marico
make a difference

Delivering value...

The Marico Way

Subsidiaries' Financials
2023-24

SUBSIDIARIES' FINANCIALS

FY-2023-24

INDEX

MARICO BANGLADESH LIMITED (MBL)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Saugata Gupta	Chairman
	Mr. Sumitava Basu	Managing Director (appointed w.e.f. January 13, 2024)
	Mr. Rajat Diwaker	Managing Director (until December 30, 2023)
	Ms. Sheela R Rahman	Independent Director
	Mr. Zakir Ahmad Khan	Independent Director
	Ms. Parveen Mahmud	Independent Director
	Mr. Ashish Goupal	Director
	Mr. Pawan Agrawal	Director
MANAGEMENT TEAM	Mr. Sumitave Basu	Country Head (appointed w.e.f. December 31, 2023)
	Mr. Rajat Diwaker	Managing Director (until December 30, 2023)
	Mr. Shafiq Musharrof	Chief Financial Officer (June 13, 2023)
	Mr. Md. Saiful Alam	Director – Manufacturing
	Mr. Allen Ebenezer Eric	Director – Marketing
	Mr. K M Sabbir Ahmed	Director - Human Resources (October 4, 2023)
	Mr. Shyamal Kishore	Director - Human Resources (March 31, 20224)
	Mr. Sabbir Al Harun	Director – Sales
	Mr. Zahedur Rahman	Director - Supply Chain
	Mr. Rashed Bin Ehshan	Director - Legal & Corporate Affairs

COMPANY SECRETARY
Mr. Musficul Haider (appointed w.e.f. December 17, 2023)
Mr. Md. Sahabuddin FCS (December 25, 2023)

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
Factory 3: Mirsarai Economic Zone (MEZ), Bangabandhu Sheikh Muzib Shilpa Nagar, Feni, Chattogram

STATUTORY AUDITORS
A. Qasem & Co, Chartered Accountants

HEAD OF INTERNAL AUDIT & COMPLIANCE
Mr. Sharif Shajib Ahammed (Until October 26, 2023)
Mr. Tanmoy Kumar Ghosh (appointed w.e.f. October 26, 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 2024, 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, the financial position of the Company as at 31 March 2024, and 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 2024. 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 22 and Note 7.15 to the financial statements, Revenue of BDT 14,524 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.

  - 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 21 and Note 30 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 2024 Annual Report

Other information consists of the information included in the Company's 2024 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2024 Annual Report is expected to be made available to us after the date of this 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 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
Enrolment Number: 643
DVC: 2405060643AS435398

Place: Dhaka
Date: 29 April 2024

Statement of Financial Position as at 31 March 2024

	Notes	As At 31 March 2024 BDT	As At 31 March 2023 BDT
Assets			
Non Current Assets			
Property, plant and equipment	8A	1,414,648,907	1,304,594,243
Investment property	8B	1,319,156	8,103,932
Intangible assets	9	242,273	553,054
Right-of-use assets	10	345,911,409	266,911,631
Advances, deposits and prepayments	11	54,495,117	65,871,163
Other financial assets	12	7,355,019	7,086,385
Deferred tax asset	30.2	68,821,750	12,486,990
Total Non Current Assets		**1,892,793,631**	**1,665,607,398**
Current Assets			
Inventories	13	3,351,467,544	2,528,550,222
Advances, deposits and prepayments	11	756,713,830	1,028,621,890
Other financial assets	12	9,018,705,412	4,184,389,716
Cash and cash equivalents	14	1,887,129,573	2,228,805,865
Total Current Assets		**15,014,016,359**	**9,970,367,693**
Total Assets		**16,906,809,990**	**11,635,975,091**
Equity			
Share capital	15	315,000,000	315,000,000
Share premium	15.1	252,000,000	252,000,000
Retained earnings		7,643,067,522	3,019,315,643
Total Equity		**8,210,067,522**	**3,586,315,643**
Liabilities			
Non Current Liabilities			
Lease liabilities	18	151,868,409	46,397,509
Employee benefit obligation	17	23,741,889	26,683,320
Total Non Current Liabilities		**175,610,298**	**73,080,829**
Current Liabilities			
Trade and other payable	19	7,168,202,840	7,06,383,606
Lease liabilities	18	38,871,187	57,310,504
Employee benefit obligation	17	21,619,307	25,893,750
Loans and borrowings	16	450,000,000	-
Current tax liabilities	21	834,612,174	778,588,742
Unclaimed dividend	20	7,826,662	8,402,017
Total Current Liabilities		**8,521,132,170**	**7,976,578,619**
Total Liabilities		**8,696,742,468**	**8,049,659,448**
Total Equity and Liabilities		**16,906,809,990**	**11,635,975,091**

Footnotes: 1. Independent auditor's report in page 1 to 5.
2. The notes 1 to 41 form an integral part of these financial statements.

A. Qasem & Co.
Chartered Accountants

Akhtar Sanjida Kasem, FCA, FCMA, CFE
Partner
Enrolment Number: 643
DVC: 2405060643AS435398

Place: Dhaka
Date: 29 April 2024

Shafiq Musharrof
Chief Financial Officer

Musficul Haider
Company secretary

Sumitava Basu
Country Head

Parveen Mahmud
Director

Statement of Profit or Loss and other Comprehensive Income for the year ended 31 March 2024

	Notes	For the year ended 31 March 2024 BDT	31 March 2023 BDT
Revenue	22	14,524,182,830	14,135,741,140
Cost of sales	23	(6,099,250,601)	(6,811,203,460)
Gross profit		**8,424,932,229**	**7,324,537,680**
Other income	26.1	40,359,793	27,424,065
General and administrative expenses	24	(1,299,156,185)	(1,221,802,840)
Marketing, selling and distribution expenses	25	(1,015,214,451)	(989,417,810)
Other expense	26.2	(106,661)	(2,861,570)
Operating profit		**6,150,814,725**	**5,137,879,525**
Finance income	27.1	579,855,635	162,981,942
Finance costs	27.2	(565,820,362)	(4,355,821)
Net finance income		14,035,273	158,626,121
Profit before contribution to workers participation fund and welfare fund		**6,164,849,998**	**5,296,505,646**
Contribution to workers participation fund & welfare fund	28	(308,242,500)	(264,825,282)
Profit before tax		**5,856,607,498**	**5,031,680,364**
Income tax expenses	30	(1,250,289,667)	(1,159,268,355)
Profit for the Year		**4,606,317,831**	**3,872,412,009**
Other comprehensive income			
Remeasurements of defined benefit liability		17,434,047	17,346,325
Total comprehensive income for the Year		**4,623,751,878**	**3,889,758,334**
Earnings per share			
Basic earnings per share (per value of Tk 10)	29	**146.23**	**122.93**

Footnotes: 1. Independent auditor's report in page 1 to 5.

2. The notes 1 to 41 form an integral part of these financial statements.

A. Qasem & Co.
Chartered Accountants

Shafiq Musharrof
Chief Financial Officer

Sumitava Basu
Country Head

Akhtar Sanjida Kasem, FCA, FCMA, CFE
Partner
Enrolment Number: 643
DVC: 2405060643AS435398

Musficul Haider
Company secretary

Parveen Mahmud
Director

Place: Dhaka
Date: 29 April 2024

Statement of Cash Flows for the year ended 31 March 2024

	For the year ended	
	31 March 2024 BDT	31 March 2023 BDT
Cash flows from operating activities		
Collection from customers and others	14,520,186,187	14,289,512,210
Payment to suppliers and for operating expenses	(7,297,441,959)	(8,089,335,233)
Cash generated from operating activities	**7,222,744,228**	**6,200,176,977**
Interest paid	(148,664,115)	(8,968,594)
Interest received	326,831,686	196,329,343
Income tax paid	(1,250,600,996)	(993,636,288)
Net cash from operating activities	**6,150,310,803**	**5,393,901,438**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(243,710,829)	(517,290,654)
Acquisition of intangible assets	-	(1,151,571)
Proceeds from disposal of PPE	4,304,862	(328,075)
Encashment of/(Investment in) fixed deposits	(4,601,092,226)	(2,122,524,749)
Net cash used in investing activities	**(4,840,498,193)**	**(2,641,295,049)**
Cash flows from financing activities		
Net proceeds from loans and borrowings	450,000,000	-
Dividend paid	(2,028,925,000)	(963,573,744)
Payment of lease liability	(72,563,902)	(65,420,941)
Net cash used in financing activities	**(1,651,488,902)**	**(1,028,994,685)**
Net increase in cash and cash equivalents	**(341,676,292)**	**1,723,611,704**
Opening cash and cash equivalents	**2,228,805,865**	**505,194,161**
Closing cash and cash equivalents	**1,887,129,573**	**2,228,805,865**

Footnotes: 1. Independent auditor's report in page 1 to 5.
2. The notes 1 to 41 form an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 March 2024

	Attributable to owners of the Company			
	Share capital	**Share premium**	**Retained earnings**	**Total**
	BDT	**BDT**	**BDT**	**BDT**
Balance at 1 April 2023	**315,000,000**	**252,000,000**	**3,019,315,643**	**3,586,315,643**
Total comprehensive income for the year				
Profit for the year	-	-	4,606,317,831	4,606,317,831
Other comprehensive income	-	-	17,434,047	17,434,047
Total comprehensive income for the year	**315,000,000**	**252,000,000**	**4,623,751,878**	**4,623,751,878**
Transactions with owners of the Company				
Contributions and distributions	-	-	-	-
Total transactions with owners of the Company	-	-	-	-
Balance at 31 March 2024	**315,000,000**	**252,000,000**	**7,643,067,522**	**8,210,067,522**
Balance at 1 April 2022	**315,000,000**	**252,000,000**	**2,122,057,310**	**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	**-**	**-**	**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**

Footnotes: 1. Independent auditor's report in page 1 to 5.

2. The notes 1 to 41 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2024

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) and started its commercial operation from 4th July 2023. 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 Act, 2023; 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 year, if any, are included in note 7.

2.2 Authorisation for issue

These financial statements are authorised for issue by the Board of Directors in its 128th Board of Directors meeting held on 29th April, 2024.

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.

Notes to the Financial Statements for the year ended 31 March 2024

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 7.04 & 7.17.

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 March 2024 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 8A	Property, plant and equipment
Note 9	Intangible assets
Note 10	Right-of-use assets
Note 13	Inventories
Note 17	Employee benefit obligation
Note 18	Lease liabilities
Note 21	Current tax liabilities
Note 30.2	Deferred tax
Note 33	Contingent liabilities

5. 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 7.11.

6. 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.

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)

7. 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
7.01	Foreign currency transactions
7.02	Property, plant and equipment
7.03	Intangible assets
7.04	Right of use assets
7.05	Investment Property
7.06	Inventories
7.07	Cash and cash equivalents
7.08	Financial instruments
7.09	Share capital
7.10	Dividend to the equity holders
7.11	Employee benefits
7.12	Accruals
7.13	Provisions
7.14	Income tax
7.15	Revenue
7.16	Finance income and finance cost
7.17	Lease liabilities
7.18	Impairment
7.19	Contingencies
7.20	Earnings per share
7.21	Events after the reporting period

7.01 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 for the year ended 31 March 2024

7.02 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	5-50%
Buildings	5-33%
Furniture, fixtures and office equipment	10-50%
Computer and IT equipment	20-50%

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.

7.03 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.

Notes to the Financial Statements for the year ended 31 March 2024

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 50%.

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.

7.04 Right of use assets

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.

7.05 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.

7.06 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.

7.07 Cash and cash equivalents

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.

7.08 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.

Notes to the Financial Statements for the year ended 31 March 2024

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 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.

Notes to the Financial Statements for the year ended 31 March 2024

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.

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.

Notes to the Financial Statements for the year ended 31 March 2024

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

7.10 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.

7.11 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") and provides 5% of its Profit before contribution to workers participation fund and welfare fund 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.

7.12 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.

Notes to the Financial Statements for the year ended 31 March 2024

7.13 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.

7.14 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 2023 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 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.

7.15 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).

7.16 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.

Notes to the Financial Statements for the year ended 31 March 2024

7.17 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.

7.18 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.

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.

Notes to the Financial Statements for the year ended 31 March 2024

7.19 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.

7.20 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.

7.21Events after the reporting period

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

Notes to the Financial Statements for the year ended 31 March 2024

8. Property, plant and equipment

See accounting policy in Note 7.02

A. Reconciliation of Carrying amount

	Freehold land	Plant and machinery	Buildings	Furniture, fixtures and office equipment	Computer and IT equipment	Assets under construction	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Cost							
Balance at 1 April 2022	176,749,959	1,341,545,886	463,118,142	212,503,403	39,174,844	124,027,893	2,357,120,127
Additions	-	-	-	-	-	494,970,812	494,970,812
Transfer from asset under construction	-	73,570,376	16,088,443	132,862,715	11,795,335	(234,316,870)	0
Disposals	-	(57,542,643)	-	(8,372,511)	(733,019)	-	(66,648,173)
Balance at 31 March 2023	**176,749,959**	**1,357,573,619**	**479,206,585**	**336,993,608**	**50,237,160**	**384,681,835**	**2,785,442,767**
Balance at 1 April 2023	176,749,959	1,357,573,619	479,019,795	336,993,608	50,237,160	384,681,835	2,785,255,977
Additions	-	-	-	-	-	312,225,054	312,225,054
Transfer from asset under construction	-	192,743,408	370,678,906	73,749,661	12,661,036	(649,833,011)	-
Disposals	-	(17,724,833)	(126,275)	(10,432,809)	(4,470,287)	-	(32,754,205)
Balance at 31 March 2024	**176,749,959**	**1,532,592,193**	**849,572,426**	**400,310,460**	**58,427,909**	**47,073,879**	**3,064,726,826**
Accumulated depreciation and impairment loss							
Balance at 1 April 2022	-	899,198,361	286,562,853	159,369,569	30,892,857	-	1,376,023,640
Depreciation for the year	-	108,707,098	11,113,313	40,255,673	5,962,278	-	166,038,362
Impairment loss (reversal of impairment) of PPE	-	201,450	-	-	-	-	201,450
Disposals	-	(52,382,313)	-	(8,299,597)	(733,019)	-	(61,414,929)
Balance at 31 March 2023	**-**	**955,724,596**	**297,676,166**	**191,325,645**	**36,122,116**	**-**	**1,480,848,523**
Balance at 1 April 2023	-	955,724,596	297,638,809	191,325,645	36,122,116	-	1,480,811,166
Depreciation for the year	-	136,038,341	29,848,069	29,242,561	7,741,792	-	202,870,763
Impairment loss (reversal of impairment) of PPE	-	(1,565,273)	-	526,862	-	-	(1,038,411)
Disposals	-	(17,724,833)	(126,275)	(10,266,316)	(4,448,174)	-	(32,565,599)
Balance at 31 March 2024	**-**	**1,072,472,831**	**327,360,603**	**210,828,752**	**39,415,734**	**-**	**1,650,077,919**
Carrying amounts							
At 31 March 2023	**176,749,959**	**401,849,023**	**181,530,419**	**145,667,963**	**14,115,044**	**384,681,835**	**1,304,594,243**
At 31 March 2024	**176,749,959**	**460,119,363**	**522,211,822**	**189,481,708**	**19,012,175**	**47,073,879**	**1,414,648,907**

Notes to the Financial Statements for the year ended 31 March 2024

B. Investment property

See accounting policy in Note 7.05

	31 March 2024 BDT	31 March 2023 BDT
Office building	140,659,360	140,659,360
Depreciation for the year ended (Office building)	(139,340,204)	(132,555,428)
	1,319156	**8,103932**

* Asset category has been reorganised and presented accordingly for both the years.

**During FY24, additions made in the Mirsarai plant was BDT 570,485,296 and carrying amount of the asset stood at BDT 532,438,652

9. Intangible assets

See accounting policy in Note 7.03

	Computer software	
	31 March 2024 BDT	31 March 2023 BDT
Cost		
Opening balance	24,413,446	23,261,875
Additions	-	964,780
Closing balance	**24,413,446**	**24,226,655**
Accumulated amortization		
Opening balance	23,710,959	23,209,991
Amortization during the year	460,214	463,609
Closing balance	**24,171,173**	**23,673,601**
Carrying amount	**242,273**	**553,054**

* Opening balance of Intangible assets has changed due to one reclassification of asset.

10. Right-of-use assets

See accounting policy in Note 7.04

	Right-of-use assets	
	31 March 2024 BDT	31 March 2023 BDT
Reconciliation of carrying amount		
Cost		
Opening balance	442,009,097	420,063,229
Additions	169,696,456	34,874,051
Modification	(3,995,758)	-
Disposal	(157,622,728)	(12,928,183)
Closing balance	**450,087,067**	**442,009,097**
Accumulated depreciation		
Opening balance	175,097,466	127,347,234
Addition/ Adjustment	62,229,723	58,403,716
Disposal	(133,151,531)	(10,653,485)
Closing balance	**104,175,658**	**175,097,466**
Carrying amount	**345,911,409**	**266,911,631**

* Disposal has been presented separately in prior year.

Notes to the Financial Statements for the year ended 31 March 2024

11. Advances, deposits and prepayments

	Notes	As at 31 March 2024 BDT	As at 31 March 2023 BDT
Advances			
Advance for capital goods		8,967,568	90,131,526
Advance to suppliers and others		765,332,048	955,953,219
		774,299,616	**1,046,084,745**
Deposits			
Security deposits		4,190,645	12,068,498
		4,190,645	**12,068,498**
Prepayments			
Prepaid expenses		32,718,686	36,339,810
		32,718,686	**36,339,810**
	11.1	**811,208,947**	**1,094,493,053**

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

	As at 31 March 2024 BDT	As at 31 March 2023 BDT
Current	756,713,830	1,028,621,890
Non-current	54,495,117	65,871,163
	811,208,947	**1,094,493,053**

12. Other financial assets

	Notes	As at 31 March 2024 BDT	As at 31 March 2023 BDT
Fixed deposits	12.2	-	1,614,295,444
Treasury Bills	12.3	8,665,999,170	2,450,611,500
Trade receivables		38,200,323	60,694,023
Loans to employees		11,060,481	7,736,276
Accrued interest		310,800,458	58,138,858
	12.1	**9,026,060,432**	**4,191,476,101**

12.1 Current and non-current classification of other financial assets

	As at 31 March 2024 BDT	As at 31 March 2023 BDT
Current	9,018,705,412	4,184,389,716
Non-current	7,355,019	7,086,385
	9,026,060,432	**4,191,476,101**

Notes to the Financial Statements for the year ended 31 March 2024

12.2 Fixed deposits (maturity more than three months)

	As at	
	31 March 2024 BDT	31 March 2023 BDT
BRAC Bank PLC	-	502,700,000
The City Bank PLC	-	101,372,222
IPDC Finance Limited	-	101,381,111
IDLC Finance PLC	-	102,871,000
DBH Finance PLC	-	101,350,000
Commercial Bank of Ceylon PLC	-	502,070,000
Eastern Bank PLC	-	101,171,111
Bank Alfalah Limited	-	101,380,000
The Hongkong and Shanghai Banking Corporation Ltd.	-	-
	-	**1,614,295,444**

12.3 Treasury Bills (maturity more than three months)

	As at	
	31 March 2024 BDT	31 March 2023 BDT
Treasury Bill for 364 days	4,108,982,896	-
Treasury Bill for 182 days	3,732,494,073	483,215,500
Treasury Bill for 91 days	824,522,201	1,967,396,000
	8,665,999,170	**2,450,611,500**

13. Inventories

See accounting policy in Note 7.06

	As at	
	31 March 2024 BDT	31 March 2023 BDT
Raw materials	2,403,080,840	1,704,670,892
Packing materials	456,399,201	272,010,468
Finished goods	317,102,123	387,071,251
Stores and spares	41,559,539	35,838,517
Materials in transit	133,325,841	128,959,096
	3,351,467,544	**2,528,550,222**

14. Cash and cash equivalents

See accounting policy in Note 7.07

		As at	
	Notes	31 March 2024 BDT	31 March 2023 BDT
Cash at bank	14.1	1,879,302,911	1,506,765,881
Balance with bank for unclaimed dividend	20	7,826,662	8,402,017
Fixed deposits	14.2	-	713,637,967
		1,887,129,573	**2,228,805,865**

Notes to the Financial Statements for the year ended 31 March 2024

14.1 Cash at bank

	As at	
	31 March 2024	31 March 2023
	BDT	BDT
BRAC Bank PLC	942,576,882	64,385,293
Citibank N.A.	3,855,666	8,086,752
Islami Bank Bangladesh PLC	317,414	29,975,632
Sonali Bank PLC	10,043	7,091,891
Standard Chartered Bank	185,173,700	345,278,771
The Hongkong and Shanghai Banking Corporation Ltd.	338,502	8,558,663
Eastern Bank PLC	214,726,664	930,972,202
Dutch Bangla Bank PLC	8,415,000	4,329,995
The City Bank PLC	1,508,909	55,688
Commercial Bank of Ceylon PLC	301,807,169	108,030,994
State Bank of India	559,079	-
Bank Alfalah Limited	233	-
Mutual Trust Bank PLC	186,826,664	-
Dhaka bank PLC	33,186,986	-
	1,879,302,911	**1,506,765,881**

14.2 Fixed deposits (maturity less than three months)

	As at	
	31 March 2024	31 March 2023
	BDT	BDT
BRAC Bank PLC	-	354,529,467
Eastern Bank PLC	-	359,108,500
	-	**713,637,967**

15. Share capital

See accounting policy in Note 7.09

	As at	
	31 March 2024	31 March 2023
	BDT	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**

Notes to the Financial Statements for the year ended 31 March 2024

15.1 Composition of shareholding

Details	No. of share		% of Holding	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Marico Limited, India	28,350,000	28,350,000	90.00%	90.00%
Institutions	2,692,671	2,691,569	8.55%	8.54%
General Shareholders	457,329	458,431	1.45%	1.46%
	31,500,000	**31,500,000**	**100.00%**	**100.00%**

15.2 Classification of shareholders by holding

Holdings	No. of shareholders		% of Holding	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Less than 500 shares	3783	3805	93.41%	92.53%
501 to 5,000 shares	182	205	4.49%	4.99%
5,001 to 10,000 shares	37	44	0.91%	1.07%
10,001 to 20,000 shares	19	23	0.47%	0.56%
20,001 to 30,000 shares	9	12	0.22%	0.29%
30,001 to 40,000 shares	4	3	0.10%	0.07%
40,001 to 50,000 shares	7	6	0.17%	0.15%
50,001 to 100,000 shares	5	10	0.12%	0.24%
100,001 to 1,000,000 shares	4	4	0.10%	0.10%
Over 1,000,000 shares	0	0	0.00%	0.00%
	4050	**4112**	**100.00%**	**100.00%**

15.3 Share premium

	No. of share	
	31 March 2024	31 March 2023
Holdings		
Share premium on paid up share capital	252,000,000	252,000,000
	252,000,000	**252,000,000**

16. Loans and borrowings

	No. of share	
	31 March 2024 BDT	31 March 2023 BDT
Short term loan	450,000,000	-
	450,000,000	-

Notes to the Financial Statements for the year ended 31 March 2024

17. Employee benefit obligation

See accounting policy in Note 7.11

	No. of share	
	30 September 2023 BDT	31 March 2023 BDT
Provision for gratuity	16,526,505	21,786,564
Provision for leave encashment	28,834,691	30,790,506
	45,361,196	**52,577,070**
Current	21,619,307	25,893,750
Non-Current	23,741,889	26,683,320
	45,361,196	**52,577,070**

17.1 Employee benefits - gratuity

	Notes	No. of share	
		31 March 2024 BDT	31 March 2023 BDT
Net defined benefit asset		(83,194,885)	(76,118,863)
Total employee benefit asset		**(83,194,885)**	**(76,118,863)**
Net defined benefit liability		99,721,390	97,905,427
Total employee benefit liability		**99,721,390**	**97,905,427**
Total employee benefit liability	13.2	**16,526,505**	**21,786,564**

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

	No. of share	
	31 March 2024 BDT	31 March 2023 BDT
Current	16526505	21,324,183
Non-Current		462,381
	16,526,505	**21,786,564**

17.3 Movement in net defined benefit (asset) liability

	Defined benefit obligation		Fair value of plan assets		Net defined (asset) liability
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024
Balance at 1 April	97,905,427	98,552,133	(76,118,863)	(56,847,711)	21,786,564
Included in Profit or Loss					
Interest expense/ (Income)	8,028,245	7,391,410	(6,241,747)	(4,263,578)	1,786,498
Current Service Cost	19,363,109	25,810,134	-	-	19,363,109
	125,296,781	**131,753,677**	**(82,360,610)**	**(61,111,289)**	**42,936,171**

Notes to the Financial Statements for the year ended 31 March 2024

	Defined benefit obligation		Fair value of plan assets		Net defined (asset) liability
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024
Included in OCI					
Actuarial (gain)/loss arising from:					
- Demographic assumption		(3,385,949)	-	-	-
- Financial assumption	(18,311,761)	(11,974,514)	-	-	(18,311,761)
- Experience adjustment	(668,996)	(6,244,677)	-	-	(668,996)
Return on plan asset excluding interest income	-	-	1,546,710	4,258,815	1,546,710
	(18,980,757)	**(21,605,140)**	**1,546,710**	**4,258,815**	**(17,434,047)**
Other					
Contribution paid by the employer	**-**	**-**	**(8,975,620)**	**(31,509,499)**	**(8,975,620)**
Benefits paid	**(6,594,635)**	**(12,243,110)**	**6,594,635**	**12,243,110**	**-**
	(6,594,635)	**(12,243,110)**	**(2,380,985)**	**(19,266,389)**	**(8,975,620)**
Balances as at 31 March	**99,721,389**	**97,905,427**	**(83,194,885)**	**(76,118,863)**	**16,526,505**

17.4 Defined benefit obligation

(i) Actuarial assumption

The followings were the principal actuarial assumptions at the reporting date:	31 March 2024	31 March 2023
Discount rate	12.1%	8.2%
Salary increase rate	10.0%	10.0%
Employee turnover rate	16.0%	16.0%

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.

17.5 Provision for leave encashment

	31 March 2024 BDT	31 March 2023 BDT
Opening balance	30,790,506	26,379,735
Provision for leave encashment	7,808,610	13,053,811
Payment during the year	(9,764,425)	(8,643,040)
	28,834,691	**30,790,506**

Notes to the Financial Statements for the year ended 31 March 2024

	31 March 2024 BDT	31 March 2023 BDT
Current	5,092802	4,569566
Non-Current	23741889	26220940
	28,834,691	**30,790,506**

18. Lease liabilities

See accounting policy in Note 7.17

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.

