 101 also permits the first-time adopters to recognises a right-of-use asset at the date of transition to Ind AS at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS.

Accordingly, the lease liability is recognised basis the remaining lease payment using the incremental borrowing rate at the transition date and such liability is accredited through interest expense over the lease term and repaid through lease payments. The ROU is depreciated over the remaining lease term on a straight line basis.

2 Goodwill

Goodwill is recognised only in acquisition method and transaction under common control is recorded at book value / carrying value - the amount of consideration over assets acquired to be charged off.

3 Employee Benefit

Gratuity expenses are reclassified from Employee cost which is required under Gaap to Remeasurements of post employment benefit obligations

4 Share issue expenses

Para 35 of IND AS 32, Transaction costs of an equity transaction shall be accounted for as a deduction from equity, net of any related income tax benefit.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

43 D Regrouping and prior period adjustment in IGAAP financial statements:-

(Amount in lakhs)

Particulars	Note No. to regrouping and Prior period adjustment	Audited IGAAP figures As at 1st April 2021	Prior Period Adjustment	Regrouping Entries	Restated previous GAAP As at 1st April 2021
Equity and liabilities					
Shareholders' funds					
Share capital		1.67	-	-	1.67
Reserves and surplus	5, 6, & 7	454.82	-143.46	-	311.36
		456.49	**-143.46**	**-**	**313.03**
Non-current liabilities					
Long-term borrowings	1	598.23	-	19.86	618.09
Long-term provisions		45.45	-	-	45.45
		643.68	**-**	**19.86**	**663.54**
Current liabilities					
Short-term borrowring		0.01	-	-	0.01
Trade payables					
Total outstanding dues of micro and small enterprises	2	114.70	-	2.00	116.70
Total outstanding dues of creditors other than micro and small enterprises		161.04	-	-1.04	159.99
Other current liabilities	1, 2 & 3	85.99	-	-21.87	64.13
Short-term provisions	5	10.01	72.59	-	82.60
		371.74	**72.59**	**-20.91**	**423.43**
Total		**1,471.92**	**-70.88**	**-1.05**	**1,400.00**
Assets					
Non-current assets					
Property, plant and equipment	6	80.92	-1.22	-	79.70
Intangible assets under development	7	69.66	-69.66	-	-
Long-term loans and advances	4	66.08	-	5.00	71.08
Deferred Tax Asset (Net)		173.57	-		173.57
		390.23	**-70.88**	**5.00**	**324.35**
Current assets					
Investment		132.44	-	-	132.44
Inventories		235.66	-	-	235.66
Trade receivables		218.39	-	-	218.39
Cash and cash equivalent		247.99	-	-	247.99
Short-term loans and advances	4 & 3	247.21	-	-6.04	241.17
Other current assets		-	-	-	-
		1,081.69	**-**	**-6.04**	**1,075.65**
Total		**1,471.92**	**-70.88**	**-1.04**	**1,400.00**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

Notes to Regrouping in Comparative figures of March 31, 2021 of audited Balance sheet as at March 31, 2022 :-

1 Regrouping of Rs. 19.86 Lakhs relating to interest accrued but not due from other current liability to long term borrowing.

2 Regrouping of Rs. 2.00 Lakhs relating to interest on payable to MSME from other current liability to total outstanding dues of micro and small enterprises.

3 Regrouping of Rs. 1.04 Lakhs relating to prepayment of advertisement regrouped from prepaid expenses to trade payable.

4 Regrouping of Rs. 5.00 Lakhs relating to deposits to SIDBI from short term loans and advances to long term loans and advances.

Notes to prior period adjustment in Comparative figures of March 31, 2021 audited Balance sheet as at March 31, 2022

5 Provision against sales return of damaged and expired products of Rs. 72.58 Lakhs.

6 Difference on account of creation of PPE register and the amounts reflected in balance sheet of Rs. 1.22 Lakhs.

7 Intagible assets wrogly capitalised to be written off of Rs. 69.65 Lakhs.

42 Regrouping and prior period adjustment in IGAAP financial statements:-

(Amount in lakhs)

Particulars	Note No. to Regrouping and Prior period Adjustment	Audited IGAAP Figures As at 31 March 2022	Prior Period Adjustment	Regrouping Entries	Restated Previous GAAP As at 31 March 2022
Equity and liabilities					
Shareholders' funds					
Share capital		1.70	-	-	1.70
Reserves and surplus	5, 6, 7, 8, 9, 10 & 11	-499.84	-54.41	-	-554.24
		-498.14	**-54.41**	**-**	**-552.54**
Non-current liabilities					
Long-term borrowings	1	798.23	-	96.25	894.48
Long-term provisions		30.85	-	-	30.85
		829.08	**-**	**96.25**	**925.33**
Current liabilities					
Short-term borrowring	2	283.48	-	1.61	285.08
Trade payables					
Total outstanding dues of micro and small enterprises	3	183.49	15.98	21.01	220.48
total outstanding dues of creditors other than micro and small enterprises	5	434.72	17.76		452.48
Other current liabilities	1, 2, 3 & 10	239.70	-34.30	-118.87	86.52
Short-term provisions	6	68.52	54.36	-	122.88
		1,209.91	53.80	-96.25	1,167.45
Total		**1,540.85**	**-0.61**	**0.00**	**1,540.24**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

(Amount in lakhs)