	31 March 2024 BDT	31 March 2023 BDT
Less than one year	38,871,187	57,310,505
One to two years	42,307,690	26,134,320
Two to three years	38,288,191	12,571,804
Three to four years	34,566,784	7,691,383
Four to five years	36,705,745	-
More than five years	-	-
	190,739,596	**103,708,013**

Lease liabilities included in the statement of financial position

	31 March 2024 BDT	31 March 2023 BDT
Current	38,871,187	57,310,504
Non-current	151,868,409	46,397,509
	190,739,596	**103,708,013**

Amounts recognised in profit or loss

	31 March 2024 BDT	31 March 2023 BDT
Interest on lease liabilities	18,365,984	8,411,440
	18,365,984	**8,411,440**

Amounts recognised in the statement of cash flows

	31 March 2024 BDT	31 March 2023 BDT
Lease rental	72,563,902	65420941
Total cash outflow for lease liabilities and interest payments	**72,563,902**	**65,420,941**

Notes to the Financial Statements for the year ended 31 March 2024

19. Trade and other payable

See accounting policy in Note 07.08 iii (a)

	Notes	31 March 2024 BDT	31 March 2023 BDT
Trade payables	19.1	4,239,782,396	2,550,342,837
Other payables	19.2	2,928,420,445	4,556,040,771
		7,168,202,840	**7,106,383,606**

19.1 Trade payables

	31 March 2024 BDT	31 March 2023 BDT
Intercompany trade payable		
Payable against raw material	918,144,538	711,260,029
Payable against packing material	6,292,479	-
Payable against finished goods	-	376,955
	924,437,017	**711,636,984**
Third party trade payable		
Payable against raw material	2,715,385,002	1,283,806,815
Payable against services	494,678,985	542,270,032
Payable against packing material	105,281,391	12,629,005
	3,315,345,378	**1,838,705,853**
Total trade payables	**4,239,782,396**	**2,550,342,837**

19.2 Other payables

	31 March 2024 BDT	31 March 2023 BDT
Intercompany other payable		
Royalty payable	125,230,371	252,640,679
General and technical assistance fees payable	436,193,023	319,344,214
Dividend payable	-	2,028,925,000
	561,423,394	**2,600,909,893**
Third party other payable		
Payable against expenses	697,069,919	369,197,008
Payable against business promotion expense	702,053,952	567,190,500
Import duty and related charges payable	233,231,639	170,339,552
Withholding tax and VAT payable	54,865,504	204,077,026
Workers' profit participation and welfare fund	298,242,500	264,825,282
Festival bonus	23,360,461	19,716,272
Advance from customers	183,571,610	244,697,045
Payable against capital goods	45,976,539	57,776,466
Audit fees payable	968,307	880,000
Interest on Deferred LC	75,858,721	8,212,324
Supplementary duty	51,797,899	48,219,403
	2,366,997,051	**1,955,130,877**
Total other payables	**2,928,420,445**	**4,556,040,771**

Notes to the Financial Statements for the year ended 31 March 2024

20. Unclaimed Dividend balance

Financial Year	Dividend Type	Rate of Dividend	Total Dividend	Record Date	Unclaimed Dividend as on 31 March 2024	Unclaimed Dividend as on 31 March 2023
2020	Interim	300%	945000000	18-Feb-19	4,098,001	4,101,001
	Final	200%	630000000	18-Jun-20	262,671	262,821
2021	Interim	300%	945000000	16-Aug-20	345,053	345,203
	Interim	200%	630000000	17-Nov-20	201,003	201,153
	Interim	200%	630000000	15-Feb-21	305,226	324,144
	Final	200%	630000000	27-May-21	689,560	690,580
2022	Interim	200%	630000000	18-Aug-21	449,570	450,240
	Interim	200%	630000000	11-Nov-21	328,686	329,016
	Interim	200%	630000000	27-Feb-22	231,366	233,666
	Final	200%	630000000	26-May-22	229,933	230,083
2023	Interim	450%	1417500000	23-Jun-22	369,571	891,823
	Interim	300%	945000000	21-Aug-22	316,023	342,288
Unclaimed Dividend					**7,826,662**	**8,402,017**

*Total value of Unclaimed dividend represent balance after all adjustments

21. Current tax liabilities

	Notes	No. of share 31 March 2024 BDT	31 March 2023 BDT
Provision for income tax	21.1	7,226,505,574	7,913,544,700
Advance income tax	21.2	(6,391,893,400)	(7,134,955,958)
		834,612,174	**778,588,742**

21.1 Provision for income tax

	No. of share 31 March 2024 BDT	31 March 2023 BDT
Opening balance	7,913,544,700	6,755,639,460
Provision for current period/year	1,360,062,900	1,163,138,344
Adjustment for prior assessment year:		
Assessment year 2009-2010	(9,098,540)	-
Assessment year 2012-2013	(206,588,040)	-
Assessment year 2013-2014	(279,549,372)	(5,233,104)
Assessment year 2015-2016	(502,672,641)	-
Assessment year 2016-2017	(530,996,790)	-
Assessment year 2017-2018	(511,139,076)	-
Assessment year 2021-2022	(3,069,069)	-
Assessment year 2022-2023	(3,988,499)	-
	7,226,505,574	**7,913,544,700**

Notes to the Financial Statements for the year ended 31 March 2024

21.2 Advance income tax

	No. of share	
	31 March 2024	31 March 2023
	BDT	BDT
Opening balance	7,134,955,958	6,141,319,671
Payment during the year:		
Payment for current period	742,613,919	644,673,998
Payment for prior year:		
Assessment year 2015-2016	3,618,152	-
Assessment year 2016-2017	2,830,193	-
Assessment year 2017-2018	705,596	-
Assessment year 2022-2023	-	348,962,290
Assessment year 2023-2024	500,833,265	-
Adjustment for prior assessment year:		
Assessment year 2012-2013	(236,519,377)	-
Assessment year 2013-2014	(234,442,800)	-
Assessment year 2015-2016	(485,952,667)	-
Assessment year 2016-2017	(521,632,106)	-
Assessment year 2017-2018	(497,658,995)	-
Assessment year 2018-2019	(17,457,738)	-
	6,391,893,400	**7,134,955,958**

21.3 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 2024	2024-25	1,360,062,900	742,613,919	-
31 March 2023	2023-24	1,163,138,344	1,145,507,263	Return submitted
31 March 2022	2022-23	1,037,918,279	989,845,947	Return submitted
31 March 2021	2021-22	961,534,818	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	542,953,457	Open at CT level
31 March 2014	2014-15	475,304,697	468,166,315	At High Court
		7,226,505,575	**6,391,893,400**	

22. Revenue

See accounting policy in Note 7.15

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
Parachute coconut oil	8,592,795,863	8,575,818,742
Value added hair oil (VAHO)	4,236,429,084	4,045,021,205
Color	39,762,987	45,058,227

Notes to the Financial Statements for the year ended 31 March 2024

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
Health & Beauty	764,701,198	596,802,096
Baby Segment	336,085,563	276,654,565
Others*	554,408,135	596,386,305
	14,524,182,830	**14,135,741,140**

*Others include male grooming, byproduct & others

** Revenue includes BDT 822,016,645 related to Mirsarai plant

22.1 Segregation of revenue between domestic and export

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
Revenue from domestic operation	14,473,943,116	14,026,050,969
Revenue from export	50,239,714	109,690,172
	14,524,182,830	**14,135,741,140**

23. Cost of sales

	Note	For the year ended	
		31 March 2024	31 March 2023
		BDT	BDT
Opening stock of finished goods		387,071,251	391,631,323
Cost of goods manufactured	23.1	6,029,281,473	6,806,643,388
		6,416,352,724	**7,198,274,711**
Closing stock of finished goods		(317,102,123)	(387,071,251)
		6,099,250,601	**6,811,203,460**

* Cost of Sales includes BDT 366,686,459 related to Mirsarai Plant

23.1 Cost of goods manufactured

	Note	For the year ended	
		31 March 2024	31 March 2023
		BDT	BDT
Materials consumed	23.1.1	5,515,768,398	6,343,144,115
Factory overhead	23.1.2	513,513,075	463,499,274
		6,029,281,473	**6,806,643,388**

Notes to the Financial Statements for the year ended 31 March 2024

23.1.1 Materials consumed

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
Opening stock of raw materials, packing materials and others	2,141,478,971	1,940,796,549
Purchases during the year	6,408,654,847	6,543,826,537
Closing stock of raw materials, packing materials and others	(3,034,365,421)	(2,141,478,971)
	5,515,768,398	**6,343,144,115**

23.1.2 Factory overhead

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
Communication expenses-CoS	564,200	627,981
Cost of outsourced human resources	115,424,601	106,628,524
Depreciation-CoS	167,059,981	129,203,888
Entertainment-CoS	13,047,886	12,844,092
Power expenses	70,490,065	107,347,279
Printing and stationery-CoS	1,674,125	1,863,650
Repairs and maintenance-CoS	23,201,205	19,321,267
Salaries and allowances-CoS	80,390,546	60,186,158
Security charges-CoS	12,729,850	9,463,572
Travelling and conveyance-CoS	8,298,655	7,417,068
Warehouse rent	20,631,961	8,595,795
	513,513,075	**463,499,274**

24. General and administrative expenses

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
Salaries and allowances	634,392,701	567,872,945
Gratuity	21,149,612	28,937,964
Rent, rates and taxes	16,906,654	11,148,820
Professional and legal charges	35,512,222	34,773,932
Security charges	2,272,445	2,019,492
Stamp and license fees	16,199,449	11,966,027
Directors' remuneration and fees	31,537,232	26,010,874
Repair and maintenance	18,670,820	19,129,995
Communication expenses	4,431,717	4,501,237
Subscription to trade association	180,029	258,101
Entertainment	36,651,477	35,574,525
Printing and stationery	2,559,968	2,287,305
Vehicle running expenses	43,507,435	47,405,317
Travelling and conveyance	18,045,836	23,769,460
Audit fees	1,874,429	1,148,000
Insurance premium	27,039,305	23,596,129
Bank charges	10,714,980	7,013,258

Notes to the Financial Statements for the year ended 31 March 2024

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
AGM and public relation	7,155,392	10,474,793
Conference and training	4,589,485	8,638,629
Electricity and gas charges	718,817	800,893
Amortisation	460,214	500,968
Royalty	139,144,849	134,373,952
Depreciation	42,595,558	43,393,075
Depreciation on right-of-use asset	62,229,723	58,403,716
General and technical assistance fees	103,540,800	106,444,576
CSR expense	17,075,037	11,358,855
	1,299,156,185	**1,221,802,840**

* General and administrative expenses includes BDT 72,491,102 related to Mirsarai Plant

25. Marketing, selling and distribution expenses

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
Advertisement, travelling and communication expense	702,101,643	737,847,583
Business promotion expenses	38,260,466	29,811,543
Other selling & distribution expenses	97,435,068	68,906,349
Entertainment-Mkt	11,313,774	8,258,554
Free sample	7,422,612	6,566,773
Freight- outward	108,514,187	99,289,089
Market research expenses	50,166,701	38,737,919
	1,015,214,451	**989,417,810**

* Marketing, selling and distribution expenses includes BDT 59,902,937 related to Mirsarai Plant

26. Other income/(expense)

		For the year ended	
	Note	31 March 2024	31 March 2023
		BDT	BDT
Other income	26.1	40,359,793	27,424,065
Other expenses	26.2	(106,661)	(2,861,570)
		40,253,132	**24,562,496**

Notes to the Financial Statements for the year ended 31 March 2024

26.1 Other income

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
Gain on sale of PPE	4,411,524	277,387
Gain on lease disposal/ modification	2,916,834	1,535,798
Gain on cessation of liability	-	146,794
Refund from insurance	2,989,887	1,696,289
Insurance claim	1,313,181	748,701
Rental income	13,525,034	10,206,000
Scrap sales	15,203,333	12,813,096
	40,359,793	**27,424,065**

26.2 Other expenses

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
Loss on sale of PPE	(106,661)	(2,861,570)
	(106,661)	**(2,861,570)**

27. Net finance income

	Note	For the year ended	
		31 March 2024	31 March 2023
		BDT	BDT
Finance income/(Expense)	27.1	579,855,635	162,981,942
Finance costs	27.2	(565,820,362)	(4,355,821)
		14,035,273	**158,626,121**

27.1 Finance income/(Expense)

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
Interest on fixed deposits	483,076,423	150,288,437
Interest on call deposits	96,416,864	12,693,505
Interest on staff loan	362,348	-
	579,855,635	**162,981,942**

Notes to the Financial Statements for the year ended 31 March 2024

27.2 Finance costs

	For the year ended	
	31 March 2024 BDT	31 March 2023 BDT
Interest on overdraft and loans	148,664,115	17,180,918
Foreign exchange (gain)/loss	398,790,265	(21,236,537)
Interest on lease	18,365,984	8,411,440
	565,820,362	**4,355,821**

* Finance costs includes BDT 3,006,745 related to Mirsarai plant

28. Contribution to WPPF

	For the year ended	
	31 March 2024 BDT	31 March 2023 BDT
Profit before contribution to WPPF	6,164,849,998	5,296,505,646
Applicable contribution rate	5%	5%
	308,242,500	**264,825,282**

* Contribution to WPPF includes BDT 19,304,088 related to Mirsarai plant.

**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 and tax as per provision of the Bangladesh Labour Act 2006.

29. Earnings per share

29.1 Basic earnings per share

	For the year ended	
	31 March 2024 BDT	31 March 2023 BDT
Profit attributable to ordinary shareholders (net profit after tax)	4,606,317,831	3,872,412,009
Weighted average number of ordinary shares outstanding during the year	31,500,000	31,500,000
Earnings per share (EPS) in Taka	**146.23**	**122.93**

29.2 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.

Notes to the Financial Statements for the year ended 31 March 2024

30. Income tax expenses

See accounting policy in Note 7.14

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
Amounts recognised in profit or loss		
Current tax expense		
Current year	1,360,062,900	1,163,138,344
Adjustment for prior year	(53,438,474)	(5,233,104)
	1,306,624,426	**1,157,905,240**
Deferred tax (income)/expense	(56,334,759)	1,363,115
	1,250,289,667	**1,159,268,355**

30.1 Reconciliation of effective tax rate

	For the year ended			
	31 March 2024		31 March 2023	
	%	BDT	%	BDT
Profit before income tax		5,856,607,498		5,031,680,364
Income tax using the corporate tax rate	22.5%	1,317,736,687	22.5%	1,132,128,082
Factors affecting the tax charge for current year:				
Short/(higher) fiscal depreciation and amortisation over that of accounting	-0.09%	(5,351,471)	0.07%	3,631,437
Disallowance for excess perquisites	0.36%	21,010,176	0.15%	7,486,853
Short/(higher) of leave encashment payment over provision	-0.01%	(440,058)	0.02%	992,423
Disallowance for contribution to CSR project	0.04%	2,134,380	0.03%	1,419,857
Income that exempted from taxation	-1.16%	(68,048,884)	0.00%	-
Effect of special rate of export income	-0.04%	(2,137,412)	0%	(4,239,008)
Other inadmissible expenses	0.32%	18,694,033	0.42%	20,944,370
Foreign exchange loss	1.25%	73,367,304	0.00%	-
Depreciation on leased assets	0.24%	14,001,688	0.26%	13,140,836
Interest on lease liabilities	0.07%	4,132,346	0.04%	1,892,574
Actual rent on leased assets	-0.26%	(15,035,890)	-0.28%	(14,304,407)
Adjustment for prior years	-0.91%	(53,438,474)	-0.10%	(5,233,104)
Deferred tax expense	-0.96%	(56,334,760)	0.03%	1,363,115
Total income tax expense	**21.35%**	**1,250,289,666**	**23.04%**	**1,159,268,355**

Notes to the Financial Statements for the year ended 31 March 2024

30.2 Movement in deferred tax balances

31 March 2024	Net balance at 01 April 2023	Recognised in profit /loss	Recognised in OCI	Net balance as at 31 March 2024	Balance as at 31 March 2024	
					Deferred tax assets	Deferred tax liabilities
	BDT	BDT	BDT	BDT	BDT	BDT
Property, plant and equipment	(39,129,939)	14,937,166	-	(24,192,773)	(24,192,773)	-
Provision for leave encashment	(6,927,864)	440,058	-	(6,487,805)	(6,487,805)	-
RoU assets and lease liability under IFRS 16	33,570,813	(1,492,156)	-	32,078,657	-	32,078,657
Unrealized forex loss	-	(70,219,829)	-	(70,219,829)	(70,219,829)	-
Net deferred tax (assets)/ liabilities	**(12,486,990)**	**(56,334,759)**	**-**	**(68,821,750)**	**(100,900,407)**	**32,078,657**

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- Impact of 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**

31. Related party transactions

31.1 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.

31.2 Transactions with key management personnel

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
Directors' remuneration and fees	31,537,232	26,010,874
	31,537,232	**26,010,874**

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

Notes to the Financial Statements for the year ended 31 March 2024

31.3 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.

31.3.1 Transactions with parent company

Name of the related parties	Relationship	Nature of transaction	Transaction amount BDT	Balance as at 31 March 2024 BDT	Balance as at 31 March 2023 BDT
Marico Limited, India	Parent company	Purchase of RM and PM	45,111,497	14,489,362	20,403,827
		Purchase of Asset (Mould)	-	162,516	162,516
		Royalty	139,144,849	125,230,371	252,640,679
		Dividend		-	2,028,925,000
		General and technical assistance fees	103,540,800	438,518,580	318,694,630
		Sales of PM	4,206,483	1,219,052	-
		Other receivables	1,675,973	2,325,557	649,584

31.3.2 Transactions with other related parties

Name of the related parties	Relationship	Nature of transaction	Transaction amount BDT	Balance as at 31 March 2024 BDT	Balance as at 31 March 2023 BDT
Marico Middle East FZE	Associated company	Sale of FG	17,940,922	348,537	-
		Purchase of RM	3,081,302,431	909,947,656	690,693,686
		Other receivables	247,096	247,096	-
Marico South East Asia	Associated company	Sales of PM	2,083,725	-	-
		Other receivables	130,127	130,127	-
Marico for Consumer Care Products SAE (Erstwhile Wind Co)	Associated company	Sale of Asset	3,338,537	-	-
		Sales of PM	10,029,228	-	1,162,456
		Other receivables	651,413	651,413	-
ZED Lifestyle Pvt Ltd	Associated company	Purchase of FG	1,975,060	-	376,955
Marico Gulf LLC	Associated company	Sale of FG	703,712	-	-

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

32.1 Calculation of net asset value per share

	As at 31 March 2024 BDT	As at 31 March 2023 BDT
Net asset	8,210,067,522	3,586,315,643
Number of shares	31,500,000	31,500,000
Net asset value (NAV) per share	**260.64**	**113.85**

Notes to the Financial Statements for the year ended 31 March 2024

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

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
Net cash from operating activities	6,150,310,803	5,393,901,438
No. of shares	31,500,000	31,500,000
Net operating cash flow per share (NOCFPS)	**195.25**	**171.23**

32.3 Reconciliation of net profit with cash flows from operating activities

	For the year ended	
	31 March 2024	31 March 2023
	BDT	BDT
Profit after tax	4,606,317,831	3,872,412,009
Adjustment for:		
Depreciation	271,885,263	231,000,680
Amortisation	460,214	500,968
Interest expense	148,664,115	17,180,918
Interest on staff loan	362,348	-
Interest on lease	18,365,984	8,411,440
Interest income	(579,855,635)	(162,981,942)
Loss/(Gain) on sale of PPE	(4,304,862)	2,861,570
Tax expense	1,250,289,667	1,159,268,355
	5,712,184,925	**5,128,653,996**
Changes in operating assets and liabilities:		
Inventories	(822,917,321)	(196,122,351)
Advances, deposits and prepayments	202,120,148	(240,052,630)
Other financial assets	(16,348,006)	(14,662,933)
Employee benefit obligation	10,218,177	1,839,236
Trade and other payable	2,137,486,304	1,520,521,656
Cash generated from operating activities	**7,222,744,228**	**6,200,176,975**
Interest paid	(148,664,115)	(8,968,594)
Interest received	326,831,686	196,329,343
Income tax paid	(1,250,600,996)	(993,636,288)
Net cash flows from operating activities	**6,150,310,803**	**5,393,901,437**

* Net operating cash flow increased due to higher collection and lower payment to supplier in FY24 compared to PY.

33. Contingent liabilities

The Company has contingent liability of BDT 1,077,100,000 as on 31 March 2024 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 162,667,759, Taka 10,567,055 ,Taka 110,240,000, Taka 86,410,000 and Taka 5,821,140 with Standard Chartered Bank, Citi Bank NA, Brac Bank PLC, Dhaka Bank PLC and State Bank of India respectively. Shipping guarantee of Taka 11,018,673 with Standard Chartered Bank.

Notes to the Financial Statements for the year ended 31 March 2024

34. Production Capacity

Main product	Installed capacity	
	31 March 2024	31 March 2023
Parachute Coconut Oil (PCNO)	36,500	36,500
Copra Crushing	72,000	72,000
CCNO Refining	18,000	18,000
Value Added Hair Oil (VAHO)	28,860	17,160
Water based product	12,000	12,000
Edible Oil	4,000	4,000

35. Commitment

Commitment	Installed Capacity	
	31 March 2024	31 March 2023
	BDT	BDT
i) Capital commitment	39,531,030	160,780,609
ii) Other commitment	297,449,863	438,954,821

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

36. 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 shareholder of the Company.

Dividend for	Dividends remitted	
	31 March 2024	31 March 2023
Final dividend for the year 2021-2022	510,300,000	-
First interim for the year 2022-2023	753,175,000	395,000,000
Second interim for the year 2022-2023	765,450,000	-
	2,028,925,000	**395,000,000**

37. 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 period ended 31 March 2024.

Notes to the Financial Statements for the year ended 31 March 2024

38. 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.

38.1 New factory in Mirsharai Economic Zone

The company has invested in a new manufacturing plant located in the Mirsharai Economic Zone (MEZ) and commenced commercial operations on July 4th, 2023. Following the regulations outlined in the Bangladesh Economic Zone Order (BEZA) of 2010 and relevant laws of the land (including SRO No 104 AIN/Income Tax/2020), the company intends to take advantage of the income tax benefits provided for conducting business within the Economic Zone. In order to provide stakeholders with additional information, the company has included a separate note in the financial statements detailing the financial performance of operations within the Economic Zone. This note includes a breakdown of revenue, costs associated, other relevant cost with the company's activities within the Economic Zone, as well as the allocation of common costs based on net sales percentage.

Dividend for	31 March 2024 BDT
Revenue	822,016,645
Cost of sales	(366,686,459)
Gross profit	**455,330,185**
Other income	1,814,172
General and administrative expenses	(72,491,102)
Marketing, selling and distribution expenses	(59,902,937)
Finance costs	(3,006,745)
Profit before contribution to workers participation fund and welfare fund	**321,743,574**
Contribution to workers participation fund & welfare fund	(19,304,088)
Profit before tax	**302,439,485**

39. 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 399 (previous year:412), among them 54 employees left Marico and 345 (Previous year: 336) existed at 31 March 2024.

40. Subsequent events

The Board of Directors of Marico Bangladesh Limited at its 128th meeting held on 29 April 2024 has declared 200% final cash dividend I,e. Tk 20 per share, amount to total Taka 630,000,000 for the period ended at 31 March 2024.

Notes to the Financial Statements for the year ended 31 March 2024

41. Financial instruments - fair values and financial risk management

41.1 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 2024

Particulars	Note	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	12.2	-	-	-	-	-	-	-
Treasury Bills	12.3	-	-	-	-	8,665,999,170	-	8,665,999,170
Loan to employees	12	-	-	-	-	11,060,481	-	11,060,481
Trade receivables	12	-	-	-	-	38,200,323	-	38,200,323
Cash and cash equivalents	14	-	-	-	-	1,887,129,573	-	1,887,129,573
		-	**-**	**-**	**-**	**10,602,389,548**	**-**	**10,602,389,548**
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value								
Trade and other payables	19	-	-	-	-	-	7,168,202,840	7,168,202,840
Lease liabilities	18	-	-	-	-	-	190,739,596	190,739,596
		-	**-**	**-**	**-**	**-**	**7,808,942,436**	**7,808,942,436**

Notes to the Financial Statements for the year ended 31 March 2024

31 March 2023

Particulars	Note	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	12.2	-	-	-	-	1,614,295,444	-	1,614,295,444
Treasury Bills	12.3	-	-	-	-	2,450,611,500	-	2,450,611,500
Loan to employees	12	-	-	-	-	7,736,276	-	7,736,276
Trade receivables	12	-	-	-	-	60,694,023	-	60,694,023
Cash and cash equivalents	14	-	-	-	-	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	19	-	-	-	-	-	7,106,383,606	7,106,383,606
Lease liabilities	18	-	-	-	-	-	103,708,013	103,708,013
		-	**-**	**-**	**-**	**-**	**7,660,091,619**	**7,660,091,619**

Notes to the Financial Statements for the year ended 31 March 2024

41.2 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

41.2.1 Credit risk

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

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

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

Financial assets	Note	31 March 2024 BDT	31 March 2023 BDT
Fixed deposits	12.2	-	1,614,295,444
Treasury Bills	12.3	8,665,999,170	2,450,611,500
Loans to employees	12	11,060,481	7,736,276
Trade receivables	12	38,200,323	60,694,023
Cash and cash equivalents	14	1,887,129,573	2,228,805,865
		10,602,389,548	**6,362,143,108**

41.2.2 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	Note	Carrying amount BDT	Contractual cash flows: Expected cash flow BDT	6 months or less BDT	6-12 months BDT	1- 2 years BDT	2- 5 years BDT	More than 5 years BDT
31 March 2024								
Trade and other payables	19	7,168,202,840	7,168,202,840	7,168,202,840	-	-	-	-
Lease liabilities	18	190,739,596	190,739,595	24,833,604	14,037,583	42,307,690	109,560,719	-

Notes to the Financial Statements for the year ended 31 March 2024

Particulars	Note	Carrying amount	Contractual cash flows: 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	19	7,106,383,606	7,106,383,606	7,106,383,606	-	-	-	-
Lease liabilities	18	103,708,013	103,708,013	27,909,973	29,400,532	26,134,320	20,263,187	-
		7,210,091,619	**7,210,091,619**	**7,134,293,579**	**29,400,532**	**26,134,320**	**20,263,187**	**-**

41.2.2 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 24 are as follows:

	31 March 2024	31 March 2023
	USD	USD
Import of goods and services	(21,145,860)	(2,175,727)
Bank balance	27,492	325,923
	(21,118,368)	**(1,849,804)**

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

	Average rate		Year-end spot rate	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Exchange rate (USD/BDT)	108.91	98.20	110.00	105.07

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.

	Profit/(loss)		Equity	
	Strengthening	Weakening	Strengthening	Weakening
	BDT	BDT	BDT	BDT
31 March 2024				
USD (1% movement)	(23,230,205)	23,230,205	(23,230,205)	23,230,205
31 March 2023				
USD (1% movement)	(1,943,589)	1,943,589	(1,943,589)	1,943,589

Notes to the Financial Statements for the year ended 31 March 2024

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 2024, the interest rate profile of the Company's interest bearing financial instruments was:

	Notes	31 March 2024 BDT	31 March 2023 BDT
Fixed rate instruments			
Financial assets		-	-
Fixed deposit receipts	12.2	-	1,614,295,444
Treasury Bills	12.3	8,665,999,170	2,450,611,500
Financial liabilities		-	-
Variable rate instruments			
Financial assets		-	-
Financial liabilities		-	-

MBL INDUSTRIES LIMITED (MBLIL)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Gaurav Sarda Mr. Mohammad Hedayet Ullah Mr. Md. Elias Ahmed Mr. Ashish Goupal
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 Auditors' Report

To
The shareholders of
MBL INDUSTRIES LIMITED

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 2024, 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 2024, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.2 and Note 2.8 in the financial statements regarding going concern. The company has no operation till 2009, which indicates indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs), the Conpanies 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.

Ahmed Mashuque & Co.
Chartered Accountants
FRC firm enlistment no. CAF-001-115

Jahangir Hussain ACA
Partner
Enrolment No: 1960
DVC: 2404241960AS722097

Dated, 18 April 2024
Dhaka

Statement of Financial Position as at 31 March 2024

Amount in Taka

Particulars	Note	31-Mar-24	31-Mar-23
Assets			
Non current assets		-	-
Current assets			
Cash and cash equivalents	4	6,500,791	6,503,791
Total current assets		**6,500,791**	**6,503,791**
Total assets		**6,500,791**	**6,503,791**
Equity & Liabilities			
Equity			
Share capital	5	1,000,000	1,000,000
Retained earnings		3,261,131	3,321,631
Total equity		**4,261,131**	**4,321,631**
Liabilities			
Non current liabilities		-	-
Current liabilities			
Payable for expenses	6	1,362,346	1,304,846
Current tax liabilities	7	877,314	877,314
Total current liabilities		**2,239,660**	**2,182,160**
Total liabilities		**2,239,660**	**2,182,160**
Total equity and liabilities		**6,500,791**	**6,503,791**

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

Ahmed Mashuque & Co.
Chartered Accountants
FRC firm enlistment no. CAF-001-115

Jahangir Hussain ACA
Partner
Enrolment No: 1960
DVC: 2404241960AS722097

Dated, 18 April 2024
Dhaka

Statement of Profit or Loss and other Comprehensive Income for the period from 01 April 2023 to 31 March 2024

Amount in Taka

Particulars	Note	01 April 2023 to 31 March 2024	01 April 2022 to 31 March 2023
Revenue		-	-
Less: Cost of sales		-	-
Gross profit		**-**	**-**
Less: Operation expenses			
General and administrative expenses	8	(60,500)	(60,500)
Net profit/(loss) before income tax		**(60,500)**	**(60,500)**
Less: Income tax expense		-	-
Net profit/(loss) after income tax		**(60,500)**	**(60,500)**
Add: Other comprehensive income		-	-
Total comprehensive income/(loss)		**(60,500)**	**(60,500)**

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

Ahmed Mashuque & Co.
Chartered Accountants
FRC firm enlistment no. CAF-001-115

Jahangir Hussain ACA
Partner
Enrolment No: 1960
DVC: 2404241960AS722097

Dated, 18 April 2024
Dhaka

Statement of Cash Flows for the period from 01 April 2023 to 31 March 2024

Amount in Taka

Particulars	01 April 2023 to 31 March 2024	01 April 2022 to 31 March 2023
Cash flows from operating activities		
Net profit/(loss) before income tax	(60,500)	(60,500)
(Decrease)/Increase in payable for expenses	57,500	57,500
Cash generated from/(used in) operating activities	**(3,000)**	**(3,000)**
Income tax paid	-	
Net cash generated from/(used in) operating activities	**(3,000)**	**(3,000)**
Cash flows from investing activities	**-**	**-**
Cash flows from financing activities	**-**	**-**
Net (decrease)/increase in cash and cash equivalents	**(3,000)**	**(3,000)**
Opening cash and cash equivalents	6,503,791	6,506,791
Closing cash and cash equivalents	**6,500,791**	**6,503,791**

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

Ahmed Mashuque & Co.
Chartered Accountants
FRC firm enlistment no. CAF-001-115

Jahangir Hussain ACA
Partner
Enrolment No: 1960
DVC: 2404241960AS722097

Dated, 18 April 2024
Dhaka

Statement of Changes in Equity for the period from 01 April 2023 to 31 March 2024

Amount in Taka

Particulars	Share capital	Retained earnings	Total
Balance as at 1 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**
Balance as at 01 April 2023	1,000,000	3,321,631	4,321,631
Total comprehensive income/(loss)	-	(60,500)	(60,500)
Balance as at 31 March 2024	**1,000,000**	**3,261,131**	**4,261,131**

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

Ahmed Mashuque & Co.
Chartered Accountants
FRC firm enlistment no. CAF-001-115

Jahangir Hussain ACA
Partner
Enrolment No: 1960
DVC: 2404241960AS722097

Dated, 18 April 2024
Dhaka

Notes, Comprising Significant Accounting Policies and other Explanatory Information as at and for the period from 01 Apirl 2023 to 31 March 2024

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 18 Apr 2024.

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 2023 to 31 March 2024.

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.

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.

Notes, Comprising Significant Accounting Policies and other Explanatory Information as at and for the period from 01 Apirl 2023 to 31 March 2024

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.

Cash and cash equivalents

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

3.1.2 Financial liabilities

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

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

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

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

3.2 Provisions

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

3.3 Share capital

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

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

3.4 Taxation

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

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

3.5 General

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

3.6 Comparative information

Comparative information have been disclosed for (for 12 months covering period from 1 April 2023 to 31 March 2024) all numerical information in the financial statements when it is relevant for understanding the current period's financial statements.

Notes, Comprising Significant Accounting Policies and other Explanatory Information as at and for the period from 01 Apirl 2023 to 31 March 2024

4. Cash and cash equivalents

	31-Mar-24 Taka	31-Mar-23 Taka
Cash at banks:		
Citibank, N.A.	6,500,791	6,503,791
	6,500,791	**6,503,791**

5. Share capital

	31-Mar-24 Taka	31-Mar-23 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

	31-Mar-24 Taka	31-Mar-23 Taka
Payable for Audit fees & other services	1,362,346	1,304,846
	1,362,346	**1,304,846**

7. Current tax liabilities

	31-Mar-24 Taka	31-Mar-23 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**

7.1 Provision for tax

	31-Mar-24 Taka	31-Mar-23 Taka
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**

Notes, Comprising Significant Accounting Policies and other Explanatory Information as at and for the period from 01 Apirl 2023 to 31 March 2024

7.2 Advance income tax

	31-Mar-24 Taka	31-Mar-23 Taka
Opening balance	4,561,332	4,561,332
Add: Advance income tax paid during the period		
Less: Adjustment for completed assessments	-	-
	4,561,332	**4,561,332**

8. General and administrative expenses

Amount in Taka

	01 April 2023 to 31 March 2024	01 April 2022 to 31 March 2023
Statutory audit fees	57,500	57,500
Bank charges	3,000	3,000
	60,500	**60,500**

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:

Amount in Taka

	Note	31-Mar-24	31-Mar-23
Cash and cash equivalents(except cash in hand)	4	6,500,791	6,503,791
		6,500,791	**6,503,791**

Notes, Comprising Significant Accounting Policies and other Explanatory Information as at and for the period from 01 Apirl 2023 to 31 March 2024

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 2024	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	1,362,346	(1,362,346)	-	-	(1,362,346)	-	-
		1,362,346	**(1,362,346)**	**-**	**-**	**(1,362,346)**	**-**	**-**

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	7	1,304,846	(1,304,846)	-	-	(1,304,846)	-	-
		13,044,846	**(1,304,846)**	**-**	**-**	**(1,304,846)**	**-**	**-**

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 2024.

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.

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.

Notes, Comprising Significant Accounting Policies and other Explanatory Information as at and for the period from 01 Apirl 2023 to 31 March 2024

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:

	As at 31 March 2024		As at 31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	Taka	Taka	Taka	Taka
Financial assets				
Assets carried at fair value				
through profit or loss	-	-	-	-
Held to maturity assets	-	-	-	-
Loans and receivables				
Cash and cash equivalents	6,500,791	6,500,791	6,503,791	6,503,791
Available for sale financial assets	-	-	-	-
Financial liabilities				
Liabilities carried at fair value				
through profit or loss	-	-	-	-
Liabilities carried at amortised costs				
Payable for expenses	1,362,346	N/A*	1,304,846	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 2024.

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, 2024)	Mr. Pawan Agrawal Mr. Saugata Gupta Mr. Binjit Kadakapcedlikayal Ms. Ruby Ritolia (until August 11, 2023) Mr. Rahul Jain Mr. Ashish Goupal
MANAGER	Mr. Binjit Kumar Kadakapcedlikayal
SECRETARY	Mr. Venkata Sivaramakrishna (upto January 30, 2023) Mr. Bhavya Roongta (appointed w.e.f. February 3, 2023)
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 "Establishment") and its subsidiaries (together referred to as the "Group"), which comprise the statement of consolidated financial position as at 31 March 2024, 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 2024, 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 United Arab Emirates (U.A.E), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 3(c) to the consolidated financial statements, which states that as at 31 March 2024 the Group's losses aggregated to AED 125,586,936, its current liabilities exceeded its current assets by AED 91,844,449 and it had a net deficit of AED 89,379,492 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 consolidated 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.

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 consolidated financial statements comply with the applicable provisions of the Jebel Ali Free Zone Companies Implementing Regulations 2016.

For **PKF**

Saranga Lalwani
Partner
Registration No. 5468
United Arab Emirates

Dubai
20 June 2024

Consolidated Statement Of Financial Position

as at 31 March 2024

	Notes	2024 AED	2023 AED
ASSETS			
Non-current assets			
Property, plant and equipment	7	3,780,671	3,115,121
Current assets			
Inventories	8	8,420,563	5,557,182
Trade and other receivables	9	65,989,623	55,861,361
Other current assets	10	1,978,531	829,262
Due from a related party	18	30,773,726	24,141,721
Cash and cash equivalents	11	6,876,002	5,692,134
		114,038,445	**92,081,660**
Total assets		**117,819,116**	**95,196,781**
EQUITY AND LIABILITIES			
Equity funds			
Share capital	12	22,000,000	22,000,000
Statutory reserve		1,036,635	1,036,635
Foreign currency translation reserve		13,170,809	15,223,478
Accumulated losses		(125,586,936)	(131,845,938)
Deficit in equity funds		**(89,379,492)**	**(93,585,825)**
Non-current liabilities			
Provision for staff end-of-service benefits	13	972,323	1,954,652
Lease liabilities	14	343,391	300,351
		1,315,714	**2,255,003**
Current liabilities			
Short-term borrowings	15	85,664,233	134,440,251
Trade and other payables	16	39,714,154	26,777,958
Other current liabilities	17	3,863,098	3,255,870
Due to a related party	18	76,276,118	21,642,516
Lease liabilities	14	365,291	411,008
		205,882,894	**186,527,603**
Total liabilities		**207,198,608**	**188,782,606**
Total liabilities less deficit in equity funds		**117,819,116**	**95,196,781**

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 13 June 2024.

For **MARICO MIDDLE EAST FZE**

BINJIT KUMAR
MANAGER

RAHUL JAIN
DIRECTOR

Consolidated Statement of Profit or Loss and other Comprehensive Income

for the year ended 31 March 2024

	Notes	2024 AED	2023 AED
Revenue	20	270,985,313	264,647,873
Cost of sales	21	**(179,139,357)**	**(195,449,964)**
Gross profit		91,845,956	69,197,909
Other income	22	938,086	938,657
Administrative and selling expenses	23	(76,764,856)	(61,910,519)
Finance costs	24	(9,225,905)	(5,902,836)
Impairment of financial assets	25	**(253,947)**	
PROFIT FOR THE YEAR BEFORE TAX		**6,539,334**	**2,323,211**
Income tax (expense)/benefit		**(280,332)**	**114,876**
PROFIT FOR THE YEAR AFTER TAX		**6,259,002**	**2,438,087**
Profit attributable to:			
Equity holder of the parent		6,259,002	2,438,087
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Foreign currency translation differences			
for foreign operations		(2,052,669)	9,321,719
Other comprehensive income for the year		**(2,052,669)**	**9,321,719**
Other comprehensive income attributable to:			
Equity holder of the parent		(2,052,669)	9,321,719
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,206,333**	**11,759,806**

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 2024

		Share capital	Statutory reserve[a]	Foreign currency translation reserve	Accumulated losses	Total
		AED	AED	AED	AED	AED
Balance at 1 April 2022		**22,000,000**	**886,635**	**5,901,759**	**(134,134,025)**	**(105,345,631)**
Comprehensive income						
- Profit	(a)	--	--	--	2,438,087	2,438,087
- Other comprehensive income	(b)	--	--	9,321,719	--	9,321,719
Total comprehensive income for the year	**(a+b)**	**--**	**--**	**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)**
Comprehensive income						
- Profit	(c)	--	--	--	6,259,002	6,259,002
- Other comprehensive income	(d)	--	--	(2,052,669)	--	(2,052,669)
Total comprehensive income for the year	**(c+d)**	**--**	**--**	**(2,052,669)**	**6,259,002**	**4,206,333**
Balance at 31 March 2024		**22,000,000**	**1,036,635**	**13,170,809**	**(125,586,936)**	**(89,379,492)**

(a) Statutory reserve pertains to below mentioned entities:

	2024	2023
	AED	AED
Marico Gulf LLC	150,000	150,000
MEL Consumer Care Company (MELCC)	42,496	42,496
Egypt American Investment and Industrial Development Company (EAIIDC)	77,867	77,867
Marico Egypt for Industries SAE (MEIC)	766,272	766,272
	1,036,635	**1,036,635**

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 2024

	2024 AED	2023 AED
Cash flows from operating activities		
Profit for the year before tax	6,539,334	2,323,211
Adjustments for:		
Depreciation of property, plant and equipment	848,373	2,036,895
Finance costs	9,225,905	5,902,836
Allowance for expected credit losses	253,947	--
Provision for end-of-service gratuity	426,152	194,398
	17,293,711	**10,457,340**
Changes in:		
- Inventories	(2,863,381)	1,367,276
- Trade and other receivables	(10,382,209)	(26,740,511)
- Other current assets	(1,149,269)	464,979
- Trade and other payables	11,522,054	(5,780,838)
- Other current liabilities	607,228	109,733
Staff end-of service gratuity paid	(1,408,481)	(97,549)
Cash generated from/(used in) operations	13,619,653	(20,219,570)
Tax paid	(280,332)	(156,458)
Interest paid	(7,765,607)	(5,803,684)
Net cash from/(used in) operating activities	**5,573,714**	**(26,179,712)**
Cash flows from investing activities		
Payments for property, plant and equipment	(1,262,842)	(576,944)
Payments to related parties (net)	(6,632,005)	(11,019,209)
Net cash used in investing activities	**(7,894,847)**	**(11,596,153)**
Cash flows from financing activities		
Payment of lease liabilities	(299,914)	(906,742)
(Payment of)/proceeds from bank overdrafts (net)	(30,413,518)	4,086,192
(Payment of)/proceeds from of term loans	(18,362,500)	18,362,500
Receipts from related parties (net)	54,633,602	8,329,253
Net cash from financing activities	**5,557,670**	**29,871,203**
Foreign currency translation difference	**(2,052,669)**	**9,321,719**
Net increase in cash and cash equivalents	**1,183,868**	**1,417,057**
Cash and cash equivalents at beginning of year	5,692,134	4,275,077
Cash and cash equivalents at end of year (note 11)	**6,876,002**	**5,692,134**

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 2024

1. LEGAL STATUS AND BUSINESS ACTIVITY

a) Marico Middle East FZE (the "Establishment" or the "Parent entity") is a free zone establishment with limited liability registered in Jebel Ali Free Zone, Dubai, UAE 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, P.O Box 50394, Dubai, UAE. The Establishment was registered on 15 November 2005 with license number 6581 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 Group.

2. BASIS OF CONSOLIDATION

a) These consolidated financial statements include the assets, liabilities and the results of operations of Marico Middle East FZE and its controlled subsidiaries (collectively referred to as the "Group"):

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% (2023:100%)	100% (2023:100%)	Manufacturing of cosmetics, perfumes and aromatic oils.	31 March
Marico Malaysia SDN. BHD (refer (ii) below)	Malaysia	100% (2023:100%)	100% (2023:100%)	Distribution of cosmetics, toiletries and related beauty products	31 March
MBL Industries Limited (refer (ii) below)	Bangladesh	100% (2023:100%)	100% (2023:100%)	Trading of hair oil.	31 March
MEL Consumer Care Company (refer (i) below)	Egypt	100% (2023:100%)	100% (2023:100%)	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% (2023:100%)	100% (2023:100%)	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% (2023:100%)	100% (2023:100%)	Manufacturing of cosmetics, perfumes, hair and skin care products, soap, toothpaste, hair shampoo.	31 March
Marico Gulf LLC	United Arab Emirates	100% (2023:100%)	100% (2023:100%)	General trading.	31 March

(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 2024.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

b) Control is achieved when the Parent company is exposed, or has rights, to variable returns 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 contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual agreements.
- The Parent's voting rights and potential voting rights.

The Parent company 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 subsidiaries begins when the Parent company obtains control over the subsidiary and ceases when the Parent company loses control of the subsidiaries. Assets, liabilities, income, and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent company gains control until the date the Parent company ceases to control the subsidiaries.

Profit or loss and each component of other comprehensive income (OCI) are attributed to equity holders of the Parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to being their accounting policies into the line with the Group's accounting policies. All intra-group balances, transactions, income and expenses and profit and losses resulting from intra-group transactions are eliminated in full.

c) These consolidated financial statements comprise the net results of operations and the operating assets and liabilities of the Parent company and its subsidiaries which are consolidated on a line-by-line basis.

d) All material unrealised profit, where applicable on inter-company inventory/services that are purchased/availed have been eliminated.

e) Non-controlling interest in the net assets of subsidiaries is identified separately from the Parent company's share of equity. The interest of non-controlling shareholders is the amount of interest at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Losses applicable to the non-controlling interest in excess of the non-controlling shareholders' interest in the subsidiaries' equity are allocated against the interest of the Parent company except to the extent that the non-controlling shareholders have a binding obligation and is able to make an additional investment to cover the losses.

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 2023 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 to the Consolidated Financial Statements

for the year ended 31 March 2024

The Group's losses aggregated to AED 125,586,936, its current liabilities exceeded its current assets by AED 91,844,449 and it had a net deficit of AED 89,379,492 in equity funds. Further, the following subsidiaries of the Group have accumulated losses and net deficit in their equity funds:

(i) MEL Consumer Care Company's losses aggregated to AED 26,765,655, its current liabilities exceeded its current assets by AED 14,275,552 and had a net deficit of AED 14,158,701 in equity funds.

(ii) Marico Egypt For Industries SAE incurred a loss of AED 38,252 for the year ended 31 March 2024 and at that date, the accumulated losses aggregated to AED 3,885,632, its current liabilities exceeded its current assets by AED 249,821 and had a net deficit of AED 249,968 in equity funds.

(iii) Marico for Consumer Care Product's losses aggregated to AED 12,848,221, its current liabilities exceeded its current assets by AED 18,836,846 and had a net deficit of AED 15,767,642 in equity funds.

(iv) Egypt American Investment and Industrial Development Company's losses aggregated to AED 2,179,509, its current liabilities exceeded its current assets by AED 275,444 and had a net deficit of AED 275,444 in equity funds.

(v) Marico Malaysia SDN incurred a loss of AED 12,173 for the year ended 31 March 2024 and at that date, the accumulated losses aggregated to AED 15,446,694, its current liabilities exceeded its current assets by AED 16,524 and had a net deficit of AED 16,524 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 consolidated 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 standards, amendments, improvements and interpretations which became effective for current period, did not have any significant impact on the Group's consolidated financial statements:

- IFRS 17 – Insurance Contracts
- Amendments to IFRS 17 – Insurance Contracts
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 - International Tax Reform – Pillar Two Model Rules

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

The following standards, 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 – Non-current Liabilities with Covenants (1 January 2024)
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangement (1 January 2024)
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (1 January 2024)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

- Amendments to IAS 21 – Lack of Exchangeability (1 January 2025)
- 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)
- IFRS S1 General Requirements for Disclosure of Sustainability Related Financial Information and IFRS S2 Climate Related Disclosures (Effective upon adoption by applicable regulatory)

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:

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

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.

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

c) Inventories

Inventories of raw materials and packing materials are valued at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) method and includes 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.

Semi-finished goods are valued at cost of input valued at Weighted Average Cost (WAC) basis plus overheads up till the stage of completion.

Finished goods are stated at lower of cost and net realizable value. Cost comprises of direct materials valued at Weighted Average Cost (WAC), labour and other attributable overheads.

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. During the year, no transfer of statutory reserve has been made as the statutory reserve has reached the mandatory threshold prescribed by the UAE relevant 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.

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 contracts 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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

- 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

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 4 to 10 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.

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).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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

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 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 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) Income and deferred tax

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws. Deferred tax is recognised on temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

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 tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements, except when the deferred tax arises from the initial

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024

recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

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.

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

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024

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.

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 a related party 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 (current and non-current), due to a related party 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, due from a related party and other receivables 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

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024

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 Establishment.

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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.

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 ("IBR"). 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 8,420,563 (previous year AED 5,557,182) 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).

Income tax

Significant judgments are involved in determining the provision for income tax, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Staff end-of-service benefits

The Group computes the provision for the liability to staff end-of-service benefits stated at AED 972,323 (previous year AED 1,954,652), 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.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024

7. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use asset(a)	Land and buildings	Plant and machinery	Furniture, fixtures and office equipment	Vehicles	Total
	AED	AED	AED	AED	AED	AED
Cost						
At 1 April 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**
Additions	251,081	170,917	1,091,925	--	--	1,513,923
At 31 March 2024	**3,143,283**	**3,117,912**	**8,302,604**	**1,264,398**	**199,434**	**16,027,631**
Accumulated depreciation						
At 1 April 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**
Depreciation	279,364	75,686	430,973	46,790	15,560	848,373
At 31 March 2024	**2,595,156**	**2,436,227**	**5,939,033**	**1,178,101**	**98,443**	**12,246,960**
Carrying amount						
At 1 April 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**
At 31 March 2024	**548,127**	**681,685**	**2,363,571**	**86,297**	**100,991**	**3,780,671**

(a) XRight-of-use asset represents a building for office and a warehouse under operating leases. The lease term varies from five to ten years (with renewal option).

8. INVENTORIES

	2024	2023
	AED	AED
Finished goods	1,754,340	1,153,238
Consumables	3,268,108	1,433,038
Raw materials	3,348,422	2,944,426
Semi-finished goods	44,862	7,032
Goods-in-transit	4,831	19,448
	8,420,563	**5,557,182**

9. TRADE AND OTHER RECEIVABLES

	2024	2023
	AED	AED
Trade receivables	64,517,053	54,221,888
Less: Allowance for expected credit losses	(253,947)	--
	64,263,106	**54,221,888**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

	2024 AED	2023 AED
Staff advances	144,868	420,121
Deposits	849,448	584,924
Other receivables	732,201	634,428
	65,989,623	**55,861,361**

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

	2024 AED	2023 AED
Provision made during the year	253,947	--
Closing balance	**253,947**	**--**

The information about credit exposure is disclosed in note 26.

10. OTHER CURRENT ASSETS

	2024 AED	2023 AED
Prepayments	603,763	425,974
Advance for goods and services	1,258,896	307,062
Deferred tax assets	115,872	96,226
	1,978,531	**829,262**

11. CASH AND CASH EQUIVALENTS

	2024 AED	2023 AED
Cash on hand	20,633	28,285
Bank balances in current accounts	6,855,369	5,663,849
	6,876,002	**5,692,134**

12. SHARE CAPITAL

Issued and paid up

	2024 AED	2023 AED
22 shares of AED 1,000,000 each held by Marico Limited	22,000,000	22,000,000

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024

13. PROVISION FOR STAFF END-OF-SERVICE BENEFITS

	2024 AED	2023 AED
Opening balance	1,954,652	1,857,803
Provision for the year	426,152	194,398
Paid during the year	(1,408,481)	(97,549)
Closing balance	**972,323**	**1,954,652**

14. LEASE LIABILITIES

	2024 AED	2023 AED
Lease liabilities for long-term lease of office and warehouse buildings	708,682	711,359

Disclosed in the consolidated statement of financial position as follows:

	2024 AED	2023 AED
Non-current liabilities	343,391	300,351
Current liabilities	365,291	411,008
	708,682	**711,359**

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

	2024 AED	2023 AED
Opening balance	711,359	1,518,949
Additions during the year	251,081	--
Finance costs	46,156	99,152
Payments made during the year	(299,914)	(906,742)
Closing balance	**708,682**	**711,359**

A maturity analysis of undiscounted lease liabilities is as follows:

	2024 AED	2023 AED
Less than one year	423,489	539,450
Between one and five years	341,803	484,979
Total	**765,292**	**1,024,429**

Reconciliation of undiscounted lease liabilities to the lease liabilities as stated in the consolidated statement of financial position is as follows:

	2024 AED	2023 AED
Lease payments due	765,292	1,024,429
Less: Finance cost on leases	(56,610)	(313,070)
Disclosed in the statement of financial position	**708,682**	**711,359**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

15. SHORT-TERM BORROWINGS

	2024 AED	2023 AED
Bank overdrafts	6,705,483	37,119,001
Term loans	78,958,750	97,321,250
	85,664,233	**134,440,251**

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

	2024 AED	2023 AED
Overdrafts	6,705,483	37,119,001
1 – 3 months	78,958,750	62,432,500
3 months – 1 year	--	34,888,750
Total	**85,664,233**	**134,440,251**

An analysis by banks of amounts outstanding is as follows:

	2024 AED	2023 AED
Standard Chartered Bank- Dubai	6,705,483	37,119,001
Citibank UAE – Dubai	78,958,750	97,321,250
	85,664,233	**134,440,251**

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

	2024 AED	2023 AED
Trade payables	29,123,500	11,640,197
Accruals	2,933,360	1,519,218
Other payables	7,657,294	13,618,543
	39,714,154	**26,777,958**

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

17. OTHER CURRENT LIABILITIES

	2024 AED	2023 AED
Employee benefit payable	3,621,643	2,357,073
Advance received from customers	--	682,708
VAT payable (net)	56,442	19,713
Provision for tax liabilities	185,013	196,376
	3,863,098	**3,255,870**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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 2024	Total 2023
	AED	AED	AED	AED
Due from a related party	--	30,773,726	30,773,726	
(Marico Bangladesh Limited)	--	24,141,721		24,141,721
Due to a related party	76,276,118	--	76,276,118	
(Marico Limited)	21,642,516	--		21,642,516

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in note 26.