Particulars	Note No. to Regrouping and Prior period Adjustment	Audited IGAAP Figures As at 31 March 2022	Prior Period Adjustment	Regrouping Entries	Restated Previous GAAP As at 31 March 2022
Assets					
Non-current assets					
Property, plant and equipment	7	170.81	-1.22	-	169.59
Intangible assets under development		-	-	-	-
Long-term loans and advances	4	138.07	-	-19.42	118.65
Deferred Tax Asset (Net)		-	-	-	-
		308.88	**-1.22**	**-19.42**	**288.24**
Current assets					
Investment		0.50	-	-	0.50
Inventories	8	434.63	-0.42	-	434.20
Trade receivables	10	441.55	20.38	-	461.93
Cash and cash equivalent		31.96	-	-	31.96
Short-term loans and advances	4 & 9	323.33	-19.35	19.42	323.41
Other current assets		-	-		-
		1,231.97	**0.61**	**19.42**	**1,252.00**
Total		**1,540.85**	**-0.61**	**-**	**1,540.24**

Notes to regrouping in figures of March 31, 2022 of audited Balance sheet as at March 31, 2022 :-

1. Regrouping of Rs. 96.25 Lakhs relating to interest accrued but not due from other current liability to long term borrowing.
2. Regrouping of Rs. 1.60 Lakhs relating to interest accrued and due from other current liability to short term borrowing.
3. Regrouping of Rs. 21.06 Lakhs relating to interest on payable to MSME from other current liability to total outstanding dues of micro and small enterprises.
4. Regrouping of Rs. 5.00 Lakhs relating to deposits to SIDBI from short term loans and advances to long term loans and advances.

   Regrouping of Rs. 24.41 Lakhs relating to Advance to online portals for advertisements from long term loans and advances short term loans and advances.

Notes to prior period adjustment in figures of March 31, 2022 of audited Balance sheet as at March 31, 2022 :-

5. Purchases for which goods were received in 2021-22 were not recognised in the same financial year amounting to Rs. 17.76 Lakhs.
6. Additional provision recognised on account of sales return of damaged and expired products amounting to Rs. 54.36 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

7. Difference on account of creation of PPE register and the amounts reflected in balance sheet of Rs.1.22 lakhs.

8. Provision for near to expiry products amounting Rs. 0.42 Lakhs.

9. Written off of advances paid to advertising agencies on account of non recoverability amounting to Rs. 19.33 Lakhs.

10. Write back of Rs.51.07 Lakhs against advances from customer of Rs. 30.70 Lakhs and a receivable of Rs. 20.37 Lakhs.

11. Provision not considered in March 22 amounting to Rs. 12.37 Lakhs.

42 Regrouping and prior period adjustment in IGAAP financial statements:-

(Amount in lakhs)

Particulars	Note No. to regrouping and Prior period adjustment	Audited IGAAP figures Year ended 31 March 2022	Prior Period Adjustment	Regrouping Entries	Restated previous GAAP Year ended 31 March 2022
Revenue					
Revenue from operations (net)	1, 4 & 10	4,741.52	5.85	-163.15	4,584.23
Other income	1 & 9	11.75	51.08	-1.80	61.03
Total income		**4,753.27**	**56.93**	**-164.95**	**4,645.25**
Expenses					
Cost of materials consumed	5	2,538.46	18.19	-	2,556.65
Changes in inventories of finished goods and work-in-progress		-104.10	-	-	-104.10
Employee benefits expense	2	960.01	-	74.50	1,034.51
Finance costs	3	173.09	-	20.36	193.46
Depreciation expense		83.73	-	-	83.73
Other expenses	1,3,6 & 7	2,201.81	19.34	-187.45	2,033.70
Total expenses		**5,853.00**	**37.53**	**-92.59**	**5,797.94**
Profit / (Loss) before prior period expenses and tax		**-1,099.73**	**19.40**	**-72.36**	**-1,152.69**
Prior year expenses	2 & 8	142.01	-69.66	-72.36	-
Profit / (Loss) before tax		**-1,241.84**	**89.06**	**-**	**-1,152.69**
Tax expenses					
Current tax		-	-	-	-
Deferred tax charge/ (credit)		173.57	-	-	173.57
Net Profit / (Loss) after tax		**-1,415.41**	**89.06**	**-**	**-1,326.26**

Notes to regrouping in figures of March 31, 2022 of audited Profit and loss as at March 31, 2022 :-

1 Regrouping of return of damaged and expired products amounting to Rs. 164.94 Lakhs from Other expense to Revenue from operation. Regrouping of scrap sale of products from Other income to revenue from operation amountng to Rs. 1.79 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

2 Regrouping of expense recongnised for employee stock option from a separate disclosure on the face of profit and loss account to employee benefit expense of Rs.72.35 Lakhs.

Regrouping of employee related insurance from other expenses to staff welfare expenses amounting to Rs.2.14 Lakhs.

3 Regrouping of Interest paid on delayed payment of tax deducted at source amounting to Rs.1.35 Lakhs from Other expense to Finance cost.

Regrouping of Interest provision related to delayed payment made or to be made to MSME of Rs. 19.01 Lakhs.

Notes to prior period adjustment in figures of March 31, 2022 of audited Profit and loss as at March 31, 2022 :-

4 Additional closing provision of Rs.54.36 Lakhs against return of damaged and expired products and reversal of provision made in March 31, 2021 reconciliation of Rs.72.58 Lakhs.