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

	Directors	Ultimate parent company	Fellow subsidiaries	Total 2024	Total 2023
	AED	AED	AED	AED	AED
Revenue	--	--	103,596,870	103,596,870	
	--	--	118,929,968		118,929,968
Purchase of inventories	--	44,955,723	601,481	45,557,204	
	--	49,153,185	905,827		50,059,012
Directors' remuneration	3,229,950	--	--	3,229,950	
	4,058,168	--	--		4,058,168
Royalty expense	--	9,243,741	--	9,243,741	
	--	2,941,452	--		2,941,452
Marketing fee income	--	634,752	--	634,752	
	--	252,807	--		252,807
Purchase of assets	--	314,755	--	314,755	
	--	158,595	53,580		212,175

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

Certain administrative and staff related services are availed from related parties as per 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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 15.

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.

	2024 AED	2023 AED
Primary Geographical segments		
- Asia	233,508,540	228,242,879
- Others	37,476,773	36,404,994
	270,985,313	**264,647,873**
Major goods		
- Beauty and personal care, hair care, food and health care products Timing of revenue recognition	**270,985,313**	**264,647,873**
Timing of revenue recognition		
- At a point in time	**270,985,313**	**264,647,873**

21. COST OF SALES

	2024 AED	2023 AED
Material cost	179,139,357	195,449,964

22. OTHER INCOME

	2024 AED	2023 AED
Marketing fee income	--	252,807
Miscellaneous income	938,086	685,850
	938,086	**938,657**

23. ADMINISTRATIVE AND SELLING EXPENSES

	2024 AED	2023 AED
Staff salaries and benefits(a)	18,617,611	16,149,152
Staff end-of-service benefits	426,152	194,398
Depreciation of property, plant and equipment	848,373	2,036,895
Advertising and promotion expenses	40,809,706	30,428,824
Freight, clearing and forwarding expenses	4,018,128	4,757,265
Legal and professional fees	4,185,309	2,267,349
Royalty (note 18)	3,365,686	2,941,452

Notes to the Consolidated Financial Statements
for the year ended 31 March 2024

	2024 AED	2023 AED
Repair and maintenance expenses	735,574	870,213
Insurance expenses	403,185	432,557
Printing and stationery expenses	331,779	326,580
Travel expenses	1,440,352	983,284
Others expenses	1,583,001	522,550
	76,764,856	**61,910,519**

(a) Include remuneration and other benefits to key management personnel amounting to key management personnel amounting to AED 3,229,950 (previous year AED 4,058,168).

24. FINANCE COSTS

	2024 AED	2023 AED
On bank charges and others	1,484,905	1,803,445
On other bank loans and overdrafts	7,694,844	4,000,239
On lease liabilities	46,156	99,152
	9,225,905	**5,902,836**

25. IMPAIRMENT OF FINANCIAL ASSETS

	2024 AED	2023 AED
On trade receivables	253,947	--

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

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

	At amortised cost	
	2024 AED	2023 AED
Financial Assets		
Trade and other receivables	65,989,623	55,861,361
Cash and cash equivalents	6,876,002	5,692,134
Due from a related party	30,773,726	24,141,721
	103,639,351	**85,695,216**
Financial Liabilities		
Current bank borrowings	85,664,233	134,440,251
Trade and other payables	39,714,154	26,777,958
Lease liabilities (current and non-current)	708,682	711,359
Due to a related party	76,276,118	21,642,516
	202,363,187	**183,572,084**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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, due from a related party, current borrowings, trade and other payables and due to a related party, current lease liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial assets/liabilities:

- Fair value of non-current lease liabilities is estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such 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 Group does not actively engage in trading of financial assets for speculative purpose.

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. As part of the Group's credit risk management, where it is considered necessary, such receivables are covered by letters of credit or bank guarantees in favour of the Group, issued by high credit quality financial institutions.

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

The Group's bank accounts 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.

Amounts due from related parties relate to transactions arising in the normal course of business with minimal credit risk. For the year ended 31 March 2024, the Group has not recorded any allowance for expected credit losses of the amounts owned by the related parties.

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables from individual customers as at the reporting date.

	Loss rate		Gross carrying amount		Loss allowance	
	2024	2023	2024	2023	2024	2023
	%	%	AED	AED	AED	AED
Not past due	0.00%	0.00%	46,718,556	36,680,533	--	--
1-60 days past due	1.43%	0.00%	17,798,497	17,541,355	253,947	--
			64,517,053	**54,221,888**	**253,947**	**--**

Loss rates are based on actual credit loss experience over the past years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

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	
	2024	2023	2024	2023	2024	2023
	AED	AED	AED	AED	AED	AED
Trade and other payables	39,714,154	26,777,958	--	--	39,714,154	26,777,958
Due to a related party	76,276,118	21,642,516	--	--	76,276,118	21,642,516
Bank borrowings	85,664,233	134,440,251	--	--	85,664,233	134,440,251
Lease liabilities	423,489	539,450	341,803	484,979	765,292	1,024,429
	202,077,994	**183,400,175**	**341,803**	**484,979**	**202,419,797**	**183,885,154**

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

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

The Group buys and sells goods and services in foreign currencies. Exposure is minimised where possible by denominating such transactions in US dollars to which the UAE Dirhams is pegged.

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

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 856,642 (previous year AED 1,344,403) higher or lower resulting in equity being lower or higher by AED 856,642 (previous year AED 1,344,403).

27. CONTINGENT LIABILITIES

	2024 AED	2023 AED
Financial guarantees	--	50,000

28. COMPARATIVE INFORMATION

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

29. CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the 'CT Law') to enact a Federal Corporate Tax ('CT') regime in the UAE. The CT Law is effective for the financial years beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply and accordingly, the CT Law is now considered to be substantively enacted.

For the Group, current taxes shall be accounted for as appropriate in the consolidated financial statements for the accounting period beginning on 1 April 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the financial year ended 31 March 2024.

Based on the information available to date, the Group has assessed the deferred tax implications for the year ended 31 March 2024 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that deferred tax implications are not expected to be material.

The Group shall continue to monitor critical Cabinet Decisions to determine the impact on the Group, from deferred tax perspective.

For **MARICO MIDDLE EAST FZE**

BINJIT KUMAR
MANAGER

RAHUL JAIN
DIRECTOR

MARICO GULF L.L.C
(MLLC)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Ashish Goupal Mr. Binjit Kadakapcedlikayal Mr. Rahul Jain
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 2024, 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 2024, 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 United Arab Emirates (U.A.E), 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 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 conclude 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

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 2024;

vi) note 8 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 2024; 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 2024 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 2024 and there are no penalties imposed on the Company.

For **PKF**

Saranga Lalwani
Partner
Registration No. 5468
United Arab Emirates

29 April 2024
Dubai

Statement of Financial Position

as at 31 March 2024

	Note	2024 AED	2023 AED
ASSETS			
Current assets			
Inventories	6	--	19,448
Trade and other receivables	7	17,945,339	18,924,252
Due from a related party	8	14,711,336	734,936
Cash and cash equivalents	9	183	254,811
		32,656,858	**19,933,447**
Total assets		**32,656,858**	**19,933,447**
EQUITY AND LIABILITIES			
Equity funds			
Share capital	10	300,000	300,000
Statutory reserve		150,000	150,000
Retained earnings		10,000,610	3,247,701
Total equity funds		**10,450,610**	**3,697,701**
Non-current liabilities			
Provision for staff end-of-service benefits	11	42,286	18,311
Current liabilities			
Trade and other payables	12	20,704,656	15,705,292
Other current liabilities	13	1,459,306	512,143
		22,163,962	**16,217,435**
Total liabilities		**22,206,248**	**16,235,746**
Total equity and liabilities		**32,656,858**	**19,933,447**

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 22 April 2024.

For **MARICO GULF L.L.C**

BINJIT KUMAR KADAKAPEEDLIKAYAL AJIT BABU KADAKAPEEDLIKAYAL
DIRECTOR

Statement of Profit or Loss and other Comprehensive Income

for the year ended 31 March 2024

	Note	2024 AED	2023 AED
Revenue	15	39,359,850	43,390,163
Cost of goods sold		(18,313,789)	(23,374,010)
Gross profit		21,046,061	20,016,153
Administrative expenses	16	(14,293,152)	(16,612,938)
PROFIT FOR THE YEAR		**6,752,909**	**3,403,215**
Other comprehensive income:			
Other comprehensive income for the year		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**6,752,909**	**3,403,215**

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 2024

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total AED
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**
Total comprehensive income for the year	**--**	**--**	**6,752,909**	**6,752,909**
Balance at 31 March 2024	**300,000**	**150,000**	**10,000,610**	**10,450,610**

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 year ended 31 March 2024

	2024 AED	2023 AED
Cash flows from operating activities		
Profit for the year	6,752,909	3,403,215
Provision for staff end-of-service benefits	38,007	18,311
	6,790,916	**3,421,526**
Changes in:		
• Inventories	19,448	(19,448)
• Trade and other receivables	978,913	(18,711,581)
• Other current assets	--	253
• Trade and other payables	4,999,364	15,668,588
• Other current liabilities	947,163	501,763
Staff end-of service benefits paid	(14,032)	--
Net cash from operating activities	**13,721,772**	**861,101**
Cash flows from investing activities		
Payments to related party	(13,976,400)	(734,936)
Net cash used in investing activities	**(13,976,400)**	**(734,936)**
Cash flows from financing activities		
Payments to related parties	--	(171,354)
Net cash used in financing activities	**--**	**(171,354)**
Net decrease in cash and cash equivalents	**(254,628)**	**(45,189)**
Cash and cash equivalents at beginning of year	254,811	300,000
Cash and cash equivalents at end of year (note 9)	**183**	**254,811**

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.

Notes to the Financial Statements

for the year ended 31 March 2024

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 Article 218 of the UAE Commercial Companies Law No. 8 of 1984 as amended (repealed by UAE Federal Law No. (2) of 2015 and further 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.

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 2023, 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) Functional and presentation currency

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

e) Adoption of new International Financial Reporting Standards

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

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

- IFRS 17 – Insurance Contracts
- Amendments to IFRS 17 – Insurance Contracts
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 - International Tax Reform – Pillar Two Model Rules

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 2024).
- Amendments to IAS 1 – Non-current Liabilities with Covenants (1 January 2024)
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangement (1 January 2024)
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (1 January 2024)

Notes to the Financial Statements

for the year ended 31 March 2024

- Amendments to IAS 21 – Lack of Exchangeability (1 January 2025)
- 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)
- IFRS S1 General Requirements for Disclosure of Sustainability Related Financial Information and IFRS S2 Climate Related Disclosures (Effective upon adoption by applicable regulatory)

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.

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% of net profit until the reserve equals 50% of the share capital. The partners 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. During the year, no transfer of statutory reserve has been made as the statutory reserve has reached the mandatory threshold prescribed by the UAE Federal Law No. (32) of 2021.

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.

Notes to the Financial Statements
for the year ended 31 March 2024

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

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.

Notes to the Financial Statements

for the year ended 31 March 2024

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) Deferred tax

Deferred tax is recognised on temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

m) Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

n) 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.

Notes to the Financial Statements
for the year ended 31 March 2024

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 a related party 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.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value

Notes to the Financial Statements

for the year ended 31 March 2024

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.

o) 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

Notes to the Financial Statements
for the year ended 31 March 2024

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

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

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

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

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

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

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

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

Classification of financial assets

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

Impairment

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

Notes to the Financial Statements

for the year ended 31 March 2024

AED Nil (previous year AED 19,448) 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 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(n).

Deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 42,286 (previous year AED 18,311), 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.

Notes to the Financial Statements

for the year ended 31 March 2024

6. INVENTORIES

	2024 AED	2023 AED
Goods in transit	--	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

	2024 AED	2023 AED
Trade receivables	17,827,504	18,802,135
Staff advances	117,835	122,117
	17,945,339	**18,924,252**

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

	2024 AED	2023 AED
Trade receivables not past due	13,362,220	13,262,193
Trade receivables past due but not impaired		
- 0 to 45 days	4,465,283	4,241,365
- 45 days to 60 days	--	1,298,577
	17,827,504	**18,802,135**

The Company does not hold any collateral against trade receivables.

8. 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 and fellow subsidiary.

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

	Ultimate parent company AED	Parent company AED	Fellow subsidiary AED	Total 2024 AED	Total 2023 AED
Due from a related party	--	14,711,336	--	14,711,336	
	--	**734,936**	**--**		**734,936**
Trade and other payables	7,150,450	--	1,085,059	8,235,509	
	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 12.

Notes to the Financial Statements

for the year ended 31 March 2024

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

	Ultimate parent company	Parent company	Fellow subsidiary	Total 2024	Total 2023
	AED	AED	AED	AED	AED
Purchases	10,908,744	--	1,118,222	12,026,966	
	11,759,217	**--**	**--**		**11,759,217**
Royalty expenses	907,090	--	--	907,090	
	1,070,979	**--**	**--**		**1,070,979**
Staff costs recharged from related party	--	1,435,718	--	1,435,718	
	--	**--**	**--**		**--**

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

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

9. CASH AND CASH EQUIVALENTS

	2024	2023
	AED	AED
Cash on hand	183	183
Bank balances in current accounts	--	254,628
	183	**254,811**

10. SHARE CAPITAL

Issued and paid up

	2024	2023
	AED	AED
300 shares of AED 1,000 each held by Marico Middle East FZE	300,000	300,000

11. PROVISION FOR STAFF END-OF-SERVICE BENEFITS

	2024	2023
	AED	AED
Opening balance	18,311	--
Provision for the year	38,007	18,311
Paid during the year	(14,032)	--
Closing balance	**42,286**	**18,311**

Notes to the Financial Statements
for the year ended 31 March 2024

12. TRADE AND OTHER PAYABLES

	2024 AED	2023 AED
Trade payables	20,334,697	15,705,292
Other payables	369,959	--
	20,704,656	**15,705,292**

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

13. OTHER CURRENT LIABILITIES

	2024 AED	2023 AED
Advance received from customers	--	301,403
VAT payable (net)	1,367,042	103,282
Accrual for staff benefits	92,264	107,458
	1,459,306	**512,143**

14. 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.

Funds generated from internal accruals, net of funds provided to related parties are retained in the business according to the business requirements and to maintain capital at desired levels.

15. 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.

	2024 AED	2023 AED
Primary Geographical segments		
- U.A.E	35,741,872	36,984,136
- Outside U.A.E	3,617,978	6,406,027
	39,359,850	**43,390,163**
Timing of revenue recognition		
- At a point in time	**39,359,850**	**43,390,163**

Notes to the Financial Statements
for the year ended 31 March 2024

16. ADMINISTRATIVE EXPENSES

	2024 AED	2023 AED
Staff salaries and benefits	2,860,048	4,020,713
Staff end-of-service benefits	38,007	18,311
Selling and distribution expenses	9,738,025	10,984,016
Royalty	907,090	1,070,979
Travelling, conveyance and vehicle expenses	164,290	121,253
Printing, stationery, and communication expenses	128,512	77,887
Professional charges	54,869	22,350
Repairs and maintenance expenses	22,375	59,453
Rates and taxes	22,305	24,474
Bank charges	4,265	4,803
Insurance charges	--	52,040
Net exchange losses	--	11,932
Other expenses	353,366	144,727
	14,287,975	**16,612,938**

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

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

	At amortised cost	
	2024 AED	2023 AED
Financial assets		
Trade and other receivables	17,945,339	18,924,252
Due from a related party	14,711,336	734,936
Cash and cash equivalents	183	254,811
	32,656,858	**19,913,999**
Financial liabilities		
Trade and other payables	**20,704,656**	**15,705,292**

Fair value measurement 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, due from a related party, trade and other receivables, 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 Company does not actively engage in trading of financial assets for speculative purpose.

Notes to the Financial Statements

for the year ended 31 March 2024

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 due from a related party.

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.

Amounts due from related parties relate to transactions arising in the normal course of business with minimal credit risk.

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

	2024	2023
	AED	AED
Asia	734,371	1,076,030
Other Middle East Countries	682,463	1,263,933
	1,416,834	**2,339,963**

At the reporting date, 87% of trade receivables were due from one customer (previous year 88% due from one customer)

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

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.

Notes to the Financial Statements
for the year ended 31 March 2024

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	
	2024	**2023**
	AED	**AED**
Trade and other payables	20,704,656	15,705,292

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 Company'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 optimizing the returns.

Currency risk

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

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

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 interest rate risks.

18. CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the 'CT Law') to enact a Federal Corporate Tax ('CT') regime in the UAE. The CT Law is effective for the financial years beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply and accordingly, the CT Law is now considered to be substantively enacted.

For the Company, current taxes shall be accounted for as appropriate in the financial statements for the accounting period beginning 1 January 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the financial year ended 31 March 2024.

Based on the information available to date, the Company has assessed the deferred tax implications for the year ended 31 March 2024 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that deferred tax implications are not expected to be material.

The Company shall continue to monitor critical Cabinet Decisions to determine the impact on the Company from deferred tax perspective.

For **MARICO GULF L.L.C**

BINJIT KUMAR KADAKAPEEDLIKAYAL AJIT BABU KADAKAPEEDLIKAYAL

DIRECTOR

MEL CONSUMER CARE S.A.E.
(MELCC)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Binjit Kadakapcedlikayal Mr. Ashish Goupal (representing MME) (appointed w.e.f. September 21, 2023) Mr. Baldev Das Mall (appointed w.e.f. November 26, 2023) Mr. Mohamed El-Arabi (until November 26, 2023) Ms. Marwa Hussein (representing MME) Mr. Noran ElBosseli (representing MME) Mr. Chris Philip (representing MME) (appointed w.e.f. November 26, 2023)
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, 2024, 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, 2024, 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.

As explained in note No. (18) of the notes to the financial statements which indicate that the company incurred loss amounted to LE 28 429 106 for the year ended March 31, 2024, and cumulative losses reached to LE 183 021 731 as of March 31, 2024 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.

KPMG Hazem Hassan

Cairo, June 26, 2024. Public Accountants & Consultants

Separate Statement of Financial Position

as at March 31,2024

	Note No.	31/3/2024 L.E.	31/3/2023 L.E.
Assets			
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)	732 085	556 445
Cash and cash equivalents	(14 -20),(12)	11 293	2 259
Total current assets		**743 378**	**558 704**
Total Assets		**2 250 105**	**2 065 431**
Equity			
Issued & paid-up capital	(13)	250 000	250 000
Legal reserve	(11 -20)	204 310	204 310
Retained losses		(183 021 731)	(154 592 625)
Total equity		**(182 567 421)**	**(154 138 315)**
Non-Current liabilities			
Due to related parties	(15 -20),(11B)	83 183 272	53 514 005
Total non-current liabilities		**83 183 272**	**53 514 005**
Current liabilities			
Credit balances	(15 -20),(15)	58 025	58 015
Due to related parties	(15 -20),(11B)	100 737 952	101 974 468
Provisions	(10 -20),(14-1)	838 277	657 258
Total current liabilities		**101 634 254**	**102 689 741**
Total liabilities		**184 817 526**	**156 203 746**
Total equity and liabilities		**2 250 105**	**2 065 431**

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

Chairman

Binjit Kumar Kadakapcedlikayal

Head oF Finance

Baldev Das Mall

Separate Income Statement

for the financial year year ended March 31

	Note No.	2024 L.E.	2023 L.E.
Other income	(3)	1 603 374	1 487 146
General and administrative expenses	(4)	(363 263)	(157 031)
Operating profit		**1 240 111**	**1 330 115**
Finance expense	(5),(20-4)	(29 669 217)	(22 180 673)
Total finance costs		**(29 669 217)**	**(22 180 673)**
Loss for the year		**(28 429 106)**	**(20 850 558)**
Losses per share	(6)	**(113 716)**	**(83 402)**

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

Separate Statement of Comprehensive Income

for the financial year ended March 31

	2024 L.E.	2023 L.E.
Net loss for the year	(28 429 106)	(20 850 558)
Comprehensive income items:		
Other comprehensive income	-	-
Total comprehensive losses for the year	**(28 429 106)**	**(20 850 558)**

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

Separate Statement Of Changes In Shareholders' Equity

for the financial year ended March 31,2024

	Issued & paid up capital L.E.	Legal Reserve L.E.	Retained Losses L.E.	Total L.E.
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)**
Balance as at 1 April 2023	**250 000**	**204 310**	**(154 592 625)**	**(154 138 315)**
Total comprehensive income				
Net loss for the year	-	-	(28 429 106)	(28 429 106)
Other comprehensive income	-	-	-	-
Total comprehensive income	**-**		**(28 429 106)**	**(28 429 106)**
Total transactions with shareholders	**-**	**-**	**-**	**-**
Balance as at 31 March 2024	**250 000**	**204 310**	**(183 021 731)**	**(182 567 421)**

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

Separate Statement of Cash Flows

for the financial year ended March 31

	Note No.	2024 L.E.	2023 L.E.
Cash Flows From Operating Activities :			
Net loss for the year		(28 429 106)	(20 850 558)
Adjustments for:			
Impairment in related parties	(14-3)	(1 603 374)	(1 481 906)
Changes In			
Debit balances		(175 640)	452
Credit balances		10	(4 733)
Due from related parties		1 603 374	1 481 906
Due to related parties		28 432 751	20 855 668
Used from provisions	(14-1)	181 019	-
Net cash from operating activities		**9 034**	**829**
Net decrease in cash and cash equivalents		**9 034**	**829**
Cash and cash equivalents at the beginning of the year	(14 -20),(12)	2 259	1 430
Cash and cash equivalents at the end of the year	(14 -20),(12)	**11 293**	**2 259**

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

Notes to the Separate Financial Statements
for the financial year ended March 31, 2024

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 30/9/2031.

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- Basis 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.

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): Financial Instruments.

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 Separate Financial Statements
for the financial year ended March 31, 2024

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 categorized 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

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.

Notes to the Separate Financial Statements
for the financial year ended March 31, 2024

3- Other income

	2024	2023
	L.E.	L.E.
Impairment in related parties	1 603 374	1 481 906
Impairment in other expenses	-	5 240
	1 603 374	**1 487 146**

4- General and administrative expenses

	2024	2023
	L.E.	L.E.
Salaries and wages	99 273	83 550
Legal expenses	26 805	17 600
Consulting services	55 000	55 000
Tax differences	181 019	-
Other expenses	1 166	881
	363 263	**157 031**

5- Finance expense

	2024	2023
	L.E.	L.E.
Debit interest	658 860	441 522
Forex	29 010 357	21 739 151
	29 669 217	**22 180 673**

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.

	2024	2023
Net losses for the year (EGP)	(28 429 106)	(20 850 558)
Less:		
Employee's share profit	-	-
BOD remuneration	-	-
	(28 429 106)	**(20 850 558)**
The outstanding number of shares during the year	250	250
Losses per share for the year (EGP/share)	**(113 716)**	**(83 402)**

Notes to the Separate Financial Statements

for the financial year ended March 31, 2024

7- Reconciliation of effective tax rate

	Tax Rate	31/3/2024 L.E.	Tax Rate	31/3/2023 L.E.
Net loss before income tax		**(28 429 106)**		**(20 850 558)**
Income tax on accounting loss	22.5%	(6 396 548)	22.5%	(4 691 376)
Non – deductible expenses		41 004		35 833
Others		6 675 574		4 990 651
Provision and impairment		(320 030)		(334 08)
Income tax	%	-	%	-

8- Fixed Assets

	Computers & Software L.E.	Total L.E.
Cost as at 1/4/2022	342 867	342 867
Cost as at 31/3/2023	**342 867**	**342 867**
Cost as at 1/4/2023	342 867	342 867
Cost as at 31/3/2024	**342 867**	**342 867**
Accumulated depreciation as at 1/4/2022	342 858	342 858
Accumulated depreciation as at 31/3/2023	**342 858**	**342 858**
Accumulated depreciation as at 1/4/2023	342 858	342 858
Accumulated depreciation as at 31/3/2024	**342 858**	**342 858**
Net book Value at 31/3/2023	**9**	**9**
Net book Value at 31/3/2024	**9**	**9**

9- Investments in subsidiaries

	31/3/2024 L.E.	31/3/2023 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.

Notes to the Separate Financial Statements
for the financial year ended March 31, 2024

10- Debit balances

	31/3/2024 L.E.	31/3/2023 L.E.
Due from Board of Directors	556 445	556 445
Other debit balances	175 640	-
	732 085	**556 445**

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 2024 L.E.	Significant transactions during the year ended 2023 L.E.
Marico for Consumer Care Products	Affiliated Company	Others	(1 603 374)	1 481 907
Marico Middle East Company-MME	Affiliated Company	Present value loan interest	(658 845)	(441 522)
Marico Middle East Company-MME	Affiliated Company	Others	(29 010 407)	(21 739 151)
Marico Egypt for Industries Company	Affiliated Company	Others	1 236 516	(1 325 045)

Those transactions resulted in the following balances as at 31 March 2024:

A) Due from related parties:

	Note No.	31/3/2024 L.E.	31/3/2023 L.E.
Marico for Consumer Care Products		53 140 172	54 743 545
Egyptian American Company for investment and industrial development		3 529 683	3 529 683
		56 669 855	**58 273 228**
(Less):			
Impairment in related parties	(14-3)	(56 669 855)	(58 273 228)
		-	-

B) Due to related parties:

	31/3/2024 L.E.	31/3/2023 L.E.
Long Term Loans		
Marico Middle East Company-MME	83 183 272	53 514 005
Short Term Loans		
Marico Egypt for Industries Company	100 737 952	101 974 468
	183 921 224	**155 488 473**

Notes to the Separate Financial Statements

for the financial year ended March 31, 2024

12- Cash and cash equivalents

	31/3/2024 L.E.	31/3/2023 L.E.
Banks - current accounts	11 293	2 259
	11 293	**2 259**

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**

14- Provisions and impairment in assets

		Balance as at 1/4/2023 L.E.	Formed during they year L.E.	No longer Required L.E.	Balance as at 31/3/2024 L.E.
14-1	Claims provision	657 258	181 019	-	838 277
		657 258	**181 019**	**-**	**838 277**
14-2	Impairment in investment in subsidiaries	56 078 015	-	-	56 078 015
		56 078 015	**-**	**-**	**56 078 015**
14-3	Impairment in related parties	58 273 228	-	(1 603 374)	56 669 854
		58 273 228	**-**	**(1 603 374)**	**56 669 854**

15- Credit balances

	31/3/2024 L.E.	31/3/2023 L.E.
Accrued expenses	55 000	55 000
Social insurance authority	3 025	3 015
	58 025	**58 015**

Notes to the Separate Financial Statements
for the financial year ended March 31, 2024

16- Tax position

a) Corporate Tax:

- The tax inspection has not been done for this period and no tax claims were received.
- The company submits declarations on legal dates.

b) 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 2023

- The tax inspection has not yet been done for this period.
- The company submits declarations on legal dates.

c) 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 31/3/2023

- The tax inspection has not been done for this period and no tax claims were received.

d) 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 2023

- The tax inspection has not been done for this period.
- The company submits declarations on legal dates.

e) 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.