5 Purchases for which goods were received in 2021-22 were not recognised in the same financial year amounting to Rs. 17.76 Lakhs.

Provision for near to expiry products amounting Rs. 0.42 Lakhs.

6 Reversal of excess ESOP reserve charged by Rs. 2.84 Lakhs.

7 Written off of advances paid to advertising agencies on account of non recoverabvility amounting to Rs. 19.34 Lakhs.

Written off Prepaid rent to rent expense.

8 Intagible assets wrogly capitalised to be written off of Rs. 69.65 Lakhs shifted to opening balance as at April 01, 2021.

9 Write back of Rs.51.08 Lakhs against advances from customer of Rs.30.70 Lakhs and a receivable of Rs.20.37 Lakhs.

10 Provision not considered in March 2022 amounting to Rs.12.38 Lakhs.

44 Employee Benefits

(a). Defined contribution plans

During the year the Company has recognized the following amounts in the Statement of Profit and Loss:-

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Employers contribution to provident fund	38.06	35.14
Employers contribution to ESIC	6.17	7.70
Employers contribution to MLWF	0.18	0.11
Total	**44.41**	**42.95**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

(b). Defined benefit plan

The present value obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations. The summarized position of defined benefit plan is as under:

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Defined Benefit Cost : P&L (Income) /Expense	10.90	15.88	12.55
Other Comprehensive (Income) / Expense	7.37	-31.33	-3.98
Defined Benefit Obligation	45.35	32.32	47.78
Net Liability/(Asset) at the end of the year	45.35	32.32	47.78
Discount Rate at Year - end	**7.45%**	**6.96%**	**6.57%**

(c). Other short term benefits

A. Actuarial assumptions

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Discount rate (per annum)	7.45%	6.96%	6.57%
Expected rate of increase in compensation levels (per annum)	5.00%	5.00%	5.00%
Retirement age (years)	58 Years	58 Years	58 Years
Mortality table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate

B. Changes in the present value of the defined benefit obligation are as follows:

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Opening present value of obligation	32.33	47.78	39.20
Interest cost	2.20	3.06	2.68
Current service cost	8.70	12.82	9.87
Gratuity liability from Business Acquisition	-	-	-
Past Service Cost	-	-	-
Benefits paid	-5.25	-	-
Actuarial loss/ (gain) on obligation	7.37	-31.33	-3.98
Closing present value of obligation	**45.36**	**32.33**	**47.78**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

C. Expense recognized in the Statement of Profit and Loss

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Current service cost	8.70	12.82	9.87
Past Service Cost	-	-	-
Interest cost	2.20	3.06	2.68
Expense recognized in the Statement of Profit and Loss	**10.90**	**15.88**	**12.55**
Net actuarial loss/(gain) to be recognized in OCI	7.37	-31.33	-3.98
Expense recognized in the Statement of Profit and Loss	**18.27**	**-15.45**	**8.57**

D. Reconciliation of present value of defined benefit obligation and fair value of assets

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Defined Benefit Obligation as of Prior Year end and Service Cost	32.32	47.78	39.20
a. Current service cost	8.70	12.82	9.87
Interest Cost	2.20	3.06	2.68
Benefit payments directly by employer	-5.25	-	
Actuarial (Gain) / Loss - Demographic Assumptions	-	-0.01	
Actuarial (Gain) / Loss - Financial Assumptions	-2.22	-1.41	
Actuarial (Gain) / Loss - Experience	9.59	-29.91	-3.98
Defined Benefit Obligation as of Year end and Service Cost	45.35	32.32	47.78
Fair value of plan assets	-	-	-
Net funded status	**45.35**	**32.32**	**47.78**
Recognized under:			
Long term provision	42.08	30.85	45.45
Short term provision	**3.27**	**1.48**	**2.32**

E. Employer's best estimate for payment during next year

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Gratuity	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

F. Sensitivity Analysis

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Discount rate			
a. Discount rate - 100 basis points	50.08	36.14	53.24
a. Discount rate - 100 basis points impact (%)	10.42%	11.81%	11.43%
b. Discount rate + 100 basis points	41.32	29.11	43.18
b. Discount rate + 100 basis points impact (%)	-8.88%	-9.96%	-9.63%
Salary increase rate			
a. Rate - 100 basis points	42.71	29.02	44.04
a. Rate - 100 basis points impact (%)	-5.82%	-10.22%	-7.82%
b. Rate + 100 basis points	48.48	36.18	52.01
b. Rate + 100 basis points impact (%)	6.89%	11.92%	8.85%

Annexure G : Maturity Profile of Defined Benefit Obligation

(Amount in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Expected Future Cashflows			
Year 1	3.27	1.48	2.32
Year 2	3.25	1.77	-
Year 3	3.74	1.90	-
Year 4	3.44	2.29	-
Year 5	3.50	2.20	-
Year 6 to 10	16.45	12.99	-
Above 10 Years	79.88	60.43	-

Leave Encashment/ compensated absences.