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.

Notes to the Separate Financial Statements
for the financial year ended March 31, 2024

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 143 and L.E 83 183 272 respectively.

The net balances of foreign currencies at the balance sheet date are shown below:

Foreign Currency	Deficit
US Dollars	1 756 363

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.

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	
	2024	**2023**
	L.E.	**L.E.**
Credit balances	58 025	58 016
Due to related parties	183 921 224	155 488 473
	183 979 249	**155 546 489**

18- Going Concern

The company achieved a net loss for the fiscal year ending on March 31, 2024, an amount of EGP 28 429 106. Thus, the accumulated losses on the same date amounted to EGP 183 021 731, 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 83 183 272 . 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

In light of the global and local economic conditions and geopolitical risks facing the country, the government, represented mainly in the Central Bank of Egypt, has taken a number of financial measures during 2022 and 2023 to contain the impact of these crises as

Notes to the Separate Financial Statements

for the financial year ended March 31, 2024

well as the resulting inflationary impact over the Egyptian economy, including the devaluation of the Egyptian pound against foreign currencies, raising the interest rate on overnight deposits and lending rates, and setting maximum limits on cash withdrawals and deposits in banks. This resulted in a decrease in exchange rates and availability of foreign currencies through the official channels, which resulted in delaying foreign currencies debts payments as well as the increase of purchases' costs as well as settlement costs.

On March 6, 2024, the Central Bank of Egypt decided to raise the overnight deposit and lending rates by 600 basis points to reach 27.25% and 28.25%, respectively. Also, the credit and discount rate was raised by also 600 points to reach 27.75 % with allowing the use of a flexible exchange rate driven by market mechanisms, which led to an increase in the average official exchange rate of US dollars during the first week of the Central Bank's decision date, to reach between 49 to 50 EGP/USD.

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.

20-2 Revenue

Revenue from the sale is recognized in the income statement when the risks and rewards of ownership are transferred to the buyer. No revenue is recognized if it is not certain that the amount of this revenue, the costs associated with it, the expected sales returns, or management's continued involvement with the goods will be recovered.

Credit interest is recognized on an accrual basis, considering the time period and the effective interest rate, which represents the discount rate that equals the present value of the expected future cash receipts during the expected life of the financial asset with the net book value of that asset.

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;

Notes to the Separate Financial Statements
for the financial year ended March 31, 2024

- 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.

Income tax is recognized on the net taxable profit using the tax rates in effect on the date of financial statements.

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.

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.

Notes to the Separate Financial Statements

for the financial year ended March 31, 2024

- 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.

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.

Notes to the Separate Financial Statements
for the financial year ended March 31, 2024

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 in assets

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 income statement.

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.

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.

Notes to the Separate Financial Statements

for the financial year ended March 31, 2024

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.

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 Earning Per Share

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

Notes to the Separate Financial Statements

for the financial year ended March 31, 2024

21- New issues and amendments issued to the Egyptian accounting standards (EAS).

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
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). 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 ".	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.

Notes to the Separate Financial Statements

for the financial year ended March 31, 2024

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (34) amended 2024 "Investment Property	The Egyptian Accounting Standard No. (34) "Investment Property" was reissued in 2024, to amend the fair value application mechanism by the mandate of recognizing the gain or loss arising from the change in the fair value of the investment property in the statement of profit or loss for the period in which the change arises or through the statement of other comprehensive income for one time in the life of the asset or investment, taking into account paragraphs (35a) and (35b) of the standard.	The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company.	The amendments to the amendment of addition of the option to use the fair value model apply to financial periods commencing **on or after January 1, 2024** with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the fair value model initially by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this model for the first time.
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates, sister companies and jointly controlled companies	Management is currently studying the possibility of changing the accounting policy	The amendments shall apply to financial periods commencing **on or after January 1, 2024** with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the equity method by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this method for the first time.
Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"	This standard was reissued in 2024, to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met for determining the spot exchange rate at the measurement date.	The Company is currently assessing the impact of applying the amendments of this standard on its financial statements.	Amendments regarding the determination of spot exchange rate when it is difficult to exchange between two currencies is applicable to financial periods commencing **on or after January 1, 2024** with early adaption allowed. If the entity made an early application, this has to be disclosed. Entity shall not be modifying comparative information and instead should:

Notes to the Separate Financial Statements

for the financial year ended March 31, 2024

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability.		• When the entity reports foreign currency transactions to its functional currency, any effect of the initial application is recognized as an adjustment to the opening balance retained earnings/losses on the date of initial application. • When an entity uses presentation currency different than its functional currency or translates the results and balances of foreign operation, the resulting differences and financial position of a foreign transaction, any effect of the initial application is recognized as an adjustment to the cumulative translation adjustment reserve - accumulated in equity section on the date of initial application.
Accounting Interpretation No. (2) "Carbon Reduction Certificates"	Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions, and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority "FRA" for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market "VCM".	The management is currently studying the financial implications of applying the accounting interpretation to the company's financial statements.	The application starts on or after the first of January 2025, early adaption is allowed.

MARICO EGYPT FOR INDUSTRIES S.A.E. (MEIC)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Binjit Kadakapcedlikayal Mr. Ashish Goupal (representing MME) (appointed w.e.f. September 21, 2023) Mr. Baldev Das Mall (appointed w.e.f. November 26, 2023) Mr. Mohamed El-Arabi (until November 26, 2023) Ms. Marwa Hussein (representing MME) Mr. Noran ElBosseli (representing MME) Mr. Chris Philip (representing MME) (appointed w.e.f. November 26, 2023)
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 Auditor's 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 2024, 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.

Translated from Arabic

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 2024 and its financial performance and its cash flows for the year then ended in accordance with the Egyptian Accounting Standards and in light of the prevailing Egyptian laws in preparing these Financials Statements.

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, 2024 amounted to 20 451 599 Egyptian pounds, which exceeds half of the equity according to the company's latest annual financial statements The amount of 8,614,669 Egyptian pounds. Also, the company depends on its continuance of operation, of the financial support from the parent company. According to law no. 159 for the year 1981 and it's executive regulation an extraordinary general assembly must be held to take decision for the continuance of operation in the light of losses exceeding half of owner's equity which has not been called for the date of the statement of financial position

Report on other legal and regulatory requirements

The company maintains proper books of accounts, which includes all that is required by law and by the statutes of the company, the financial statements are in agreement thereto.

The Financial information included in the manager's report, prepared in accordance with the Law No. 159 of 1981 and it's executive regulation, is in agreement with the Company's books of account.

KPMG Hazem Hassan

Cairo June 26, 2024

Public Accounts & Consultants

Statement of Financial Position

as at , March 2024

	Note No.	31-03-2024 L.E.	31-03-2023 L.E.
Assets			
Current assets			
Debit balances	(19-2),(10)	467 473	467 473
Cash and cash equivalents	(19-12),(12)	23 906	20 614
Total current assets		**491 379**	**488 087**
Total Assets		**491 379**	**488 087**
Equity			
Issued & paid-up capital	(13)	12 287 690	12 287 690
Legal reserve	(19-13)	4 941 647	4 941 647
Retained losses		(20 451 599)	(20 062 872)
Total equity		**(3 222 262)**	**(2 833 535)**
Liabilities			
Current liabilities			
Trade and other payables	(19-7),(15)	78 287	77 256
Provisions	(19-3),(14)	3 635 354	3 244 366
Total current liabilities		**3 713 641**	**3 321 622**
Total liabilities		**3 713 641**	**3 321 622**
Total equity and liabilities		**491 379**	**488 087**

The accompanying notes from note no. (1) to note no. (21) form an integral part of these financial statements.

Head of Finance

Baldiv Das Mall

Chairman

Binjit Kumar Kadakapcedlikayal

Statement of Income

for the financial year ended March 31,2024

	Note No.	2024 L.E.	2023 L.E.
Other income	(3)	1 237 814	2 571 604
General & Administrative expenses	(4)	(435 497)	(155 041)
Other expenses	(5)	(1 192 344)	(1 001 767)
Operating (loss) / profit		**(390 027)**	**1 414 796**
Finance income	(6),(19-14)	1 300	987
Net finance income		**1 300**	**987**
Net (Loss)/ Income before Tax		**(388 727)**	**1 415 783**
Income Tax	(7),(19-8)		
Net (Loss)/ Income after tax		**(388 727)**	**1 415 783**
(loss) / profit per share	(19-15),(8)	(0.32)	1.15

The accompanying notes from note no. (1) to note no. (21) form an integral part of these financial statements.

Statement of Comprehensive Income

for the financial year ended March 31,2024

	2024 L.E.	2023 L.E.
Net (Loss)/ Income after tax	(388 727)	1 415 783
Comprehensive income items:		
Other comprehensive income items	-	-
Total comprehensive (loss)/ profit for the year	**(388 727)**	**1 415 783**

The accompanying notes from note no. (1) to note no. (21) form an integral part of these financial statements.

Statement of Changes In Equity

for the financial year ended March 31, 2024

	Issued and paid in capital L.E.	Legal reserves L.E.	Retained losses L.E.	Total L.E.
Balance as of 1 April 2022	**12 287 690**	**4 941 647**	**(21 478 655)**	**(4 249 318)**
Comprehensive Income				
Net income 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)**
Balance as of 1 April 2023	**12 287 690**	**4 941 647**	**(20 062 872)**	**(2 833 535)**
Comprehensive Income				
Net loss for the year	-	-	(388 727)	(388 727)
Other comprehensive income items	-	-	-	-
Total comprehensive income	**-**	**-**	**(388 727)**	**(388 727)**
Total transactions with shareholders	-	-	-	-
Balance as of 31 march 2024	**12 287 690**	**4 941 647**	**(20 451 599)**	**(3 222 262)**

The accompanying notes from note no. (1) to note no. (21) form an integral part of these financial statements.

Statement of Cash Flows

for the financial year ended March 31, 2024

	Note No.	2024 L.E.	2023 L.E.
Cash Flows From Operating Activities :			
Net (Loss)/ Income after tax		(388 727)	1 415 783
Adjustments for:			
Provisions no longer required / formed	(14)	390 988	(1 245 292)
		2 261	**170 491**
Changes In:			
Trade and other payables		1 031	(163 215)
Net cash from/ (used in) operating activities		**3 292**	**7 276**
Net change in cash and cash equivalents		3 292	7 276
Cash and cash equivalents at the beginning of the year	(12),(19 -12)	20 614	13 338
Cash and cash equivalents at the end of the year	(12),(19 -12)	**23 906**	**20 614**

The accompanying notes from note no. (1) to note no. (21) form an integral part of these financial statements.

Notes to the Financial Statements

for the financial year ended March 31, 2024

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 13/11/2008, 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 50 years starting from 26/2/1998 till 25/2/2048.

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.

- 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 for preparation

2-1 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.

2-2 Basis of preparation

The financial statements have been prepared on other than going concern basis, as the company's operation has winded down and has no realistic alternative other than to liquidate upon satisfactory clearance of all outstanding obligations.

These financial statements were authorized by the board of directors for issue on May 9, 2024.

2-3 Basis of measurement

These financial statements have been prepared on historical cost basis.

2-4 Functional and presentation currency

These financial statements are presented in Egyptian pound (LE), which is the Company's functional currency.

Notes to the Financial Statements

for the financial year ended March 31, 2024

2-5 Use of estimates and judgments

The preparation of the financial statements in conformity with Egyptian Accounting Standards requires management to make 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 2024 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 values

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.

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 categorized 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.

Information regarding critical judgments regarding the application of accounting policies that have a significant impact on the amounts in the financial statements.

Notes to the Financial Statements

for the financial year ended March 31, 2024

3- Other income

	Note	2024 L.E.	2023 L.E.
Provision reverse	(14)	1 298	1 246 560
Impairment in related parties	(14)	1 236 516	1 325 044
		1 237 814	**2 571 604**

4- General and administrative expenses

	2024 L.E.	2023 L.E.
Salaries and wages	239 614	7 258
Consulting and governmental services	142 947	102 936
Other expenses	52 936	44 847
	435 497	**155 041**

5- Other expenses

		2024 L.E.	2023 L.E.
Tax differences		-	1 000 500
Provisions formed during the year	(14)	1 192 344	1 267
		1 192 344	**1 001 767**

6- Finance income

	2024 L.E.	2023 L.E.
Foreign currency exchange gain	1300	987
	1300	**987**

7- Income tax

7-1 Reconciliation of effective tax rate

	Tax Rate	2024 L.E.	Tax Rate	2023 L.E.
Net (Loss) / Income before income tax	22.5%	(388 727)	22.5%	1 415 783
Income tax on accounting (Loss) / profit		(87 464)		318 552
Unrecognized tax losses		278 000		359 315
Provisions & impairments		(190 244)		(689 633)
Other		(293)		(222)
Income tax / effective tax rate	% 0	-	% 0	-

Notes to the Financial Statements

for the financial year ended March 31, 2024

8- (Losses) / Profit 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.

	2024 L.E.	2023 L.E.
Net (losses) / Income for the year (L.E.)	(388 727)	1 415 783
Less:		
Employees' profit share	-	-
Board of directors remuneration	-	-
	(388 727)	**1 415 783**
Weighted average for the ordinary shares numbers	**1 228 769**	**1 228 769**
Net (loss) /Profit per share (L.E. / Share)	**(0.32)**	**1.15**

9- Unrecognized deferred tax assets

	2024 L.E.	2023 L.E.
Claims provision	817 955	729 982
Retained tax losses	1 866 051	2 609 354
Impairment loss on related parties	22 666 039	22 944 255
	25 350 045	**26 283 591**

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

	2024 L.E.	2023 L.E.
Tax authority – withholding tax	463 715	463 715
Employees' imprest funds	758 3	758 3
	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 year 2024 L.E.	Significant transactions during year 2023 L.E.
- MEL Company Egypt	- Egypt	- Others	(1 236 516)	(1 325 044)

Notes to the Financial Statements

for the financial year ended March 31, 2024

Those transactions resulted in the following balances as at March 31, 2024:

A) Due from related parties:

	2024 L.E.	2023 L.E.
MEL Consumer Care Company- Egypt	100 737 952	101 974 468
Less:		
Impairment loss on related parties	(100 737 952)	(101 974 468)
	-	-

12- Cash and cash equivalents

	2024 L.E.	2023 L.E.
Banks - current accounts	23 906	20 614
	23 906	**20 614**

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 L.E.	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 %

14- Provisions and impairment loss on assets

14-1 Provisions

	Balance as at 1/4/2023 L.E.	Formed during the year L.E.	Provision no longer required L.E.	Used during the year L.E.	Balance as at 31/3/2024 L.E.
Claims provision	3 198 317	1 192 344	(1 298)	(800 058)	3 589 305
Others provision	46 049	-	-	-	46 049
	3 244 366	**1 192 344**	**(1 298)**	**(800 058)**	**3 635 354**

Notes to the Financial Statements

for the financial year ended March 31, 2024

14-2 Impairment loss on assets

	Balance as at 1/4/2023 L.E.	Formed during the year L.E.	Impairment no longer required L.E.	Used during the year L.E.	Balance as at 31/3/2024 L.E.
Impairment loss on related parties	103 299 512	-	(1 236 516)	-	102 062 996
	103 299 512	**-**	**(1 236 516)**	**-**	**102 062 996**

15- Trade and other payables

	31/3/2024 L.E.	31/3/2023 L.E.
Suppliers	17 600	17 600
Social insurance authority	4 760	4 495
others	55 927	55 161
	78 287	**77 256**

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.

Years 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 2023:

The company wasn't inspected for those years.

b) 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 2014

The company under inspection for those years.

The company is submitting the payroll tax regularly on legal dates.

Years from 2015 till 2020

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 March 31, 2024

Years from 2021 till 2023

The company under inspection for those years.

The company is submitting the payroll tax regularly on legal dates.

c) 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 2023:

The company wasn't inspected for this year.

The company submits the tax according to the established form.

d) Value added tax

Years from commencement of operation till 2015:

The inspection was completed from inception till 31/12/2015, and the company paid all the resulting differences.

Year from 2016 till 2023:

The company wasn't inspected for this year.

The company is submitting the VAT returns regularly on the legal dates.

e) Withholding tax:

The company submits 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 2023:

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.

a) Credit risk

Credit risk represents the losses that the company may be exposed to because of the inability of one of the customers to whom the credit is granted to fulfill his pledges and contractual obligations. The company distributes the credit risks to a variety of types of customers, represented by many reputable 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. 3 716 and nil respectively.

Notes to the Financial Statements
for the financial year ended March 31, 2024

The net balances of foreign currencies at the balance sheet date are shown below:

Foreign Currency	Surplus
USD	78

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:

	Book value 31/3/2024	Book value 31/3/2023
Trade and other creditors	78 287	77 256
	78 287	**77 256**

18- Going concern

The company achieved a net loss for the fiscal year ending on March 31, 2024, an amount of EGP 388 727 Thus, the accumulated losses on the same date amounted to EGP 20 451 559, 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 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 financial statements are prepared on the assumption that the company will continue as a going concern in the foreseeable future and that, in accordance with the Companies Law No. 159 of 1981 and its Executive Regulation and contract company the Company's management must invite the Extraordinary General Assembly to consider the continuity of the Company

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

The company maintains its accounts in Egyptian pounds, and transactions in foreign currencies are recorded in the books based on the prevailing exchange rates for foreign currencies at the time of the transaction. On the balance sheet date, the balances of monetary assets and liabilities in foreign currencies are re-evaluated according to the exchange rates announced on that date by the banks with which the company deals, and the currency differences resulting from transactions during the year and from re-evaluation on the financial position date are included in the income statement. Assets and liabilities of a non-monetary nature that are denominated at historical cost in foreign currency are translated using the prevailing exchange rates at the time of dealing.

Notes to the Financial Statements

for the financial year ended March 31, 2024

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

All impairment losses are recognized in the income statement. The accumulated losses related to an available-for-sale financial asset previously recognized in shareholders' equity are transferred to the income statement.

Impairment losses are eliminated if such elimination can be linked objectively to an event occurring after impairment losses were recognized related to financial assets measured at amortized cost and financial assets that are considered a debt instrument in the income statement. The reversal of an available-for-sale financial asset that is an equity instrument is recognized directly in equity.

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.

Notes to the Financial Statements

for the financial year ended March 31, 2024

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 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".

Notes to the Financial Statements

for the financial year ended March 31, 2024

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.

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;

Notes to the Financial Statements

for the financial year ended March 31, 2024

- 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.

19-15 Earnings per share

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

20- Significant Events

In light of the global and local economic conditions and geopolitical risks facing the country, the government, represented mainly in the Central Bank of Egypt, has taken a number of financial measures during 2022 and 2023 to contain the impact of these crises as well as the resulting inflationary impact over the Egyptian economy, including the devaluation of the Egyptian pound against foreign currencies, raising the interest rate on overnight deposits and lending rates, and setting maximum limits on cash withdrawals and deposits in banks. This resulted in a decrease in exchange rates and availability of foreign currencies through the official channels, which resulted in delaying foreign currencies debts payments as well as the increase of purchases' costs as well as settlement costs.

On March 6, 2024, the Central Bank of Egypt decided to raise the overnight deposit and lending rates by 600 basis points to reach 27.25% and 28.25%, respectively. Also, the credit and discount rate was raised by also 600 points to reach 27.75 with allowing the use of a flexible exchange rate driven by market mechanisms, which led to an increase in the average official exchange rate of US dollars during the first week of the Central Bank's decision date, to reach between 49 to 50 EGP/USD.

21- New Editions and Amendments to Egyptian Accounting Standards:

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
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"	Management is currently studying the possibility of changing the accounting policy and using the revaluation model option contained in that standard, and assessing the potential impact on the financial statements if this option is used.	The amendments of adding the option to use the fair value model are effective for financial periods starting **on or after January 1, 2024** retrospectively, cumulative impact of the preliminary applying of the fair value model shall be added to the balance of retained earnings or losses at the beginning of the financial period in which the Company applies this model for the first time.

Notes to the Financial Statements

for the financial year ended March 31, 2024

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	- 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" - 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. (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 financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position, financial performance, and cash flows.	The Company is currently assessing the impact of applying this new standard on its financial statements.	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.

Notes to the Financial Statements

for the financial year ended March 31, 2024

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). 3- 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 ".		
Egyptian Accounting Standard No. (34) amended 2024 "Investment Property "	The Egyptian Accounting Standard No. (34) "Investment Property" was reissued in 2024, to amend the fair value application mec hanism by the mandate of recognizing the gain or loss arising from the change in the fair value of the investment property in the statement of profit or loss for the period in which the change arises or through the statement of other comprehensive income for one time in the life of the asset or investment, taking into account paragraphs (35a) and (35b) of the standard.	The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company.	The amendments to the amendment of addition of the option to use the fair value model apply to financial periods commencing **on or after January 1, 2024** with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the fair value model initially by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this model for the first time.

Notes to the Financial Statements

for the financial year ended March 31, 2024

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates, sister companies and jointly controlled companies.	Management is currently studying the possibility of changing the accounting policy	The amendments shall apply to financial periods commencing **on or after January 1, 2024** with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the equity method by adding it to the opening balance of retained earnings/ losses as at the beginning of the financial period in which the Company applies this method for the first time.
Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"	This standard was reissued in 2024, to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met for determining the spot exchange rate at the measurement date.	The Company is currently assessing the impact of applying the amendments of this standard on its financial statements.	Amendments regarding the determination of spot exchange rate when it is difficult to exchange between two currencies is applicable to financial periods commencing **on or after January 1, 2024** with early adaption allowed. If the entity made an early application, this has to be disclosed. Entity shall not be modifying comparative information and instead should: • When the entity reports foreign currency transactions to its functional currency, any effect of the initial application is recognized as an adjustment to the opening balance retained earnings/losses on the date of initial application.

Notes to the Financial Statements

for the financial year ended March 31, 2024

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability.		• When an entity uses presentation currency different than its functional currency or translates the results and balances of foreign operation, the resulting differences and financial position of a foreign transaction, any effect of the initial application is recognized as an adjustment to the cumulative translation adjustment reserve - accumulated in equity section on the date of initial application.
Accounting Interpretation No. (2) "Carbon Reduction Certificates"	Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions, and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority "FRA" for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market "VCM".	The management is currently studying the financial implications of applying the accounting interpretation to the company's financial statements.	The application starts **on or after the first of January 2025**, early adaption is allowed.

MARICO FOR CONSUMER CARE PRODUCTS S.A.E. (MFCC)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Binjit Kadakapcedlikayal Mr. Ashish Goupal (representing MME) (appointed w.e.f. September 21, 2023) Mr. Baldev Das Mall (appointed w.e.f. November 26, 2023) Mr. Mohamed El-Arabi (until November 26, 2023) Ms. Marwa Hussein (representing MME) Mr. Noran ElBosseli (representing MME) Mr. Chris Philip (representing MME) (appointed w.e.f. November 26, 2023)
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, 2024, 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.

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, 2024, 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.

As explained in note No. (30) of the notes to the financial statements which indicate that the company incurred net loss amounted to LE 26996389 for the year ended March 31, 2024, and cumulative losses reached to L.E 102732376 as of March 31, 2024 which exceeded the half of the company's equity amounting to LE 7 7236479. 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.

KPMG Hazem Hassan

Cairo, June 26, 2024. Public Accountants & Consultants

Statement of Financial Position as at March 31, 2024

	Notes No.	31-03-2024 L.E	31-03-2023 L.E
Non current assets			
Fixed assets	(32-21),(14)	2,51,03,445	1,54,21,876
Rights of use	(32-8),(15)	57,00,757	25,55,438
Intangible assets	(32-7),(16)	2	10,125
Projects under implementation	(32-6),(17)	3,66,43,100	45,47,704
Deferred tax assets	(32-5B),(13A)	2,05,422	8,09,844
Debit balances		2,40,000	2,40,000
Total Non current assets		**6,78,92,726**	**2,35,84,987**
Current assets			
Inventories	(32-20),(18)	9,82,28,182	4,26,32,257
Trade and other receivables	(32-15),(19)	11,07,73,349	3,51,35,251
Prepayments	(32-15),(20)	2,40,07,554	68,60,794
Investments held to maturity	(22)	30,70,668	87,89,977
Cash and cash equivalents	(32-16),(23)	8,69,41,229	3,48,38,144
Total current assets		**32,30,20,982**	**12,86,79,433**
Total Assets		**39,09,13,708**	**15,22,64,420**
Shareholders' Equity			
Issued & paid-in capital	(24)	1,44,53,300	1,44,53,300
Reserves	(32-14)	19,658	19,658
Retained losses		(21,77,86,667)	(10,27,32,376)
Total shareholders' Equity		**(20,33,13,709)**	**(8,82,59,418)**
Liabilites			
Non current Liabilities			
Operating lease liabilities	(32-12),(26)	25,21,276	13,79,943
Deferred Tax liabilites	(32-5B),(13A)	8,14,519	-
due to related parties	(32-17),(21A)	-	4,94,12,943
Total Non current Liabilities		**33,35,795**	**5,07,92,886**
Current lliabilites			
Lease liabilities	(32-12),(26)	37,65,659	20,90,083
Banks overdraft	(27)	-	54,83,713
Trade and other payables	(32-17),(28)	10,32,59,934	4,79,42,315
Due to related parties	(32-17),(21A)	47,07,30,133	12,32,00,106
Provisions	(32-13),(25)	1,31,35,896	1,10,14,735
Total current liabilities		**59,08,91,622**	**18,97,30,952**
Total liabilities		**59,42,27,417**	**24,05,23,838**
Total equity and liabilities		**39,09,13,708**	**15,22,64,420**

The accompanying notes from page (8) to page (35) form an integral part of these financial statements.

Head of Finance
Baldev Das Mall

Chairman
Binjit kumar kadakapcedlikayal

Statement of Income for the financial year ended March 31, 2024

	Notes No.	31-03-2024 L.E	31-03-2023 L.E
Revenues	(32-2),(3)	40,00,23,576	21,26,77,598
Less			
Cost of revenues	(4)	28,54,18,821	14,96,81,567
Gross profit of activity		**11,46,04,755**	**6,29,96,031**
Other income	(5)	36,79,322	57,01,428
Selling & distribution expenses	(6)	(7,32,36,663)	(3,92,51,521)
General & administrative expenses	(7)	(2,87,79,055)	(1,77,71,944)
Other expenses	(8)	(55,19,764)	(48,46,029)
Operating profit		**1,07,48,595**	**68,27,965**
Finance income	(32-4),(9)	72,86,881	38,94,696
Finance cost	(32-4),(10)	(13,02,41,012)	(3,84,36,375)
Net finance (cost)		**(12,29,54,131)**	**(3,45,41,679)**
(Loss) before tax		**(11,22,05,536)**	**(2,77,13,714)**
Income tax expense	(32-5 A),(11)	(2 848 755)	7,17,325
(Loss) for the year		**(11,50,54,291)**	**(2,69,96,389)**
losses per share for the year	(12)	**(79.60)**	**(18.68)**

Statement of comprehensive income

for the financial year March 31:

	31-03-2024 L.E	31-03-2023 L.E
Net (Loss) / Profit after tax	(11,50,54,291)	(2,69,96,389)
Comprehensive income items:		
Other comprehensive income items	-	-
Total comprehensive (loss)/ profit for the year	**(11,50,54,291)**	**(2,69,96,389)**

The accompanying notes from page (8) to page (35) form an integral part of these financial statements.

Statement of Cash Flows for the financial year ended March 31, 2024

	Notes No.	2024 L.E	2023 L.E
Cash Flows From Operating Activities :			
Net Loss before tax		(112 205 536)	(27 713 714)
Adjustments for:			
Fixed assets depreciation	(14)	4 741 586	3 212 953
Intangible assets amortization	(16)	10 123	17 660
Rights of use amortization	(15)	1 452 969	1 679 673
Capital losses/(gain)		(427 860)	(15 778)
Refund Liability		2 262 532	1 802 107
Customer rebates	(28)	26 331 296	9 910 675
Claims provision	(25)	5 519 763	4 846 029
Provisions no longer required	(25)	(1 877 636)	(4 819 238)
Write-down/ (Reversal of write-down) on inventories	(25)	6 247 107	2 418 266
Return on treasury bills		(7 149 071)	(3 894 696)
Operating lease debit interest	(26)	529 699	547 035
Changes In			
Inventories		(61 843 032)	(12 306 087)
Used from Write-down of inventories	(25)	-	(458 708)
Trade and other receivables		(75 215 088)	(12 802 969)
Prepayments		(41 068 294)	(2 969 220)
Trade and other payables		25 293 977	(14 139 892)
Related parties		298 117 084	82 569 508
Provisions used	(25)	(1 520 966)	(1 267 278)
Net cash used in / from operating activities		**69 198 653**	**26 616 326**
Cash Flows From Investing Activities :			
Payments for purchase of fixed assets,Intangible assets and projects under construction		(22 597 017)	(7 764 804)
Proceeds from fixed assets		-	15 778
Proceeds from investments held to maturity		299 863 738	156 170 209
Payments for purchase of investments held to maturity		(313 984 705)	(157 618 128)
Net cash from / (used in) investing activities		**(36 717 984)**	**(9 196 945)**
Cash Flows From Financing Activities			
Finance lease payments	(26)	(1 883 218)	(2 425 599)
Payments for / proceeds from bank overdraft		(5 483 713)	(2 511 185)
Net cash from / (used in) financing activities		**(7 366 931)**	**(4 936 784)**
Net change in cash and cash equivalents		**25 113 738**	**12 482 597**
Cash and cash equivalents at the beginning of the year	(32-16),(23)	**18 155 401**	**5 672 804**
Cash and cash equivalents at the end of the year	(32-16),(23)	**43 269 139**	**18 155 401**

- The accompanying notes from (1) to (35) form an integral part of these financial statements.

Statement of Changes in Equity for the financial year ended March 31, 2024

	Issued & paid-in- capital EGP	Genral reserve EGP	Retained earnings EGP	Total EGP
Balance as at 1 April 2022	**1,44,53,300**	**19,658**	**(75 735 987)**	**(61 263 029)**
Comprehensive income				
Net (loss)	-	-	(26 996 389)	(26 996 389)
Other comprehensive income items	-	-	-	-
Total comprehensive income	-	-	(2,69,96,389)	(2,69,96,389)
Balance as at 31 March 2023	**1,44,53,300**	**19,658**	**(10,27,32,376)**	**(8,82,59,418)**
Transactions with shareholders				
Total transactions with shareholders				-
Balance as at 31 March 2023	**1,44,53,300**	**19,658**	**(10,27,32,376)**	**(8,82,59,418)**
Balance as at 1 April 2023	**1,44,53,300**	**19,658**	**(10,27,32,376)**	**(8,82,59,418)**
Comprehensive income				
Net (loss)	-	-	(11,50,54,291)	(11,50,54,291)
Other comprehensive income	-	-		
Total comprehensive income	**-**	**-**	**(11,50,54,291)**	**(11,50,54,291)**
Transactions with shareholders				
Total transactions with shareholders	**-**	**-**	**-**	**-**
Balance as at 31 March 2024	**1,44,53,300**	**19,658**	**(21,77,86,667)**	**(20,33,13,709)**

The accompanying notes from page (8) to page (35) form an integral part of these financial statements.

Notes to the Financial Statements for the financial year ended March 31, 2024

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).

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 July 20, 2016, the group of partners met with the company and decided to change the legal form of the company from a partnership company to an Egyptian joint stock company, provided that the company's valuation is according to the book value and that the company's financial position on 31/12/2015 is taken as a basis for evaluation and adding the credit balances of the partners to be within the equity.

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.

These financial statements were authorized by the board of directors for issue on May 31, 2024.

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.

2-4-1 Judgements

Information about judgements in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note (32-2) Recognition of revenues

Assumptions and estimation uncertainties

Notes to the Financial Statements for the financial year ended March 31, 2024

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 2024 is included in the following notes:

Note (32-5) Income tax

Note (32-13) Provisions

Note (32-11) Impairment of assets

Note (32-9) Expected credit loss 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 Compay's audit committee.

The measurement of the fair value of assets and liabilities is mainly based on available market data, and the data that is relied upon in the evaluation are classified according to the following hierarchy:

Level 1: Quoted prices (not adjusted) in active markets for identical assets or liabilities.

Level 2: The inputs to each of the quoted prices included in Level

(1) that are traced to the asset or liability, either directly (prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability that are not based on market data that can be observed (unobservable inputs). The Company recognizes transfers between levels of the fair value hierarchy at the end of the financial year in which the change occurs. More information on the assumptions provided when measuring fair value is included under Financial Instruments

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.

More information on the assumptions applied when measuring fair value has been included in the following clarifications:

Notice No. (32-9): Financial Instruments.

Notes to the Financial Statements for the financial year ended March 31, 2024

3- Revenues

	2024 L.E	2023 L.E
Domestic sales	519 478 229	341 984 868
Exports sales	71 942 962	8 795 169
Intercompany sales	257 119	521 638
Commission sales	-	265 377
Less:		
Sales discount	189 392 202	140 691 561
Return of sales provision	2 262 532	(1 802 107)
	400 023 576	**212 677 598**

4- Cost of sales

	2024 L.E	2023 L.E
Raw materials & packing	261 285 006	117 787 325
The cost of purchasing a finished product	-	2 108 749
Depreciation	4 407 196	2 909 465
Salaries and wages	6 270 209	5 488 130
Out sourcing labor	14 078 920	8 944 702
Other manufacturing cost	7 396 174	3 892 350
Others expenses	5 170 247	3 860 528
	298 607 752	**144 991 249**
Change in finsh goods and work in progress inventory	(13 188 931)	4 690 318
	285 418 821	**149 681 567**

5- Other income

	2024 L.E	2023 L.E
Gain of sale of fixed assets	-	15 778
Reversal of provisions no longer required	1 877 637	4 819 239
Scrap sales	1 373 825	866 411
Others	427 860	-
	3 679 322	**5 701 428**

6- Selling and distribution expenses

	2024 L.E	2023 L.E
Salaries and wages	8 543 440	7 372 750
Advertising and marketing expense	43 144 802	17 539 139
Agency commissions	11 584 481	7 933 542
Transportation and freight	4 981 106	2 940 835
Other expenses	4 982 834	3 465 255
	73 236 663	**39 251 521**

Notes to the Financial Statements for the financial year ended March 31, 2024

7- General and administrative expenses

	2024 L.E	2023 L.E
Salaries and wages	10 570 435	5 653 748
Travel expenses	5 812	363 631
Consulting services	9 428 656	4 941 790
Insurance expenses	731 936	521 370
Medical expenses	900 263	889 587
Maintenance expense	946 938	726 708
Depreciation of fixed Assets	334 382	303 487
Amortization of right of use	1 452 971	1 679 673
Amortization of intangible assets	10 123	17 659
Other expenses	4 397 539	2 674 291
	28 779 055	**17 771 944**

8- Other expenses

	2024 L.E	2023 L.E
Provision formed during the year	5 519 764	4 846 029
	5 519 764	**4 846 029**

9- Finance income

	2024 L.E	2023 L.E
Credit interest	7 286 881	3 894 696
	7 286 881	**3 894 696**

10- Finance cost

	2024 L.E	2023 L.E
Interest on lease contracts	529 698	547 035
Debit interest	857 439	364 422
Foreign currency translation differences for monetary items	128 853 875	37 524 918
	130 241 012	**38 436 375**

Notes to the Financial Statements for the financial year ended March 31, 2024

11- Income tax

11-1 Income tax for the year

	2024 L.E	2023 L.E
Deferred tax	(1 418 941)	1 493 445
Treasury bills tax	(1 429 814)	(776 120)
	(2 848 755)	**717 325**

11-2 Reconciliation of effective tax rate

	Tax Rate	2024 L.E	Tax Rate	2023 L.E
Net loss before income tax		(112 205 536)		(27 713 714)
Income tax on accounting profit	22.5%	(25 246 246)	22.5%	(6 235 586)
Non – deductible expenses		(135 842)		13 225
Separate tax pool		(1 606 559)		32 997
Recognition of previously unrecognized tax losses		(3 691 928)		(1 693 685)
Provisions & impairments		1 882 860		256 907
FOREX		28 992 122		8 443 107
Others		(3 043 163)		(1 534 290)
Income tax	**3%**	**(2 848 755)**	**154%**	**(717 325)**

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.

	2024 L.E	2023 L.E
Net loss for the Year (LE)	(115 054 291)	(26 996 390)
Less:		
Employees share of profits	-	-
Board of directors remunerations	-	-
	(115 054 291)	**(26 996 390)**
Number of shares outstanding during the year (share)	1 445 330	1 445 330
Losses per share (L.E. / Share)	**(79.60)**	**(18.68)**

Notes to the Financial Statements for the financial year ended March 31, 2024

13- Deferred tax asset / (liabilities)

A- Recognized deferred tax assets/ (liabilities)

	Assets / (Liabilities)	
	2024 L.E	2023 L.E
Fixed assets	(814 519)	(604 062)
Operating lease liabilities	205 421	(205 782)
Net deferred tax liabilities	**(609 098)**	**(809 844)**
Less:		
Adjustments on begininng balance		
Deferred tax previously charged	(809 844)	(683 601)
Deferred tax charged to the statement of income	**(1 418 942)**	**(1 493 445)**

B- Unrecognized deferred tax assets

	2024 L.E	2023 L.E
Write-down of inventories	2 315 385	909 786
Provision	2 881 541	2 478 315
Retained losses	2 010 741	10 287 288
	7 207 667	**13 675 389**

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 March 31, 2024

14- Fixed assets (net)

Description	Land L.E	Buildings & Constructions L.E	Machinery & Equipment L.E	Tools & Equipment L.E	Office Furniture, Equipment L.E	Computers & Software L.E	Lab Equipment L.E	Office Equipment L.E	Motor Vehicles L.E	Total L.E
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**
Cost as of 1 April 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**
Additions during the year		2 203 870	11 186 045	470 795	-	512 325	50 120	-	-	14 423 155
Cost as of 31 March 2024	**578 340**	**15 756 058**	**39 243 776**	**5 725 345**	**1 395 523**	**1 383 371**	**696 192**	**121 131**	**250 000**	**65 149 736**
Accumulated depreciation										
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
Disposals during the year	-	-	-	-	-	(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**
Accumulated depreciation as of 1 April 2023	**-**	**9 194 876**	**17 809 648**	**5 201 252**	**1 394 949**	**705 601**	**646 004**	**121 077**	**231 249**	**35 304 656**
Depreciation for the year	-	769 127	3 213 151	420 741	-	315 640	4 177	-	18 750	4 741 586
Accumulated depreciation as of 31 March 2024	**-**	**9 964 003**	**21 022 799**	**5 621 993**	**1 394 949**	**1 021 241**	**650 181**	**121 077**	**249 999**	**40 046 242**
Impairement of fixed assets										
Impairement of fixed assets as of 31/3/2023	-	-	49	-	-	-	-	-	-	49
Impairement of fixed assets as of 31/3/2024	-	-	49	-	-	-	-	-	-	49
Carrying amount as of 31 March 2023	**578 340**	**4 357 312**	**10 248 034**	**53 298**	**574**	**165 445**	**68**	**54**	**18 751**	**15 421 876**
Carrying amount as of 31 March 2024	**578 340**	**5 792 055**	**18 220 928**	**103 352**	**574**	**362 130**	**46 011**	**54**	**1**	**25 103 445**

Notes to the Financial Statements for the financial year ended March 31, 2024

The cost of fully depreciated carrying assets includes the following:-

	2024 L.E	2023 L.E
Buildings & Constructions	6 214	6 214
Machinery & Equipment	9 207 512	8 799 774
Tools & Equipment	3 136 504	2 723 879
Office Furniture, Equipment	1 395 526	1 395 523
Computers & Software	739 476	467 277
Lab Equipment	646 073	646 072
Office Equipment	121 144	121 131
Motor Vehicles	250 000	150 000
	15 502 448	**14 309 870**

15- Rights of use (Net)

	Buildings & constructions L.E
Cost as of 1 April 2022	**8 398 366**
Cost as of 31 March 2023	**8 398 366**
Cost as of 3 April 2023	**8 398 366**
Additions for the year	5 275 696
Disposals for the year	(4 061 667)
Cost as of 31 March 2024	**9 612 395**
Accumulated 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**
Accumulated amortization as of 1 April 2023	**5 842 928**
Amortization for the year	1 452 969
Accumulated amortization of disposals during the year	(3 384 259)
Accumulated amortization as of 31 March 2024	**3 911 638**
Net rights of use assets at 31 March 2023	**2 555 438**
Net rights of use assets at 31 March 2024	**5 700 757**

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.

The company made a lease contract for a warehouse in the fourth industrial zone in Sadat City for a period of 3 years ending in 2026, and the right of use assets were recorded at the current value of the lease payments according to the contract.

Notes to the Financial Statements for the financial year ended March 31, 2024

16- Intangible assets

	Software licenses L.E
Cost as of 1 April 2022	**128 068**
Cost as of 31 March 2023	**128 068**
Cost as of 1 April 2023	**128 068**
Cost as of 31 March 2024	128 068
Accumulated amortization as of 1 April 2022	**100 283**
Amortization for the year	17 660
Accumulated amortization as of 31 March 2023	**117 943**
Accumulated amortization as of 1 April 2023	**117 943**
Amortization for the year	10 123
Accumulated amortization as of 31 March 2024	**128 066**
Net intangible assets at 31 March 2023	**10 125**
Net intangible assets at 31 March 2024	**2**

17- Projects under implementation

	Balance at 01-04-2023	Additions for the year	Transfer to assets	Balance at 31/3/2024
Buildings & Constructions	3 400 264	23 308 438	(14 423 186)	12 285 516
Machinery & Equipment	-			
Payments to purchase Fixed assets	1 147 440	23 210 144		24 357 584
	4 547 704	**46 518 582**	**(14 423 186)**	**36 643 100**

18- Inventories

	31-03-2024 L.E	31-03-2023 L.E
Raw materials	36 766 097	22 248 258
Packing materials	38 821 250	10 932 095
Work in process	578 470	58 575
Finished goods	22 062 365	9 393 329
	98 228 182	**42 632 257**

Inventories were written-down by an amount of L.E 10,290,601 for the year ended March 31, 2024 (31/3/2023: L.E. 4,043,494) Note No. (25).

Notes to the Financial Statements for the financial year ended March 31, 2024

19- Trade and other receivables

	31-03-2024 L.E	31-03-2023 L.E
Trade receivable	58 083 366	26 130 231
Trade receivable- Intercompany	39 790 403	-
Deposits with others	2 621 772	2 902 275
Other debit balances	397 000	32 809
Tax Authority (withholding &VAT)	9 324 834	6 144 634
Others debit balance	555 974	348 312
	110 773 349	**35 558 261**

The trade receivables - intercompany account includes sales transactions during the year amounted to L.E. 55,707,005 in 2024 (L.E. 521,638 2023)

20- Prepayments

	31-03-2024 L.E	31-03-2023 L.E
Prepayments	320 960	511 570
Suppliers – advance payments	23 686 594	6 349 224
	24 007 554	**6 860 794**

21- Related parties transactions

The company transactions with related parties during 2024 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), Marico Egypt company (Affiliate company) and Marico Bangladesh (Affiliate company)

A summary of significant transactions with related parties is as follows:-

Related party	Country	Type of transactions	Significant transactions during the year 31-03-2024 L.E	Significant transactions during the year 31-03-2023 L.E
- Mel Company-Egypt	- Egypt	- Payments	(1 603 374)	(1 481 907)
- Marico Middle east Company	- UAE	- Finance	155 029 597	360 295
- Marico Limited Company	- India	- Royality expense	1 644 627	1 048 891
- Marico Limited Company	- India	- Payments	(7 331 852)	(2 205 788)
- Marico Limited Company	- India	- Others	(128 212)	397 836
- Marico Limited Company	- India	- Payment of expenses on behalf of the company	6 605 456	3 623 033
- Marico Limited Company	- India	Exchange Rate Difference	309 490	-
- Marico Middle east Company	- UAE	other	(24 569)	2 691 999
- Marico Middle east Company	- UAE	Exchange Rate Difference	143 585 015	34 461 020

Notes to the Financial Statements for the financial year ended March 31, 2024

Related party	Country	Type of transactions	Significant transactions during the year 31-03-2024 L.E	Significant transactions during the year 31-03-2023 L.E
- Marico Middle east Company	- UAE	- Payment of expenses on behalf of the company	30 906	30 906
- Marico Bangladesh	Bangladesh	Purchases	(2 773 667)	-
- Marico Bangladesh	Bangladesh	Assets purchases	(934 246)	-
- Marico Bangladesh	Bangladesh	Payments	3 696 605	-
- Marico Bangladesh	Bangladesh	Exchange Rate Difference	1 321	-

Those transactions resulted in the following balances as at March 31, 2023:

A) Due to related parties:

	31-03-2024 L.E	31-03-2023 L.E
Marico Middle East Company-UAE	412 413 629	113 792 681
Marico Limited-India	5 176 333	4 076 823
MEL Consumer Care Company	53 140 171	54 743 545
	470 730 133	**172 613 049**

22- Investments held to maturity-Treasury Bills

	Maturity Date	Paid Amount L.E	Accured Interest 31-03-2024 L.E	Total as of 31-03-2023 L.E
QNB ALAHLI	November 25, 2024	50 000	1 044	51 044
QNB ALAHLI	August 4, 2024	200 000	7 924	207 924
QNB ALAHLI	March 25, 2025	1 594 400	4 482	1 598 882
CIB	March 9, 2025	50 000	595	50 595
HSBC	November 8, 2024	1 150 872	11 351	1 162 223
		3 045 272	**25 396**	**3 070 668**

23- Cash and cash equivalents

	31-03-2024 L.E	31-03-2023 L.E
Banks-current accounts	43 269 139	18 155 401
Treasury bills due within 3 months	43 672 090	16 682 742
	86 941 229	**34 838 143**
Treasury bills due within 3 months	43 672 090	16 682 742
Net cash and cash equivalents in the statement of cash flows	**43 269 139**	**18 155 401**

Notes to the Financial Statements for the financial year ended March 31, 2024

Treasury bills due within 3 months

	Maturity Date	Paid Amount L.E	Accured Interest 31-03-2024 L.E	Total as of 31-03-2023 L.E
QNB ALAHLI	16-04-2024	3 953 080	9 877	3 962 957
HSBC	16-04-2024	9 882 700	24 695	9 907 395
HSBC	09-04-2024	6 947 920	17 361	6 965 281
HSBC	25-06-2024	4 720 300	12 570	4 732 870
HSBC	23-04-2024	14 752 500	38 077	14 790 577
HSBC	25-06-2024	3 304 210	8 800	3 313 010
Total		**43 560 710**	**111 380**	**43 672 090**

24- Issued & Paid in Capital

A. Authorized capital of the company is L.E. 50 million.

B. 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.

- The share capital is presented as the following:

Name	No Of Shares	Par value
MEL Consumer Care Company (S.A.E.)	1 430 878	14 308 780
Mr.Binjit kumar kadakapcedlikayal	7 226	72 260
Mr.Padmanabh Suresh Maydeo	7 226	72 260
Total	**1 445 330**	**14 453 300**

25- Provisions and impairment in assets and allowance for inventory

	Balance at 31/3/2023 L.E	Formed during the year L.E	Used during the year L.E	Provisions no longer required L.E	Balance at 31/3/2024 L.E
Claims provision	10 898 465	4 772 148	1 150 497	1 713 267	12 806 849
other provision	116 270	747 615	370 469	164 369	329 047
Total	**11 014 735**	**5 519 763**	**1 520 966**	**1 877 636**	**13 135 896**
Write-down of inventories	4 043 494	6 247 107		-	10 290 601
Impairment in fixed assets	49	-	-	-	49

26- 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, also 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, The company made a lease contract for a warehouse in the fourth industrial zone in Sadat City for a period of 3 years ending in 2026, and the right of use assets were recorded at the current value of the lease payments according to the contract.

Notes to the Financial Statements for the financial year ended March 31, 2024

The following is a statement of the operating lease obligations until the end of contracts:

	2024 L.E	2025 L.E	2026 L.E	2027 L.E	Total L.E
Lease liabilities	1 883 218	3 476 644	2 664 927	1 742 400	9 767 189
	1 883 218	**3 476 644**	**2 664 927**	**1 742 400**	**9 767 189**

The following is a statement of lease commitments, in present value until the end of the contracts:

	2024 L.E	2025 L.E	2026 L.E	Total L.E
Lease liabilities	2 521 277	2 125 758	1 639 900	6 286 935
	2 521 277	**2 125 758**	**1 639 900**	**6 286 935**

Non-current liabilities represents an amount of LE 3,765,659 and current liabilities amount of LE 2,521,276

- The following is a statement of the charge on the income statement during the year:

	31-03-2024 L.E	31-03-2023 L.E
Interest on lease contracts	529 699	5,47,035
Amortization of right of use	1 452 972	1 679 673
	1 982 671	**2 226 708**

	31-03-2024 L.E	31-03-2023 L.E
Lease Payments	1 883 218	2 425 599
	1 883 218	**2 425 599**

27- Bank overdarft

Bank Name	31-03-2024 L.E	31-03-2023 L.E
HSBC Bank	-	5 483 713
	-	**5 483 713**

28- Trade and other payables

	31-03-2024 L.E	31-03-2023 L.E
Trade payables	55 401 316	24 545 004
Trade payables - Intercompany *	394 695	1 952 163
Accrued expenses	9 103 240	5 445 520
Accrued Customer rebates	26 331 296	9 910 675
Salaries & bonus of expats	1 485 385	949 578

Notes to the Financial Statements for the financial year ended March 31, 2024

	31-03-2024 L.E	31-03-2023 L.E
Tax authority	4 783 086	1 407 649
Return liability **	5 352 286	3 089 754
Other credit balance	408 630	641 972
	103 259 934	**47 942 315**

* The trade payables - intercompany account includes purchases transactions during the year amounted to L.E 7,323,059 (2023: 5,910,386)

* 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"

29- 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.

b) Value added tax

Years from commencement of operation till 31/12/2016:

The company was inspected from its commencement of operation till 31/12/2016 and paid all the resulting differences.

Years 1/1/2017 till 31/3/2023

The company is being inspected for these years.

The company submits the tax returns regularly on due dates.

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 2023:

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 2020:

The company was inspected from its commencement of operation till 31/3/2020 and paid all the resulting differences.

Years 1-4-2020 till 31-3-2023

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 from its commencement of operation till 31/3/2016 and paid all the resulting differences.

Years 1-1-2017 till 31-3-2023

The company was not inspected for that period.

The company submits withholding tax return regularly on the due dates.

Notes to the Financial Statements for the financial year ended March 31, 2024

30 - 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. (32) 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.

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 the company distributes its credit risk on many different types of custmers, represents customers with good reputation.

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. 360,919,545 and L.E. 4,050,911 respectively.

The net balances of foreign currencies at the balance sheet date are shown below:

Foreign Currency	deficit
US Dollars	362 821 924
Euro	2 148 532

And as stated in note (32-1) "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:

	Book Value 31/3/2024 EGP	Book Value 31/3/2023 EGP
Trade and other creditors	47,83,086	4,79,42,349
Due to related parties	47,07,30,133	12,32,00,106
Bank facilities	-	54,83,713
current lease liabilities	37,65,659	20,90,083
	47,92,78,878	**17,87,16,251**

Notes to the Financial Statements for the financial year ended March 31, 2024

31- Going concern

The company achieved a net loss for the fiscal year ending on March 31, 2024, an amount of EGP 115,054,291 Thus, the accumulated losses on the same date amounted to EGP 217,786,667, 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 53,140,172. 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.

32- Significant accounting policies

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

32-1 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.

32-2 Revenue

Revenues are recognized when the transfer of control related to the ownership of the goods sold to the buyer when ensuring the recovery of the value of these goods and estimating the costs associated with them as well as the return from them in a reliable manner, with the inability of management to cause any subsequent impact on the goods sold, and with the possibility of measuring revenue reliably, and in the case of export sales, the transfer of control of the goods sold is determined according to the terms of shipping.

32-3 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.

32-4 Finance income and finance costs

The company’s finance income and finance costs include:

- 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;

Notes to the Financial Statements for the financial year ended March 31, 2024

- 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.

32-5 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.

A. 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.

B. 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.

32-6 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 Financial Statements for the financial year ended March 31, 2024

32-7 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

32-8 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.

32-9 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.

The company classifies non-derivative financial liabilities into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities category.

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 March 31, 2024

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.

32-10 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".

32-11 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.

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.

Notes to the Financial Statements for the financial year ended March 31, 2024

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.

Notes to the Financial Statements for the financial year ended March 31, 2024

32-12 Lease liability

The leased asset recognized as company's asset and liability which is represents the current lease liability not paid.

32-13 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.

32-14 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.

32-15 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.

32-16 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.

32-17 Payables, due to related parties ,creditors and credit balances

Payables, due to related parties, creditors and other credit balances are stated at their cost.

32-18 Cash flow statement

Cash flow statement is prepared according to the indirect method.