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation and classified as long term and short term. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

45 **(i)** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

(ii) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

46 Additional regulatory information required by Schedule III

a. Details of benami property held: No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b. Borrowing secured against current assets: The company has no borrowings from banks and financial institutions on the basis of security of current assets.

c. Wilful defaulter: Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

d. Relationship with struck off companies: The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

e. Compliance with number of layers of companies: This section is not applicable to the Company.

f. Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

g. Utilisation of borrowed funds and share premium:

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

h. Undisclosed income: There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

i. Details of crypto currency or virtual currency: The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2023

j. Valuation of PP&E, intangible asset and investment property: The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

k. Registration of charges or satisfaction with Registrar of Companies: There are no charges which are yet to be registered with the Registrar of Companies beyond the statutory period however Company has satisfied the charges within the statutory period for the secured loan repaid in current year.

l. Utilisation of borrowings availed from banks and financial institutions: The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration Number: 103523W/W100048

Sumant Sakhardande
Partner
Membership Number - 034828

Place: Mumbai
Date: 8th July 2023

For and on behalf of the Board of Directors of
HW Wellness Solutions Private Limited
CIN: U51900PN2013PTC149864

Puru Gopesh Gupta
Director
DIN: 05017875

Place: Mumbai
Date: 8th July 2023

Sreejith Moolayil
Director
DIN: 06702399

Place: Mumbai
Date: 8th July 2023

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	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
BANKERS	Standard Chartered Bank

INDEPENDENT AUDITORS' REPORT

To the Members,

Marico Innovation Foundation

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Marico Innovation Foundation ("the Company"), which comprise the balance sheet as at March 31, 2023, and the statement of Income & Expenditure, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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, 2023, and excess of income over expenditure, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Standalone Financial Statements

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 Standalone 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. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Income & Expenditure, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) The requirement of reporting under Section 143(3)(1) of the Act is not applicable to the Company vide General Circular No. 08/2017 dated July 25, 2017 issued by the Ministry of Corporate Affairs;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. No pending litigations.

   ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise

   iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education Fund and Protection Fund. The question of delay in transferring such sums does not arise.

   iv. a. The Management has represented that, to the best of its knowledge and belief, other than disclosed in the notes, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented, that, to the best of its knowledge and belief, other than disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

C. Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No. 105215W/W100057

Aditya A Kanetkar
Partner
Membership No: 149037
UDIN: 23149037BGUGIM2466

Place : Mumbai
Date : May 4, 2023

Balance Sheet

As at 31st March, 2023

Amount in ₹

Particulars	Note No.	As at March 31, 2023	2022
ASSETS			
Current assets			
Cash and Cash Equivalents	3	3,64,744	7,79,296
Other Current Assets	4	11,43,190	5,68,278
		15,07,934	**13,47,574**
TOTAL ASSETS		**15,07,934**	**13,47,574**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital		-	-
Reserves and Surplus	5	6 ,41,307	1,56,548
		6,41,307	**1,56,548**
Current liabilities			
Trade Payables	6	8,65,460	11,38,105
Dues to Statutory Authorities	7	1,167	52,920
		8,66,627	**11,91,025**
TOTAL EQUITY AND LIABILITIES		**15,07,934**	**13,47,574**

As per our report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm's Registration No: 105215W/W100057

Aditya A Kanetkar
Partner
M. No : 149037

Place: Mumbai
Date : May 4, 2023

For and on behalf of the Board of Directors

Harsh Mariwala
Director
DIN: 00210342

Saugata Gupta
Director
DIN: 05251806

Place: Mumbai
Date : May 4, 2023

Statement of Income and Expenditure

For the year ended 31st March, 2023

Amount in ₹

	Particulars	Note No.	Year ended 31st March, 2023	2022
I	Donations Received	8	4 ,41,00,000	67,73,296
II	Miscellaneous Income	9	36,130	93,740
III	**Total Income**		**4,41,36,130**	**68,67,036**
IV	**Expenses**			
	Project Expenses	10	4 ,21,76,204	46,36,888
	Other Expenses	11	14,75,168	21,62,559
	Total expenses		**4,36,51,371**	**67,99,447**
V	**Excess of Income over Expenditure**		**4,84,758**	**67,589**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm's Registration No: 105215W/W100057

Aditya A Kanetkar
Partner
M. No : 149037

Place: Mumbai
Date : May 4, 2023

For and on behalf of the Board of Directors

Harsh Mariwala
Director
DIN: 00210342

Saugata Gupta
Director
DIN: 05251806

Place: Mumbai
Date : May 4, 2023

Cash Flow Statement

For the year ended 31st March, 2023

Amount in ₹

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
A. Cash Flow from Operating Activities		
Excess of Income over Expenditure	4,84,758	67,589
Adjustments for :	-	-
	-	-
Operating Surplus/(Deficit) before Working Capital Changes	**4 ,84,758**	**67,589**
Adjustments for :		
(Increase)/Decrease in Other Current Assets	(5,74,912)	(23,744)
Increase/(Decrease) in Other Current Liabilities	(3,24,399)	(11,24,164)
	(8,99,311)	**(11,47,908)**
Cash (used in) / generated from Operating Activities	**(4,14,552)**	**(10,80,319)**
Taxes Paid (Net)	-	-
Net Cash (used in) / generated from Operating Activities	**(4,14,552)**	**(10,80,319)**
Net (Decrease) / Increase in Cash and Cash Equivalents	**(4,14,552)**	**(10,80,319)**
Cash and Cash Equivalents at the beginning of the year	7,79,296	18,59,615
Cash and Cash Equivalents at the end of the year	**3,64,744**	**7,79,296**

As per our report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm's Registration No: 105215W/W100057

Aditya A Kanetkar
Partner
M. No : 149037

Place: Mumbai
Date : May 4, 2023

For and on behalf of the Board of Directors

Harsh Mariwala
Director
DIN: 00210342

Saugata Gupta
Director
DIN: 05251806

Place: Mumbai
Date : May 4, 2023

Notes to the financial statements

For the year ended 31 March, 2023

1 GENERAL INFORMATION

Marico Innovation Foundation(“the Company”) U93090MH2009NPL193455(CIN) is a wholly owned subsidary of Marico Limited, incorporated in India, a not-for-profit institution, established in 2003, registered as a Section 25 company under provision of Companies Act 1956 in 2009 (fosters innovation in the business & social sector). The address of the registered office and principal office is at 7th Floor, Grande Palladium, 175 CST Road, Kalina, Santacruz (East) Mumbai.

MIF works closely with social and profit oriented 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 scalable 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

A. Basis of presentation of Financial Statements

The accounting standards issued by the Institute of Chartered Accountants of India are applicable to nonprofit entities, only if any part of the activities of the entity is considered to be commercial, industrial or business. Therefore, the accounting standards have been applied to the extent applicable or relevant. The financial statements have been prepared under the historical cost convention and on accrual basis except stated otherwise. The accounting policies have been consistently applied by the Foundation.

The income and expenditure has been classified based on the cost of activities carried out by the foundation. The activity-based costs are identified and each expense is classified and recorded in the books based on a documented process by the management

B. Revenue / Expenditure Recognition

All grants / donations are accounted for on receipt basis and expenditure and liabilities are recognized on accrual basis

C. Income Taxes

The Company has been granted exemption from Income Tax under section 12AB (1) (a) of the Income Tax Act, 1961.

D. Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

E. Provisions

Provisions for legal claims and discounts / incentives are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised

Notes to the financial statements

For the year ended 31 March, 2023

for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

F. Use of Estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 3 Cash and Cash Equivalents **Amount in ₹**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with Banks	3,57,433	7,71,985
Cash on hand	7,311	7,311
Total	**3,64,744**	**7,79,296**

Note 4 Other Current Assets **Amount in ₹**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance to Creditors	5,28,064	5,35,778
Miscellaneous receivable (Excess TDS paid)	5,82,626	-
Deposits with statutory/government authorities	32,500	32,500
Total	**11,43,190**	**5,68,278**

Note 5 Reserves and Surplus **Amount in ₹**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Retained Earnings		
Balance at the beginning of the year	1,56,548	88,960
Excess of Income over Expenditure	4,84,758	67,589
Balance at the end of the year	**6,41,307**	**1,56,548**

Notes to the financial statements

For the year ended 31 March, 2023

Note 6 Trade Payables **Amount in ₹**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Payable for services availed	8,65,460	11,38,105
Total	**8,65,460**	**11,38,105**

Note 7 Dues to Statutory Authoroties **Amount in ₹**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other Payables		
For Statutory Dues	1,167	52,920
Total	**1,167**	**52,920**

Note 8 Donations Received **Amount in ₹**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Donations	4,41,00,000	67,73,296
Total	**4 ,41,00,000**	**67,73,296**

Note 9 Miscellaneous Income **Amount in ₹**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Miscellaneous Income	36,130	93,740
Total	**36,130**	**93,740**

Note 10 Project expenses **Amount in ₹**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Project Expenses	4,21,76,204	46,36,888
Total	**4,21,76,204**	**46,36,888**

Note 11 Other Expenses **Amount in ₹**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Legal and Professional Charges	13,17,258	19,67,027
Postage and Courier	-	1,700
Printing & Stationery	-	2,647
Audit Fees*	1,00,300	100,300
Bank Charges	1,450	1,026
Miscellaneous Expenses	52,293	72,436
Interest	3,867	17,424
Total	**14,75,168**	**21,62,559**

Notes to the financial statements

For the year ended 31 March, 2023

* **Auditor's Remuneration (Including GST)** **Amount in ₹**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Audit Fees	100,300	100,300
Total	**100,300**	**100,300**

Note 12 Related party disclosures

12.1 Details of Related Parties

Sr No.	Names of related parties where control exists and description of relationships	Country of Incorporation	Proportion of ownership interest for the year ended 31st March, 2023	31st March, 2022
A	**Holding**			
	Marico Limited	India	100.00%	100.00%
B	**Enterprises over which Key Managerial Personnel are able to**			
	Innovation for India (Association of person where one of the director of the company is a party of the Association).	India	-	-
	Ascent India Foundation	India	-	-
	Harsh Mariwala		-	-

(Note: Related parties have been identified by the management)

12.2 Details of transactions with related parties **Amount in ₹**

Sr No.	Nature of Transactions		Holding	Others	Total
1	***Donations Received :***	***FY 2022-2023***	4,41,00,000	-	**4 ,41,00,000**
		FY 2021-2022	6 7,73,296	-	**67,73,296**
2	***Donations Given :***	***FY 2022-2023***	-	-	**-**
		FY 2021-2022	-	-	-

Figures in italic represents Previous Year's amounts.

Note 13 Other Disclosures

(a) Based on the information available with the Company and as informed to us by the management, the company is in the process of obataining details of suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and hence the disclosure relating thereto is not provided.