32-19 Cash dividends

Dividends are recognized as a liability in the period it's declared.

32-20 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.

32-21 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.

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.

Notes to the Financial Statements for the financial year ended March 31, 2024

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

33- Significant events during the year

In light of the global and local economic conditions and geopolitical risks facing the country, the government, represented mainly in the Central Bank of Egypt, has taken a number of financial measures during 2022 and 2023 to contain the impact of these crises as well as the resulting inflationary impact over the Egyptian economy, including the devaluation of the Egyptian pound against foreign currencies, raising the interest rate on overnight deposits and lending rates, and setting maximum limits on cash withdrawals and deposits in banks. This resulted in a decrease in exchange rates and availability of foreign currencies through the official channels, which resulted in delaying foreign currencies debts payments as well as the increase of purchases' costs as well as settlement costs.

On March 6, 2024, the Central Bank of Egypt decided to raise the overnight deposit and lending rates by 600 basis points to reach 27.25% and 28.25%, respectively. Also, the credit and discount rate was raised by also 600 points to reach 27.75% with allowing the use of a flexible exchange rate driven by market mechanisms, which led to an increase in the average official exchange rate of US dollars during the first week of the Central Bank's decision date, to reach between 49 to 50 EGP/USD.

34- New versions and amendments to the Egyptian Accounting Standards

On March 6, 2024, Prime Minister Decision No. (883) of 2024 was issued to amend and re-issue some provisions of Egyptian Accounting Standards. The following is a summary of these amendments:

Notes to the Financial Statements for the financial year ended March 31, 2024

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
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 financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position, financial performance, and cash flows. 2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 ""Insurance Contracts"". Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). 3- 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 ""."	The Company is currently assessing the impact of applying this new standard on its financial statements.	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.
Egyptian Accounting Standard No. (34) amended 2024 "Investment Property "	The Egyptian Accounting Standard No. (34) "Investment Property" was reissued in 2024, to amend the fair value application mechanism by the mandate of recognizing the gain or loss arising from the change in the fair value of the investment property in the statement of profit or loss for the period in which the change arises or through the statement of other comprehensive income for one time in the life of the asset or investment, taking into account paragraphs (35a) and (35b) of the standard.	The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company.	The amendments to the amendment of addition of the option to use the fair value model apply to financial periods commencing on or after January 1, 2024 with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the fair value model initially by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this model for the first time.

Notes to the Financial Statements for the financial year ended March 31, 2024

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates, sister companies and jointly controlled companies.	Management is currently studying the possibility of changing the accounting policy	The amendments shall apply to financial periods commencing on or after January 1, 2024 with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the equity method by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this method for the first time.
Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"	This standard was reissued in 2024, to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met for determining the spot exchange rate at the measurement date. An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability.	The Company is currently assessing the impact of applying the amendments of this standard on its financial statements.	Amendments regarding the determination of spot exchange rate when it is difficult to exchange between two currencies is applicable to financial periods commencing on or after January 1, 2024 with early adaption allowed. If the entity made an early application, this has to be disclosed. Entity shall not be modifying comparative information and instead should: • When the entity reports foreign currency transactions to its functional currency, any effect of the initial application is recognized as an adjustment to the opening balance retained earnings/losses on the date of initial application. • When an entity uses presentation currency different than its functional currency or translates the results and balances of foreign operation, the resulting differences and financial position of a foreign transaction, any effect of the initial application is recognized as an adjustment to the cumulative translation adjustment reserve - accumulated in equity section on the date of initial application.

Notes to the Financial Statements for the financial year ended March 31, 2024

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Accounting Interpretation No. (2) "Carbon Reduction Certificates"	Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions, and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority "FRA" for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market "VCM".	The management is currently studying the financial implications of applying the accounting interpretation to the company's financial statements.	The application starts on or after the first of January 2025, early adaption is allowed.

MARICO SOUTH AFRICA CONSUMER CARE (PTY) LIMITED (MSACC)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Saugata Gupta Mr. Pawan Agrawal Mr. John Richard Mason (until June 30, 2023) Mr. Mandla Richard Mashilo Mr. Ryan Bartram (appointed w.e.f. July 1, 2023)
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

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 Consolidated and Separate) set out on pages 8 to 41 which comprise the statement of financial position as at 31 March 2024, 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, a summary of material 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 and its subsidiaries as at 31 March 2024, and its Consolidated and Separate financial performance and Consolidated and Separate cash flows for the year then ended then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) 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 Annual Financial Statements for the year ended 31 March 2024"", 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 Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act, No 71 of 2008 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 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 Consolidated and Separate'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

26 June 2024

Consolidated and Separate Statements of Financial Position

as at at 31 March 2024

Figures in Rand	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Assets					
Non-Current Assets					
Property, plant and equipment	3	20,07,732	6,95,841	-	-
Right-of-use assets	4	18,64,662	63,48,931	-	-
Goodwill	5	1,79,26,857	1,79,26,857	-	-
Intangible assets	6	8,15,64,722	8,15,64,722	-	-
Investments in subsidiaries	7	-	-	8,00,64,957	8,00,64,957
		10,33,63,973	**10,65,36,351**	**8,00,64,957**	**8,00,64,957**
Current Assets					
Inventories	8	5,72,45,560	5,52,56,054	-	-
Trade and other receivables	9	5,26,68,357	3,20,15,700	-	-
Current tax receivable	22	-	9,75,862	-	-
Cash and cash equivalents	10	2,99,29,991	1,28,01,788	23,301	23,352
		13,98,43,908	**10,10,49,404**	**23,301**	**23,352**
Total Assets		**24,32,07,881**	**20,75,85,755**	**8,00,88,258**	**8,00,88,309**
Equity and Liabilities					
Equity					
Share capital	11	13,38,60,269	13,38,60,269	13,38,60,269	13,38,60,269
Retained income		3,87,97,248	(1,15,00,637)	(5,37,72,011)	(5,37,71,960)
		17,26,57,517	**12,23,59,632**	**8,00,88,258**	**8,00,88,309**
Liabilities					
Non-Current Liabilities					
Borrowings	12	-	36,30,475	-	-
Lease liabilities	4	-	21,91,128	-	-
Deferred tax	13	71,13,047	78,22,778	-	-
		71,13,047	**1,36,44,381**	**-**	**-**
Current Liabilities					
Trade and other payables	14	6,00,26,128	6,06,25,359	-	-
Borrowings	12	-	61,01,700	-	-
Lease liabilities	4	21,91,128	48,54,683	-	-
Current tax payable	22	12,20,061	-	-	-
		6,34,37,317	**7,15,81,742**	**-**	**-**
Total Liabilities		**7,05,50,364**	**8,52,26,123**	**-**	**-**
Total Equity and Liabilities		**24,32,07,881**	**20,75,85,755**	**8,00,88,258**	**8,00,88,309**

Consolidated and Separate Statements of Profit or Loss and other Comprehensive Income

for the year ended 31 March 2024

Figures in Rand	Notes	Group		Company	
		2024	2023	2024	2023
Revenue	15	45,99,03,349	36,38,23,147	-	-
Cost of sales		(27,44,17,695)	(24,05,40,321)	-	-
Gross profit		**18,54,85,654**	**12,32,82,826**	**-**	**-**
Other operating (losses)	16	(16,43,759)	(19,14,784)	-	-
Movement in credit loss allowances	17	(41,213)	3,54,693	-	-
Other operating expenses		(11,60,62,238)	(9,62,08,927)	(1,748)	(1,624)
Operating profit / (loss)	17	**6,77,38,444**	**2,55,13,808**	**(1,748)**	**(1,624)**
Investment income	18	20,01,284	3,13,634	1,697	1,194
Finance costs	19	(8,32,140)	(19,55,245)	-	-
Profit / (loss) before taxation		**6,89,07,588**	**2,38,72,197**	**(51)**	**(430)**
Taxation	20	(1,86,09,703)	(63,70,852)	-	-
Profit / (loss) for the year		**5,02,97,885**	**1,75,01,345**	**(51)**	**(430)**
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the year		**5,02,97,885**	**1,75,01,345**	**(51)**	**(430)**

Consolidated and Separate Statements of Changes in Equity

for the year ended 31 March 2024

Figures in Rand	Share capital	Share premium	Total share capital	Retained income	Total equity
Group					
Balance at 1 April 2022	**9,00,60,369**	**4,37,99,900**	**13,38,60,269**	**(2,90,01,982)**	**10,48,58,287**
Profit for the year	-	-	-	1,75,01,345	1,75,01,345
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**1,75,01,345**	**1,75,01,345**
Balance at 1 April 2023	9,00,60,369	4,37,99,900	13,38,60,269	(1,15,00,637)	12,23,59,632
Profit for the year	-	-	-	5,02,97,885	5,02,97,885
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	5,02,97,885	5,02,97,885
Balance at 31 March 2024	**9,00,60,369**	**4,37,99,900**	**13,38,60,269**	**3,87,97,248**	**17,26,57,517**
Note	11	11	11		
Company					
Balance at 1 April 2022	**9,00,60,369**	**4,37,99,900**	**13,38,60,269**	**(5,37,71,530)**	**8,00,88,739**
Loss for the year	-	-	-	(430)	(430)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**(430)**	**(430)**
Balance at 1 April 2023	**9,00,60,369**	**4,37,99,900**	**13,38,60,269**	**(5,37,71,960)**	**8,00,88,309**
Loss for the year	-	-	-	(51)	(51)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**(51)**	**(51)**
Balance at 31 March 2024	**9,00,60,369**	**4,37,99,900**	**13,38,60,269**	**(5,37,72,011)**	**8,00,88,258**
Note	11	11	11		

Consolidated and Separate Statements of Cash Flows

for the year ended 31 March 2024

Figures in Rand	Note(s)	2024	2023	2024	2023
Cash flows from operating activities					
Cash generated from / (used in) operations	21	4,96,33,553	2,18,00,415	(1,748)	(1,624)
Interest income	18	20,01,284	3,13,634	1,697	1,194
Finance costs	19	(8,32,140)	(12,74,853)	-	-
Tax paid	22	(1,71,23,512)	(70,93,214)	-	-
Net cash from operating activities		**3,36,79,185**	**1,37,45,982**	**(51)**	**(430)**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(19,95,432)	(4,48,810)	-	-
Proceeds on sale of property, plant and equipment		31,308	-	-	-
Net cash utilised in investing activities		**(19,64,124)**	**(4,48,810)**	**-**	**-**
Cash flows from financing activities					
Repayment of borrowings	12	(97,32,175)	(67,01,700)	-	-
Payment on lease liabilities	4	(48,54,683)	(51,42,413)	-	-
Net cash utilised in financing activities		**(1,45,86,858)**	**(1,18,44,113)**	**-**	**-**
Total cash movement for the year		**1,71,28,203**	**14,53,059**	**(51)**	**(430)**
Cash at the beginning of the year		1,28,01,788	1,13,48,729	23,352	23,782
Total cash at end of the year	10	**2,99,29,991**	**1,28,01,788**	**23,301**	**23,352**

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 26 June 2024 and were signed by R G Bartram and M R Mashilo, authorised directors.

1. Material 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 IFRS Accounting Standards and the Companies Act of South Africa.

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 Material 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.

Materiality statement

The need for materiality judgements is pervasive in the preparation of financial statements. Materiality judgement is required when making decisions about presentation, disclosure, recognition and measurement. IFRS requires information only to be disclosed when it is material. Therefore, management is required to identify the primary users and their information needs.

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 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.

Accounting Policies

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.

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.

Accounting Policies

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 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;

Accounting Policies

- 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.

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;
- 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.

Accounting Policies

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.

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.

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 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average allocation 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.

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.

1.9 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

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

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.

They are subsequently measured at amortised cost.

Accounting Policies

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 (losses) / gains.

Impairment

The group 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 group 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 group 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 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 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.

Trade and other payables

Classification

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

Accounting Policies

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.

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.

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

Accounting Policies

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.

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.

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.

Accounting Policies

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.

Notes to the Consolidated and Separate financial statements

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:

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on 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 or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2024 special purpose financial statements.

The impact of the amendment is not material.

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the special purpose financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2024 special purpose financial statements.

The impact of the amendment is not material.

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in special purpose financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group has adopted the amendment for the first time in the 2024 special purpose 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 2024 or later periods:

Standard/ Interpretation: Years beginning on or after	Effective date:	Expected impact:
• Presentation and Disclosure in Financial Statements - IFRS 18	1 January 2027 material impact	Unlikely there will be a
• Lack of exchangeability material impact	1 January 2025	Unlikely there will be a
• Supplier finance arrangements - amendments to IAS 7 and IFRS 7	1 January 2024	Unlikely there will be a material impact
• Non-current liabilities with covenants - amendments to IAS 1	1 January 2024	Unlikely there will be a material impact
• Lease liability in a sale and leaseback	1 January 2024	Unlikely there will be a material impact

Notes to the Consolidated and Separate financial statements

3. Property, plant and equipment

Group	2024			2023		
	Cost	Accumulate depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Leasehold improvements	15,68,211	(14,72,193)	96,018	15,61,833	(14,53,165)	1,08,668
Plant and machinery	24,70,924	(13,43,483)	11,27,441	13,19,717	(12,69,348)	50,369
Office furniture and computer equipment	32,06,892	(27,29,136)	4,77,756	33,22,718	(27,85,914)	5,36,804
Motor vehicles	5,77,714	(2,71,197)	3,06,517	3,39,046	(3,39,046)	-
Total	**78,23,741**	**(58,16,009)**	**20,07,732**	**65,43,314**	**(58,47,473)**	**6,95,841**

Reconciliation of property, plant and equipment - Group - 2024

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Leasehold improvements	1,08,668	27,598	-	(40,248)	96,018
Plant and machinery	50,369	11,61,051	-	(83,979)	11,27,441
Office furniture and computer equipment	5,36,804	4,59,782	(9,310)	(5,09,520)	4,77,756
Motor vehicles	-	3,47,001	-	(40,484)	3,06,517
	6,95,841	**19,95,432**	**(9,310)**	**(6,74,231)**	**20,07,732**

Reconciliation of property, plant and equipment - Group - 2023

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Leasehold improvements	1,46,961	-	-	(38,293)	1,08,668
Plant and machinery	97,177	19,449	-	(66,257)	50,369
Office furniture and computer equipment	3,87,925	4,29,361	(10,141)	(2,70,341)	5,36,804
	6,32,063	**4,48,810**	**(10,141)**	**(3,74,891)**	**6,95,841**

4. Leases (group 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:

Group	2024			2023		
	Cost	Accumulate depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	1,34,52,809	(1,15,88,147)	1 864 662	21 724 607	(1,53,75,676)	63,48,931

Reconciliation of right of use 2024	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	6 348 931	-	-	(4 484 269)	1 864 662

Notes to the Consolidated and Separate financial statements

Reconciliation of right of use 2023	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	10 833 200	-	-	(4 484 269)	6 348 931
Plant and machinery	1,56,931	-	-	(1,56,931)	-
	1,09,90,131	**-**	**-**	**(46,41,200)**	**63,48,931**

Other disclosures

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Interest expense on lease liabilities	3,34,354	6,80,392	-	-
Expenses on short-term leases included in operating expenses	13,80,818	5,27,337	-	-

Lease liabilities

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Reconciliation of lease liabilities				
Opening balance	70,45,811	1,15,07,832	-	-
Interest	3,34,354	6,80,392	-	-
Repayment - interest	(3,34,354)	(6,80,392)	-	-
Repayments - capital	(48,54,683)	(44,62,021)	-	-
	21,91,128	**70,45,811**	**-**	**-**

The maturity analysis of lease liabilities is as follows:

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Within one year	22,18,516	51,89,037	-	-
Two to five years	-	22,18,516	-	-
	22,18,516	**74,07,553**	**-**	**-**
Less finance charges component	(27,388)	(3,61,742)	-	-
	21,91,128	**70,45,811**	**-**	**-**
Non-current liabilities	-	21,91,128	-	-
Current liabilities	21,91,128	48,54,683	-	-
	21,91,128	**70,45,811**	**-**	**-**

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% (2023: prime + 0,5%).

Notes to the Consolidated and Separate financial statements

5. Goodwill

Group	2024			2023		
	Cost	Accumulate depreciation	Carrying value	Cost	Accumulated depreciation	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 - 2024

	Opening balance	Depreciation	Closing balance
Leasehold improvements	17 926 857	-	17 926 857

Reconciliation of goodwill - Group - 2023

	Opening balance	Depreciation	Closing balance
Goodwill	17 926 857	-	17 926 857

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% (2023: 4,5%)* Discount rate: 19,7% (2023: 20,95%)**

Length of projected cash flows: 5 years (2023: 5 years)

* Growth rate used to extrapolate cash flows beyond the budget period.

** Post-tax discount rate applied to the 5 year post-tax cash flow projections.

The value in use calculation at 31 March 2024 did not indicate any additional impairment (2023: Nil).

6. Intangible assets

Group	2024			2023		
	Cost / Valuation	Accumulate 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

Notes to the Consolidated and Separate financial statements

Reconciliation of intangible assets - Group - 2024

	Opening balance	Additions loss	Impairment	Total
Brands	81 564 722	-	-	81 564 722

Reconciliation of intangible assets - Group - 2023

	Opening balance	Additions loss	Impairment	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:

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:

Growth rate in activities: a terminal growth rate of 4,5% (2023: 4,5%)* Discount rate: 19,7% (2023: 20,95%)**

Length of projected cash flows: 5 years (2023: 5 years)

* Growth rate used to extrapolate cash flows beyond the budget period.

** Post-tax discount rate applied to the post-tax 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 flows 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.

The above all resulted in no additional or possible impairment (2023: Nil).

Notes to the Consolidated and Separate financial statements

7. Interest in subsidiary

Name of company	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
Marico South Africa Proprietary Limited	100.00 %	100.00 %	8,00,64,957	8,00,64,957

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% (2023: 4,5%) Post tax discount rate: 19,7% (2023: 20,95%)

8. Inventories

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Raw materials	2,76,58,140	3,31,94,090	-	-
Work in progress	77,986	3,19,201	-	-
Finished goods	2,47,16,762	2,10,65,776	-	-
Goods in transit - raw materials	1,07,94,081	37,26,405	-	-
Goods in transit - finished goods	8,44,894	10,17,903	-	-
	6,40,91,863	**5,93,23,375**	**-**	**-**
Inventories (write-downs)	(68,46,303)	(40,67,321)	-	-
	5,72,45,560	**5,52,56,054**	**-**	**-**

9. Trade and other receivables

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Financial instruments:				
Trade receivables	4,73,29,491	2,72,06,190	-	-
Loss allowance	**(75,614)**	**(86,329)**	**-**	**-**
Trade receivables at amortised cost	4,72,53,877	2,71,19,861	-	-
Other receivables	52,06,528	42,71,390	-	-
Non-financial instruments:				
VAT	-	5,19,114	-	-
Prepayments	2,07,952	1,05,335	-	-
Total trade and other receivables	**5,26,68,357**	**3,20,15,700**	**-**	**-**

Notes to the Consolidated and Separate financial statements

Group

Loss allowance aging profile - 2024

	Not past due	Past due by 30 days	Past due by 60 days	Total
Net trade receivables	22 349 657	24 979 834	-	47 329 491
Add back: Rebates	**5 641 468**	**6 567 536**	**8 305 404**	**20 514 408**
Gross carrying amount	2,79,91,124	3,15,47,370	83,05,404	6,78,43,898
Expected loss % based on gross carrying amount	**0.17**	**0.09**		**0.11**
Loss allowance calculated	46,301	29,313	-	75,614
Specific allowance	-	-	-	-
	46,301	**29,313**	**-**	**75,614**

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	**3 470 756**	**4 455 487**	**4 359 119**	**12 285 362**
Gross carrying amount	3,03,25,184	48,07,249	43,59,119	3,94,91,552
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**

Movement in loss allowance

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Opening balance	86,329	3,06,021	-	-
Reversal of prior period loss allowance	-	(3,06,021)	-	-
Provision for the year	41,213	86,329	-	-
Written off during the year	(51,928)	-	-	-
Closing balance	**75,614**	**86,329**	**-**	**-**

Financial instrument and non-financial instrument components of trade and other receivables

Figures in Rand	Group		Company	
	2024	2023	2024	2023
At amortised cost	52 460 405	31 391 251	-	-
Non-financial instruments	207 952	624 449	-	-
	52 668 357	**32 015 700**	**-**	**-**

Fair value of trade and other receivables

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

Notes to the Consolidated and Separate financial statements

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Bank balances	51,05,085	14,81,413	2,160	1,408
Deposits	2,48,24,906	1,13,20,375	21,141	21,944
	2,99,29,991	**1,28,01,788**	**23,301**	**23,352**
Current assets	2,99,29,991	1,28,01,788	23,301	23,352

Group facilities available	Expiry date	R	R
Overdraft	21 August 2024	50,00,000	1,50,00,000
Card	21 August 2024	4,00,000	3,00,000
Fleet card	21 August 2024	2,00,000	2,00,000
Guarantee by the Bank	21 August 2024	8,31,800	8,82,000
Foreign exchange - Contract PFE	21 August 2024	2,09,800	2,09,800
Medium term loan	21 August 2024	56,64,400	1,38,00,000
Electronic funds transfer services - Credit Run		-	50,00,000
		1,23,06,000	**3,53,91,800**

Group securities issued	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

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Credit rating				
P-3 short-term and Ba1 long-term	2,99,29,991	1,28,01,788	23,301	23,352

11. Share capital

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Authorised				
30 000 000 no par value shares	3,00,00,000	3,00,00,000	3,00,00,000	3,00,00,000

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

Notes to the Consolidated and Separate financial statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Issued				
800 Ordinary shares of R1	800	800	800	800
447 Ordinary shares of R134 361.32	6,00,59,569	6,00,59,569	6,00,59,569	6,00,59,569
322 Ordinary shares of R93 167.70	3,00,00,000	3,00,00,000	3,00,00,000	3,00,00,000
Share premium	4,37,99,900	4,37,99,900	4,37,99,900	4,37,99,900
	13,38,60,269	**13,38,60,269**	**13,38,60,269**	**13,38,60,269**

12. Borrowings

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Held at amortised cost				
Standard Bank of South Africa Limited	-	**97,32,175**	-	**-**
Split between non-current and current portions				
Non-current liabilities	-	36,30,475	-	-
Current liabilities	-	61,01,700	-	-
	-	**97,32,175**	-	**-**
Reconciliation of borrowings				
Opening balance	97,32,175	1,64,33,875	-	-
Interest	4,97,786	12,74,853	-	-
Repayment - interest	(4,97,786)	(12,74,853)	-	-
Repayment - capital	(97,32,175)	(67,01,700)	-	-
	-	**97,32,175**	-	**-**

This loan was for a period of 5 years and was repayable in monthly instalments of R508 475 per month. It bored interest at 0.5% above the South African prime interest rate.

The loan was fully repaid during the current financial year.

The loan was secured by:

- an unrestricted pledge and cession in security over the company's balances held in the treasury call deposit account; and
- unrestricted cession of the company's book debts.
- Guarantee limited to R60,000,000.00 by Marico South Africa Consumer Care (Pty) Ltd.

13. Deferred tax

Deferred tax liability

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Purchase price allocation	(90,67,680)	(90,67,680)	-	-
Intangible assets	(43,39,794)	(42,91,801)	-	-
Prepayments	(56,147)	(18,785)	-	-
Total deferred tax liability	**(1,34,63,621)**	**(1,33,78,266)**	**-**	**-**

Notes to the Consolidated and Separate financial statements

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Deferred tax asset				
Property, plant and equipment	1,00,971	77,878	-	-
Provisions	61,61,457	52,89,453	-	-
Net lease liability	88,146	1,88,157	-	-
Deferred tax balance from temporary differences other than unused tax losses	63,50,574	55,55,488	-	-
Total deferred tax asset	**63,50,574**	**55,55,488**	**-**	**-**

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	Group		Company	
	2024	2023	2024	2023
Deferred tax liability	(1,34,63,621)	(1,33,78,266)	-	-
Deferred tax asset	63,50,574	55,55,488	-	-
Total net deferred tax liability	**(71,13,047)**	**(78,22,778)**	**-**	**-**
Reconciliation of deferred tax liability				
At beginning of year	(78,22,778)	(83,39,930)	-	-
(Deductible) / taxable temporary difference movement on lease liability	(100 011)	48 378	-	-
Taxable / (deductible) temporary difference movement	23 093	(21 521)	-	-
on tangible fixed assets Deductible temporary difference movement on	(37,362)	(8,354)	-	-
prepayments Taxable temporary difference movement on provisions	8,72,004	46,03,459	-	-
Deductible temporary difference movement on intangibles	(47,993)	(41,04,810)	-	-
	(71,13,047)	**(78,22,778)**	**-**	**-**

14. Trade and other payables

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Financial instruments:				
Trade payables	4,14,02,650	4,38,81,772	-	-
Trade payables - related parties	5,25,166	15,33,921	-	-
Other payables	8,03,813	5,70,553	-	-
Accruals	71,93,183	76,80,578	-	-
Audit fee accrual	10,02,192	7,40,318	-	-
Non-financial instruments:				
Bonus accrual	51,43,511	45,06,792	-	-
VAT	24,10,927	-	-	-
Leave pay accrual	15,44,686	17,11,425	-	-
	6,00,26,128	**6,06,25,359**	**-**	**-**

Notes to the Consolidated and Separate financial statements

Financial instrument and non-financial instrument components of trade and other payables

Figures in Rand	Group		Company	
	2024	2023	2024	2023
At amortised cost	5,09,27,004	5,44,07,142	-	-
Non-financial instruments	90,99,124	62,18,217	-	-
	6,00,26,128	**6,06,25,359**	**-**	**-**

Fair value of trade and other payables

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

15. Revenue

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Revenue from contracts with customers				
Sale of goods	45,99,03,349	36,38,23,147	-	-

Revenue is recognised at a point in time.

16. Other operating (losses) / gains

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Gains (losses) on disposals				
Property, plant and equipment	21,998	(10,141)	-	-
Foreign exchange (losses)				
Net foreign exchange loss	(16,65,757)	(19,04,643)	-	-
Total other operating losses)	**(16,43,759)**	**(19,14,784)**	**-**	**-**

17. Operating profit / (loss)

Operating profit / (loss) for the year is stated after charging / (crediting) the following, amongst others:

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Auditor's remuneration - external				
Audit fees	1 058 830	473 350	-	-

Employee costs

As at 31 March 2024 the group had 64 permanent employees (2023: 62). The total cost of employment of all employees, excluding executive directors, was as follows:

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Salaries, wages, bonuses and other benefits	2,57,25,567	2,49,26,682	-	-

Refer to note 24 for directors emoluments.