(b) Trade Payable detailed Ageing **Amount in ₹**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	4,45,778	-	44,889	3,74,793	8,65,460
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues Others	-	-	-	-	-

c) Prior year comparatives have been regrouped and reclassified wherever necessary to conform to the current year's presentation. Amounts and other disclosures for the prior year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date

For Kirtane & Pandit LLP
Chartered Accountants
Firm's Registration No: 105215W/W100057

Aditya A Kanetkar
Partner
M. No : 149037

Place: Mumbai
Date : May 4, 2023

For and on behalf of the Board of Directors

Harsh Mariwala
Director
DIN: 00210342

Saugata Gupta
Director
DIN: 05251806

Place: Mumbai
Date : May 4, 2023

BOARD OF DIRECTORS (AS ON MARCH 31, 2023)	Mr. Saugata Gupta Mr. Jitendra Mahajan (until April 25, 2022) Mr. Nitin Kathuria (appointed w.e.f. April 25, 2022) Mr. Amit Bhasin
REGISTERED OFFICE	7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai 400 098
AUDITORS	V. P. Raju & Associates
BANKERS	Standard Chartered Bank

INDEPENDENT AUDITOR'S REPORT

To

The Members,

M/s. PARACHUTE KALPAVRIKSHA FOUNDATION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements M/s PARACHUTE KALPAVRIKSHA FOUNDATION ("the Company"), which comprise the Balance sheet as at 31st March 2023, the statement of Income and Expenditure and statement of cash flows for the year then ended 31st March 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2023, Income and Expenditure and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10} of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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.

Key Audit Matters

Being a section 8 company and not fulfilling the criteria prescribed, key audit matters, (if any}, are not been highlighted.

Responsibility of Management for the Financial Statements

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 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements , whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government -of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, is not applicable as none of the conditions are satisfied.

As required by Section 143(3) of the Act, we report that:

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

(a) 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.

(b) The Balance Sheet, the Statement of Income and Expenditure, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(c) 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.

(d) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act

(e) The company has an internal financial control system in.place. Such financial control system is adequate in the context of the size of the company and the nature of industry and such control is operating effectively;

(f) The requirement under section 197(16) is not applicable, being a section 8 company; and

INDEPENDENT AUDITOR'S REPORT

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts .

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **V P RAJU AND ASSOCIATES**
Chartered Accountants
(FRN : 015701S)

Place : Coimbatore	**V P Raju**
Date : 04/05/2023	**Proprietor**
UDIN: 23224604BGVWZL8689	**Membership No. 224604**

BALANCE SHEET

As at 31 March, 2023

Particulars	Notes No.	As at March 31, 2023 ₹ In actuals	2022 ₹ In actuals
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital		-	-
Reserves and Surplus	1	4,39,545	4,76,643
2 Non-current liabilities		-	-
		4,39,545	**4,76,643**
3 Current Liabilties			
Trade Payables	2	-	-
Other Current Liabilties	3	83,512	1,08,591
		83,512	**1,08,591**
TOTAL		**5,23,057**	**5,85,234**
II ASSETS			
1 Non-current assets			
Fixed Assets			
Tangible Assets	4	4,27,253	4,93,336
		4,27,253	4,93,336
2 Current assets			
Cash and Cash Equivalents	5	91,303	74,866
Other Current Assets	6	4,500	17,033
		95,803	**91,899**
Total		**5,23,057**	**5,85,234**

See accompanying notes to the accounts
As per Our report of even date attached

For V P RAJU AND ASSOCIATES
Chartered Accountants
(FRN : 015701S)

For and on behalf of the Board of Directors
PARACHUTE KALPAVRIKSHA FOUNDATION

V P Raju
Proprietor
Memb. No. 224604
Place: Coimbatore
Date: 04.05.2023
UDIN: 23224604BGVWZL8689

Saugata Gupta
Director
DIN 05251806

Amit Bhasin
Director
DIN 05124789

INCOME AND EXPENDITURE STATEMENT

For the year ended 31 March, 2023

	Particulars	Note No.	For the year ended March 31 2023 ₹	2022 ₹
I	**INCOME**			
	Revenue from Operations		-	-
	Other Income	7	7,47,43,272	8 ,32,46,984
	TOTAL REVENUE		**7,47,43,272**	**8 ,32,46,984**
II	**EXPENSES/APPLICATION OF INCOME**			
	Cost of Purchase		-	-
	Change in Inventories of Finished goods		-	-
	Employee Benefit Expenses		-	-
	Finance Cost		-	-
	Depreciation and Amortization Expenses	4	66,082	66,082
	Project Expenses	8	7,39,63,136	8,09,25,141
	Other Expenses	9	7,51,151	7,14,434
	TOTAL EXPENSES		**7,47,80,370**	**8,17,05,657**
	Net Income/Transferred to Reserve		**(37,098)**	**15,41,327**
IV	Company is seeking exemption under income tax hence no tax provision		-	-
V	**Net Income/Transferred to Reserve**		**(37,098)**	**15,41,327**
VI	Earnings per Equity Share		Not Applicable	Not Applicable

See accompanying notes to the accounts
As per Our report of even date attached

For V P RAJU AND ASSOCIATES
Chartered Accountants
(FRN : 015701S)

For and on behalf of the Board of Directors
PARACHUTE KALPAVRIKSHA FOUNDATION

V P Raju
Proprietor
Memb. No. 224604
Place: Coimbatore
Date: 04.05.2023
UDIN: 23224604BGVWZL8689

Saugata Gupta
Director
DIN 05251806

Amit Bhasin
Director
DIN 05124789

STATEMENT OF CASH FLOWS

For the year ended 31 March, 2023

	Particulars	As at March 31, 2023 ₹
A	**CASH FLOW FROM OPERATING ACTIVITIES:**	
	Excess of Income over Expenditure	(37,098)
	Adjustments for:	
	Depreciation	66,082
	Interest paid	-
	Interest received	-
	Operating profit before working capital changes	**28,985**
	Adjustments for	
	Trade and other receivables	
	Closing Stock	
	Increase/(Decrease) in Other Current Financial Liabilities	(25,080)
	(Increase)/Decrease in Other Current Assets	12,533
	CASH FLOW FROM OPERATING ACTIVITIES:	**16,438**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**	
	Purchase of Fixed Assets	-
		16,438
C	**CASH FLOW FROM FINANCING ACTIVITIES:**	
	Net increase in cash and cash equivalents-A-B+C	16,438
	Add:-Opening balance of cash and cash equivalents	74,866
	Closing balance of cash and cash equivalents	**91,303**

See accompanying notes to the accounts
As per Our report of even date attached

For V P RAJU AND ASSOCIATES
Chartered Accountants
(FRN : 015701S)

V P Raju
Proprietor
Memb. No. 224604
Place: Coimbatore
Date: 04.05.2023
UDIN: 23224604BGVWZL8689

For and on behalf of the Board of Directors
PARACHUTE KALPAVRIKSHA FOUNDATION

Saugata Gupta
Director
DIN 05251806

Amit Bhasin
Director
DIN 05124789

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

1 Reserves and Surplus

Particulars	As at March 31	
	2023	2022
	₹	₹
Reserves and Surplus		
Surplus:Balance in Income and Expenditure Statement		
Opening Balance	4,76,643	(10,64,684)
Add: Surplus /(Deficit) of Income over Expenditure for the year	(37,097.66)	15,41,327
Total	**439,545**	**4,76,643**

2. Trade Payables

Particulars	As at March 31	
	2023	2022
	₹	₹
Trade Payables		
Due to Micro and Small Enterprises	-	-
Due to Others	-	-
Total	-	**-**

3 Other Current Liabilities

Particulars	As at March 31	
	2023	2022
	₹	₹
Other Current Liabilities		
Other Payables	83,512	84,226
Statutory Dues		
TDS on Professional Charges	-	16,310
TDS Payable on Contractors	-	-
TDS on Rentals	-	-
GST - RCM Payable	-	8,055
Total	**83,512**	**1,08,591**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

4 Fixed Assets

Particulars	Gross Block			Depreciation			Net Block	
	Opening Balance 1.4.2022	Additions during the year	Closing Balance 31.3.2023	Opening Balance 1.4.2022	Depreciation for the year	Closing Balance 31.3.2023	Closing Balance 31.3.2023	Closing Balance 31.3.2022
Power Tiller	367,136	-	367,136	106,756	34,878	**141,634**	**225,502**	**260,380**
Cultivator	35,000	-	35,000	10,177	3,325	**13,502**	**21,498**	**24,823**
Rotavator Shredder	293,468	-	293,468	85,335	27,879	**113,214**	**180,254**	**208,133**
Total	**695,604**	-	**695,604**	**202,268**	**66,082**	**268,351**	**427,253**	**493,336**

See accompanying notes to the accounts
As per Our report of even date attached

For V P RAJU AND ASSOCIATES
Chartered Accountants
(FRN : 015701S)

V P Raju
Proprietor
Memb. No. 224604
Place: Coimbatore
Date: 04.05.2023
UDIN: 23224604BGVWZL8689

For and on behalf of the Board of Directors
PARACHUTE KALPAVRIKSHA FOUNDATION

Saugata Gupta
Director
DIN 05251806

Amit Bhasin
Director
DIN 05124789

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

5 Cash and Cash Equivalents

Particulars	As at March 31	
	2023	2022
	₹	₹
Cash and Cash Equivalents		
Balances with Bank	91,303	74,866
Total	**91,303**	**74,866**

6 Other Current Assets

Particulars	As at March 31	
	2023	2022
	₹	₹
Other Current Assets		
Other Advances	4,500	14,939
TDS	-	2,094
Total	**4,500**	**17,033**

7 Other income

Particulars	As at March 31	
	2022	2021
	₹	₹
Other income		
Donations Received	74,476,610	83,017,447
Interest Received	-	124,201
Other Misc Income	250,944	97,225
Exchange Gain	15,718	8,111
Total	**74,743,272**	**83,246,984**

8 Project Expenses

Particulars	For the year ended March 31	
	2023	2022
	₹	₹
Project Expenses		
Agri Extension	63,556,272	59,845,684
Water Conservation	10,406,864	20,750,097
Thanjavur relief work	-	-
Kalpavriksha knowledge center	-	290,000
Others (i.e. Agri Business center, workshops, etc.)	-	39,360
Total	**73,963,136**	**80,925,141**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

9 Other Expenses

Particulars	For the year ended March 31	
	2023	2022
	₹	₹
Other Expenses		
Power and Fuel	38,321	4,165
Rent for office building	409,398	423,556
Repairs & Maintenance Others	-	-
Internet Charges	-	-
Donation	-	-
Telephone Charges	-	-
Travelling & Converyance	18,541	56,310
Professional Charges	-	-
Legal Charges for Others	-	-
Auditors Remmunaration		
For Statutory Audit	-	84,226
L & B Inland	267,058	143,259
subs trade assoc	-	-
Banana Saplings	-	-
Fees For Company Laws	-	-
Round off	-	-
Foreign Exchange Loss	-	-
Mis. Interest	14,777	700
Bank Charges	3,056	2,218
	751,151	**714,434**

10 Related Party Transactions

During the year the Company has entered into following related party transactions:

Name of the Related Party	Nature of Relationsip	Nature of Transaction	2022-23 ₹	2021-22 ₹
Marico Ltd	Holding Company	Donation received	**74,476,610**	83,017,447

11. Background:

PARACHUTE KALPAVRIKSHA FOUNDATION(PKF)is a wholly owned subsidiary of Marico Limited, incorporated in India, a not-for-profit institution, established in 2018, registered as a Section 8 company under the Companies Act 2013, to undertake, assist aid, support and promote development of Farmer community.

PKF works closely with Farmers, social organisations, social entrepreneurs to promote Farmer Community, environmental sustainability, ecological balance and conservation of natural resources by performing social activities including awareness campaigns, undertaking education for crop yield improvement and deployment of farm techniques, implementing best farm practices,.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

12. Significant Accounting Policies

The financial statements have been prepared on accrual basis under the historical cost convention in accordance with the Generally Accepted Accounting Principles (Indian GAAP) and the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.The financial statements are prescribed in the Indian rupees.

13. Uses of Estimates:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

14. Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand and which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

15. Provisions

A provision is recognized when the company has present obligations as a result of past events and it is probable that an outflow of resources will be required to settle the obligations in respect of which a reliable estimate can be made. Provisions are not discounted at 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.

16. 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.

17. Revenue Recognition

Donations received are accounted on the date of receipt. All donations received during the year are towards the objectives of the Company.

18. Income Tax

The Company is seeking exemption from Income Tax under section 12AA of the Income Tax Act, 1961

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

	Particular	(Amount in ₹)
19.	Expenditure in Foreign Currency	33,15,852
20.	Earning in Foreign Currency	NIL
21.	Micro Small and Medium Enterprises Development Act 2006: Based on the intimations received from the Suppliers regarding their status under the MSMED Act 2006, the following information is furnished. Payment to MSME suppliers is as per the terms of purchase.	
	Principal amount and interest due thereon remaining unpaid :	
	Principal amount and the interest due thereon remaining unpaid as at the end of accounting year.	NIL
	Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of payment made to the supplier beyond the appointed day during each accounting year.	NIL
	Amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED ACT, 2006 not paid)	NIL
	Amount of interest accrued and remaining unpaid at the end of accounting year.	NIL
	Amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of dis allowance as a deductible expenditure u/s 23.	NIL

22. Transaction with related parties (Related parties as identified by the management)

(a) Key Management Personnel	Saugata Gupta	Director
	Amit Bhasin	Director
	Nitin Kathuria	Director
(b) Relatives of Key Management Personnel	NIL	

Particulars	Key Management Personnel	₹
Total	-	
Outstanding payable		NIL
Outstanding receivable		NIL

23. Previous year figures has been regrouped wherever necessary.

See accompanying notes to the accounts
As per Our report of even date attached

For V P RAJU AND ASSOCIATES
Chartered Accountants
(FRN : 015701S)

V P Raju
Proprietor
Memb. No. 224604
Place: Coimbatore
Date: 04.05.2023
UDIN: 23224604BGVWZL8689

For and on behalf of the Board of Directors
PARACHUTE KALPAVRIKSHA FOUNDATION

Saugata Gupta
Director
DIN 05251806

Amit Bhasin
Director
DIN 05124789

Name	:	**PARACHUTE KALPAVRIKSHA FOUNDATION**
Address	:	7th Floor, Grande Palladium, 175, CST Road,Kalina,Santacruz (East) Mumbai, Mumbai City, Maharashtra, India, 400098.
Status	:	Trust
P.A.No.	:	AAKCP2713L
Assessment Year	:	2023-2024
Year Ended	:	31.03.2023

TOTAL INCOME STATEMENT

TOTAL RECEIPTS DURING THE YEAR	Amount	Amount
Donations Received		
Bank Interest	74476610.00	
Other Misc.income		
	266661.97	
		74743271.97

TOTAL APPLICATION DURING THE YEAR

TOTAL RECEIPTS DURING THE YEAR	Amount	Amount
Application towards fixed assets		
Application towards revenus expenses	-	
	74,780,369.63	
		74780369.63
% of Application over receipts		**100.05%**
Application exceeds 85% of Total receipts - Hence taxable income is		**NIL**

Notes

marico
make a difference

Purpose Statement

To transform in a sustainable manner, the lives of those we touch, by nurturing and empowering them to maximise their true potential.

Registered Office
Marico Limited
7th floor, Grande Palladium
175, CST Road, Kalina, Santacruz (East)
Mumbai 400 098

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www.facebook.com/MaricoLimited/

www.youtube.com/user/Marico Limited

www.linkedin.com/company/maricolimited

@maricocareers