Notes to the Consolidated and Separate financial statements

Leases

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Operating lease charges				
Buildings	8,57,030	2,15,188	-	-
Computers	5,23,788	3,12,149	-	-
	13,80,818	**5,27,337**	**-**	**-**
Depreciation and amortisation				
Depreciation of property, plant and equipment	6,74,231	3,74,891	-	-
Depreciation of right-of-use assets	44,84,269	46,41,200	-	-
Total depreciation and amortisation	**51,58,500**	**50,16,091**	**-**	**-**
Movement in credit loss allowances				
Trade and other receivables	**41,213**	**(3,54,693)**	**-**	**-**
Other				
Commission	1,04,36,467	91,30,488	-	-
Advertising	2,76,76,822	1,76,50,135	-	-
Delivery expenses	**1,76,45,427**	**1,81,06,158**	**-**	**-**

18. Investment income

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Interest income				
Investments in financial assets:				
Bank	19,78,755	3,13,634	1,697	1,194
Other financial assets	22,529	-	-	-
Total interest income	**20,01,284**	**3,13,634**	**1,697**	**1,194**

19. Finance costs

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Borrowings (note 12)	4,97,786	12,74,853	-	-
Lease liabilities (note 4)	3,34,354	6,80,392	-	-
Total finance costs	**8,32,140**	**19,55,245**	**-**	**-**

20. Taxation

Major components of the tax expense

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Current				
Local income tax - current year	1,93,19,435	68,88,004	-	-
Deferred				
Originating and reversing temporary differences	(7,09,732)	(5,17,152)	-	-
	1,86,09,703	**63,70,852**	**-**	**-**

Notes to the Consolidated and Separate financial statements

Reconciliation of the tax expense

Reconciliation between accounting profit / (loss) and tax expense.

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Accounting profit / (loss)	6,89,07,588	2,38,72,197	(51)	(430)
Tax at the applicable tax rate of 27% (2023: 27%)	1,86,05,049	64,45,493	(14)	(116)
Tax effect of adjustments on taxable income				
Non-deductible expenditure	4,654	94,004	14	116
Exempt income	-	(1,68,645)	-	-
	1,86,09,703	**63,70,852**	**-**	**-**

21. Cash generated from / (used in) operations

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Profit / (loss) before taxation	68 907 588	23 872 197	(51)	(430)
Adjustments for:				
Depreciation	5 158 500	5 016 091	-	-
Profit on disposal of property, plant and equipment	(21,998)	10,141	-	-
Interest income	(20,01,284)	(3,13,634)	697)	(1,194)
Finance costs	4,97,786	12,74,853	-	-
Lease interest	334 354	680 392	-	-
Changes in working capital:				
Increase in inventories	(1 989 506)	(10 574 510)	-	-
Increase in trade and other receivables	(2,06,52,655)	(43,03,186)	-	-
(Decrease)/ increase in trade and other payables	(5,99,232)	61,38,071	-	-
	4,96,33,553	**2,18,00,415**	**748)**	**(1,624)**

22. Tax paid

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Balance at beginning of the year	9,75,862	7,70,652	-	-
Current tax for the year recognised in profit or loss	(1,93,19,435)	(68,88,004)	-	-
Balance at end of the year	12,20,061	(9,75,862)	-	-
	(1,71,23,512)	**(70,93,214)**	**-**	**-**

23. Related parties

Relationships

Ultimate holding company	Marico Limited
Subsidiaries	Marico South Africa Proprietary Limited
Other group companies	Marico South East Asia
Members of key management	J R Mason (up to 30 June 2023) S Gupta

P A Agrawal M R Mashilo
R G Bartram (from 1 July 2023)

Notes to the Consolidated and Separate financial statements

Related party balances

Figures in Rand	Group 2024	Group 2023	Company 2024	Company 2023
Amounts included in Trade receivable / (Trade Payable) regarding related parties				
Marico Limited	(5,25,166)	(15,33,921)	-	-
Marico Limited	5,235	-	-	-
	(5,19,931)	**(15,33,921)**	**-**	**-**

Related party transactions

Figures in Rand	Group 2024	Group 2023	Company 2024	Company 2023
Cross charges				
Marico Limited	(13,69,292)	16,92,525	-	-
Marico South East Asia	-	66,906	-	-
	(13,69,292)	**17,59,431**	**-**	**-**

24. Directors' emoluments

Executive

2024

	Emoluments	Bonus and performance related payments	Allowances	Total
J R Mason***	3 772 355	1 707 016	366 239	5 845 610
M R Mashilo	18,02,318	9,45,439	7,19,787	34,67,544
S Gupta*	-	-	-	-
P A Agrawal*	-	-	-	-
R G Bartram**	20,75,041	12,02,812	3,81,334	36,59,187
	76,49,714	**38,55,267**	**14,67,360**	**1,29,72,341**

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	17,25,029	7,81,198	6,67,890	31,74,117
S Gupta*	-	-	-	-
P A Agrawal*	-	-	-	-
	39,61,145	**23,99,935**	**13,66,227**	**77,27,307**

*This director is paid by the ultimate holding company, Marico Limited.

**Appointed 1 July 2023.

***Resigned 30 June 2023.

Notes to the Consolidated and Separate financial statements

25. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2024

	Note (s)	Amortised cost	Total
Trade and other receivables	9	52 460 405	52 460 405
Cash and cash equivalents	10	29 929 991	29 929 991
		82 390 396	**82 390 396**

Group - 2023

	Note (s)	Amortised cost	Total
Trade and other receivables	9	3,13,91,251	3,13,91,251
Cash and cash equivalents	10	1,28,01,788	1,28,01,788
		4,41,93,039	**4,41,93,039**

Company - 2024

	Note (s)	Amortised cost	Total
Cash and cash equivalents	10	23 301	23 301

Company - 2023

	Note (s)	Amortised cost	Total
Cash and cash equivalents	10	23 352	23 352

Categories of financial liabilities

Group - 2024

	Note (s)	Amortised cost	Leases	Total
Trade and other payables	14	5,09,27,004	-	5,09,27,004
Lease liabilities	4	-	21,91,128	21,91,128
		5,09,27,004	**21,91,128**	**5,31,18,132**

Group - 2023

	Note (s)	Amortised cost	Leases	Total
Trade and other payables	14	5,44,07,142	-	5,44,07,142
Borrowings	12	97,32,175	-	97,32,175
Lease liabilities	4	-	70,45,811	70,45,811
		6,41,39,317	**70,45,811**	**7,11,85,128**

Notes to the Consolidated and Separate financial statements

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	Note (s)	Group 2024	Group 2023	Company 2024	Company 2023
Borrowings	12	-	97,32,175	-	-
Lease liabilities	4	21,91,128	70,45,811	-	-
Trade and other payables	14	6,00,26,128	6,06,25,359	-	-
Total borrowings		**6,22,17,256**	**7,74,03,345**	**-**	**-**
Cash and cash equivalents	10	(2,99,29,991)	(1,28,01,788)	(23,301)	(23,352)
Net borrowings		**3,22,87,265**	**6,46,01,557**	**(23,301)**	**(23,352)**
Equity		17,26,57,517	12,23,59,632	8,00,88,258	8,00,88,309
Gearing ratio		19 %	53 %	- %	- %

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:

Group	Note (s)	2024 Gross carrying amount	2024 Credit loss allowance	2024 Amortised cost / fair value	2023 Gross carrying amount	2023 Credit loss allowance	2023 Amortised cost / fair value
Trade and other receivables	9	5,25,36,019	(75,614)	5,24,60,405	3,14,77,580	(86,329)	3,13,91,251
Cash and cash equivalents	10	2,99,29,991	-	2,99,29,991	1,28,01,788	-	1,28,01,788
		8,24,66,010	**(75,614)**	**8,23,90,396**	**4,42,79,368**	**(86,329)**	**4,41,93,039**

Company	Note (s)	2024 Gross carrying amount	2024 Credit loss allowance	2024 Amortised cost / fair value	2023 Gross carrying amount	2023 Credit loss allowance	2023 Amortised cost / fair value
Cash and cash equivalents	10	23,301	-	23,301	23,352	-	23,352

Refer to note 9 for further details on credit risk.

Notes to the Consolidated and Separate financial statements

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.

Group - 2024

	Note (s)	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	14	5,09,27,004	5,09,27,004	5,09,27,004
Lease liabilities	4	22,18,516	22,18,516	21,91,128
		5,31,45,520	**5,31,45,520**	**5,31,18,132**

Group - 2023

	Note (s)	Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Borrowings	12	-	36,30,475	36,30,475	36,30,475
Lease liabilities	4	-	22,18,516	22,18,516	21,91,128
Current liabilities					
Trade and other payables	14	5,44,07,142	-	5,44,07,142	5,44,07,142
Borrowings	12	61,01,700	-	61,01,700	61,01,700
Lease liabilities	4	51,89,037	-	51,89,037	48,54,683
		6,56,97,879	**58,48,991**	**7,15,46,870**	**7,11,85,128**

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	Group		Company	
	2024	2023	2024	2023
Current assets:				
Trade and other receivables	51,931	-	-	-
Current liabilities:				
Trade and other payables	(1,14,29,227)	(15,33,921)	-	-
Net US Dollar exposure	**(1,13,77,296)**	**(15,33,921)**	**-**	**-**
Exchange rates				
Rand per unit of foreign currency:				
US Dollar	18.940	17.796	-	-

Notes to the Consolidated and Separate financial statements

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.

Group	2024	2024	2023	2023
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
US Dollar 10% change in exchange rate	(11,37,730)	11,37,730	(1,53,392)	1,53,392

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.

Group	2024	2024	2023	2023
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Borrowings - 50 basis points change	-	-	(48,661)	48,661

26. Going concern

Group:

The consolidated annual 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 group has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors are satisfied that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are 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.

Notes to the Consolidated and Separate financial statements

Company:

We draw attention to the fact that at 31 March 2024, the company had accumulated losses of R53 772 011 (2023: R53 771 960). Further, the company incurred a loss of R51 (2023: R430).

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, 2024)	Mr. Ryan Bartram (appointed w.e.f. July 1, 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 of
Marico South Africa Proprietary Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Marico South Africa Proprietary Limited (the Company) set out on pages 8 to 39, which comprise the statement of financial position as at 31 March 2024, 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 financial statements present fairly, in all material respects, the financial position of Marico South Africa Proprietary Limited as at 31 March 2024, and its financial performance and cash flows for the year then ended then ended in accordance with IFRS Standards as issued by International Accounting Standards Board (IFRS Standards) 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 Annual Financial Statements for the year ended 31 March 2024", 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 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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Standards as issued by International Accounting Standards Board (IFRS Standards) and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

KPMG Inc.
Registered Auditor

Per **Liaaqat Inaiethoola**
Chartered Accountant (SA)
Registered Auditor
Associate Director
5 June 2024

Statement of Financial Position

as at 31 March 2024

Figures in Rand	Notes	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	3	2 007 732	695 841
Right-of-use assets	4	1 864 662	6 348 931
Goodwill	5	17 926 857	17 926 857
Intangible assets	6	81 564 722	81 564 722
		103 363 973	**106 536 351**
Current Assets			
Inventories	7	57 245 560	55 256 054
Trade and other receivables	8	52 668 357	32 015 700
Current tax receivable		-	975 862
Cash and cash equivalents	9	29 906 690	12 778 436
		139 820 607	**101 026 052**
Total Assets		**243 184 580**	**207 562 403**
Equity and Liabilities			
Equity			
Share capital	10	107 709 235	107 709 235
Retained income		64 924 983	14 627 046
		172 634 218	**122 336 281**
Liabilities			
Non-Current Liabilities			
Borrowings	11	-	3 630 475
Lease liabilities	4	-	2 191 128
Deferred tax	12	7 113 047	7 822 778
		7 113 047	**13 644 381**
Current Liabilities			
Trade and other payables	13	60 026 126	60 625 358
Borrowings	11	-	6 101 700
Lease liabilities	4	2 191 128	4 854 683
Current tax payable	21	1 220 061	-
		63 437 315	**71 581 741**
Total Liabilities		**70 550 362**	**85 226 122**
Total Equity and Liabilities		**243 184 580**	**207 562 403**

Statement of Profit or Loss and other Comprehensive Income

Figures in Rand	Notes	2024	2023
Revenue	14	459 903 349	363 823 147
Cost of sales		(274 417 695)	(240 540 321)
Gross profit		**185 485 654**	**123 282 826**
Other operating gains (losses)	15	(1 643 759)	(1 914 784)
Movement in credit loss allowances	16	(41 213)	354 693
Other operating expenses		(116 060 489)	(96 207 303)
Operating profit	16	**67 740 193**	**25 515 432**
Investment income	17	1 999 587	312 440
Finance costs	18	(832 140)	(1 955 245)
Profit before taxation		**68 907 640**	**23 872 627**
Taxation	19	(18 609 703)	(6 370 852)
Profit for the year		**50 297 937**	**17 501 775**
Other comprehensive income		-	-
Total comprehensive income for the year		**50 297 937**	**17 501 775**

Statement of Changes in Equity

Figures in Rand	Share capital	Share premium	Total share capital	Retained income	Total equity
Balance 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 1 April 2023	**84 845 500**	**22 863 735**	**107 709 235**	**14 627 046**	**122 336 281**
Profit for the year	-	-	-	50 297 937	50 297 937
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**50 297 937**	**50 297 937**
Balance at 31 March 2024	**84 845 500**	**22 863 735**	**107 709 235**	**64 924 983**	**172 634 218**
Note	10	10	10		

Statement of Cash Flows

Figures in Rand	Notes	2024	2023
Cash flows from operating activities			
Cash generated from operations	20	49 635 301	21 802 039
Interest income	17	1 999 587	312 440
Finance costs	18	(832 140)	(1 274 853)
Tax paid	21	(17 123 512)	(7 093 214)
Net cash from operating activities		**33 679 236**	**13 746 412**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1 995 432)	(448 810)
Proceeds from sale of property, plant and equipment		31 308	-
Net cash from investing activities		**(1 964 124)**	**(448 810)**
Cash flows from financing activities			
Repayments of borrowings	11	(9 732 175)	(6 701 700)
Cash repayments on lease liabilities	4	(4 854 683)	(5 142 413)
Net cash from financing activities		**(14 586 858)**	**(11 844 113)**
Total cash movement for the year		**17 128 254**	**1 453 489**
Cash and cash equivalents at the beginning of the year		12 778 436	11 324 947
Cash and cash equivalents at the end of the year	9	**29 906 690**	**12 778 436**

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 05 June 2024 and were signed by R G Bartram and M R Mashilo, authorised directors.

1. Material accounting policies

The principal accounting policies applied in the preparation of these annual 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, IFRS Accounting Standards and the Companies Act 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 material 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 Material judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS Accounting Standards 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.

Materiality statement

The need for materiality judgements is pervasive in the preparation of financial statements. Materiality judgement is required when making decisions about presentation, disclosure, recognition and measurement. IFRS requires information only to be disclosed when it is material. Therefore, management is required to identify the primary users and their information needs.

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.

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.

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.

Accounting Policies

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
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.

Accounting Policies

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.

Accounting Policies

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.

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.

Accounting Policies

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.

Accounting Policies

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:

- 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.

Accounting Policies

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 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.

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.

Accounting Policies

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. 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.

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.

Notes to the Financial Statements

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:

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on 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 or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The company has adopted the amendment for the first time in the 2024 annual financial statements. The impact of the amendment is not material.

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the annual financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The company has adopted the amendment for the first time in the 2024 annual financial statements. The impact of the amendment is not material.

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in annual financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 01 January 2023.

The company has adopted the amendment for the first time in the 2024 annual financial statements. The impact of the amendment is not material.

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:
• Presentation and Disclosure in Financial Statements - IFRS 18	01 January 2027	Unlikely there will be a material impact
• Lack of exchangeability - amendments to IAS 21	01 January 2025	Unlikely there will be a material impact
• Supplier finance arrangements - amendments to IAS 7 and IFRS 7	01 January 2024	Unlikely there will be a material impact
• Non-current liabilities with covenants - amendments to IAS 1	01 January 2024	Unlikely there will be a material impact
• Lease liability in a sale and leaseback	01 January 2024	Unlikely there will be a material impact

Notes to the Financial Statements

3. Property, plant and equipment

Holdings	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Leasehold improvements	1 568 211	1 568 211	96 018	1 561 833	(1 453 165)	108 668
Plant and machinery	2 470 924	2 470 924	1 127 441	1 319 717	(1 269 348)	50 369
Office furniture and computer	3 206 892	3 206 892	477 756	3 322 718	(2 785 914)	536 804
Motor vehicles	577 714	577 714	306 517	339 046	(339 046)	-
Total	**7 823 741**	**7 823 741**	**2 007 732**	**6 543 314**	**(5 847 473)**	**695 841**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Leasehold improvements	108 668	27 598	-	(40 248)	96 018
Plant and machinery	50 369	1 161 051	-	(83 979)	1 127 441
Office furniture and computer equipment	536 804	459 782	(9 310)	(509 520)	477 756
Motor vehicles	-	347 001	-	(40 484)	306 517
	695 841	**1 995 432**	**(9 310)**	**(674 231)**	**2 007 732**

Reconciliation of property, plant and equipment - 2023

	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**

4. Leases (company as lessee)

Details pertaining to leasing arrangements, where the company is lessee are presented below:

Holdings	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	13 452 809	(11 588 147)	1 864 662	21 724 607	(15 375 676)	6 348 931

Depreciation recognised on right-of-use assets

Reconciliation of right of use assets -2024	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	6 348 931	-	-	(4 484 269)	1 864 662
	6 348 931	-	-	(4 484 269)	1 864 662

Notes to the Financial Statements

Reconciliation of right of use assets -2023	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**

Other disclosures

Figures in Rand	2024	2023
Interest expense on lease liabilities	334 354	680 392
Expenses on short-term leases included in operating expenses	1 380 818	527 337

Lease liabilities

Figures in Rand	2024	2023
Reconciliation of lease liabilities		
Opening balance	7 045 811	11 507 832
Interest	334 354	680 392
Repayment - interest	(334 354)	(680 392)
Repayments - capital	(4 854 683)	(4 462 021)
	2 191 128	**7 045 811**

The maturity analysis of lease liabilities is as follows:

Figures in Rand	2024	2023
Within one year	2 218 516	5 189 037
Two to five years	-	2 218 516
	2 218 516	**7 407 553**
Less finance charges component	(27 388)	(361 742)
	2 191 128	**7 045 811**
Non-current liabilities	-	2 191 128
Current liabilities	2 191 128	4 854 683
	2 191 128	**7 045 811**

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% (2023: prime + 0,5%).

5. Goodwill

Holdings	2024			2023		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Goodwill	37 926 857	(20 000 000)	17 926 857	37 926 857	(20 000 000)	17 926 857

Notes to the Financial Statements

Reconciliation of goodwill - 2024

	Opening balance	Impairment loss	Total
Goodwill	17 926 857	-	17 926 857

Reconciliation of goodwill - 2023

	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% (2023: 4,5%)* Discount rate: 19,7% (2023: 20,95%)**

Length of projected cash flows: 5 years (2023: 5 years)

* Growth rate used to extrapolate cash flows beyond the budget period.

** Post-tax discount rate applied to the 5 year post-tax cash flow projections.

The value in use calculation at 31 March 2024, did not indicate any additional impairment (2023: Nil).

6. Intangible assets

Holdings	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	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 - 2024

	Opening balance	Additions	Impairment loss	Total
Brands	81 564 722	-	-	81 564 722

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Impairment loss	Total
Brands	81 564 722	-	-	81 564 722

Notes to the Financial Statements

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:

Figures in Rand	2024	2023
Growth rate (%)	4,50	4,50
Discount rate (%)	19,7	20,95

Length of projected cash flows 5 years (2023: 5 years)

* Growth rate used to extrapolate cash flows beyond the budget period.

** Post-tax discount rate applied to the 5 year post-tax 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 flows 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. The above analysis all resulted in no additional or possible impairment (2023: Nil).

7. Inventories

Figures in Rand	2024	2023
Raw materials	27 658 140	33 194 090
Work in progress	77 986	319 201
Finished goods	24 716 762	21 065 776
Goods in transit - raw materials	10 794 081	3 726 405
Goods in transit - finished goods	844 894	1 017 903
	64 091 863	**59 323 375**
Inventories (write-downs)	(6 846 303)	(4 067 321)
	57 245 560	**55 256 054**

Notes to the Financial Statements

8. Trade and other receivables

Figures in Rand	2024	2023
Financial instruments:		
Trade receivables	47 329 491	27 206 190
Loss allowance	(75 614)	(86 329)
Trade receivables at amortised cost	47 253 877	27 119 861
Other receivables	5 206 528	4 271 390
Non-financial instruments:		
VAT	-	519 114
Prepayments	207 952	105 335
Total trade and other receivables	**52 668 357**	**32 015 700**

The loss allowance has been calculated on the gross trade receivables balances as follows:

Loss allowance aging profile - 2024	Not past due	Past due by 30 days	Past due by 60 days	Total
Net trade receivables	22 349 657	24 979 834	-	47 329 491
Add back: Rebates and claims	5 641 468	6 567 536	8 305 404	20 514 408
Gross carrying amount	27 991 124	31 547 370	8 305 404	67 843 898
Expected loss % based on gross carrying amount	0,17	0,09	-	0,11
Loss allowance calculated	46 301	29 313	-	75 614
Specific allowance	-	-	-	-
	46 301	**29 313**	**-**	**75 614**

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**

Movement in loss allowance

Figures in Rand	2024	2023
Opening balance	86 329	306 021
Reversal of prior loss allowance	-	(306 021)
Provision for the year	41 213	86 329
Written off during the year	(51 928)	-
Closing balance	**75 614**	**86 329**

Financial instrument and non-financial instrument components of trade and other receivables

Figures in Rand	2024	2023
At amortised cost	52 460 405	31 391 251
Non-financial instruments	207 952	624 449
	52 668 357	**32 015 700**

Notes to the Financial Statements

Fair value of trade and other receivables

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

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Figures in Rand	2024	2023
Bank balances	5 102 925	1 480 005
Deposits	24 803 765	11 298 431
	29 906 690	**12 778 436**
Current liabilities	-	-

Facilities available	Expiry date	R	R
Overdraft	21 August 2024	5 000 000	15 000 000
Card	21 August 2024	400 000	300 000
Fleet card	21 August 2024	200 000	200 000
Guarantee by the Bank	21 August 2024	831 800	882 000
Foreign exchange - Contract PFE	21 August 2024	209 800	209 800
Medium term loan	21 August 2024	5 664 400	13 800 000
		12 306 000	**30 391 800**

Securities issued	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

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Figures in Rand	2024	2023
Credit rating		
P-3 short-term and Ba1 long-term	29 906 690	12 778 436

10. Share capital

Figures in Rand	2024	2023
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 meetings.

Notes to the Financial Statements

Figures in Rand	2024	2023
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	2024	2023
Held at amortised cost		
Standard Bank of South Africa Limited	-	9 732 175

Split between non-current and current portions

Figures in Rand	2024	2023
Non-current liabilities	-	3 630 475
Current liabilities	-	6 101 700
	-	**9 732 175**

Reconciliation of borrowings

Figures in Rand	2024	2023
Opening balance	9 732 175	16 433 875
Interest	497 786	1 274 853
Repayments - interest	(497 786)	(1 274 853)
Repayments - capital	(9 732 175)	(6 701 700)
	-	**9 732 175**

This loan was for a period of 5 years and was repayable in monthly instalments of R508 475 per month. It bored interest at 0.5% above the South African prime interest rate.

The loan was fully repaid during the current financial year. The loan was secured by:

- an unrestricted pledge and cession in security over the company's balances held in the treasury call deposit account; and
- unrestricted cession of the company's book debts.
- Guarantee limited to R60,000,000.00 by Marico South Africa Consumer Care (Pty) Ltd.

Notes to the Financial Statements

12. Deferred tax

Figures in Rand	2024	2023
Deferred tax liability		
Purchase price allocation	(9 067 680)	(9 067 680)
Intangible assets	(4 339 794)	(4 291 801)
Prepayments	(56 147)	(18 785)
Total deferred tax liability	**(13 463 621)**	**(13 378 266)**
Deferred tax asset		
Property, plant and equipment	100 971	77 878
Provisions	6 161 457	5 289 453
Net lease liability	88 146	188 157
Deferred tax balance from temporary differences other than unused tax losses	**6 350 574**	**5 555 488**

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	2024	2023
Deferred tax liability	(13 463 621)	(13 378 266)
Deferred tax asset	6 350 574	5 555 488
Total net deferred tax liability	**(7 113 047)**	**(7 822 778)**

Reconciliation of deferred tax liability

Figures in Rand	2024	2023
At beginning of year	(7 822 778)	(8 339 930)
(Deductible)/ taxable temporary difference movement on lease liability	(100 011)	48 378
Other	-	-
Taxable / (deductible) temporary difference movement on tangible fixed assets	23 093	(21 521)
Deductible temporary difference movement on prepayments	(37 362)	(8 354)
Taxable temporary difference movement on provisions	872 004	4 603 459
Deductible temporary difference movement on intangibles	(47 993)	(4 104 810)
	(7 113 047)	**(7 822 778)**

13. Trade and other payables

Figures in Rand	2024	2023
Financial instruments:		
Trade payables	41 402 648	43 881 771
Trade payables - related parties	525 166	1 533 921
Other payables	803 813	570 553
Accruals	7 193 183	7 680 578
Audit fee accrual	1 002 192	740 318
Non-financial instruments:		
Bonus accrual	5 143 511	4 506 792
VAT	2 410 927	-
Leave pay accrual	1 544 686	1 711 425
	60 026 126	**60 625 358**

Notes to the Financial Statements

Financial instrument and non-financial instrument components of trade and other payables

Figures in Rand	2024	2023
At amortised cost	50 927 002	54 407 141
Non-financial instruments	9 099 124	6 218 217
	60 026 126	**60 625 358**

Fair value of trade and other payables

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

14. Revenue

Figures in Rand	2024	2023
Revenue from contracts with customers		
Sale of goods	459 903 349	363 823 147

Revenue is recognised at a point in time.

15. Other operating gains (losses)

Figures in Rand	2024	2023
Gains/ (losses) on disposals		
Property, plant and equipment	21 998	(10 141)
Foreign exchange losses		
Net foreign exchange loss	**(1 665 757)**	**(1 904 643)**
Total other operating (losses) / gains	**(1 643 759)**	**(1 914 784)**

16. Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Figures in Rand	2024	2023
Auditor's remuneration - external		
Audit fees	1 058 830	473 350

Employee costs

As at 31 March 2024 the company had 64 permanent employees (2023: 62). The total cost of employment of all employees, excluding executive directors, was as follows:

Figures in Rand	2024	2023
Salaries, wages, bonuses and other benefits	25 725 567	24 926 682
Leases		
Short term leases - Computers	523 788	312 149
Buildings	857 030	215 188
	1 380 818	**527 337**
Depreciation and amortisation		
Depreciation of property, plant and equipment	674 231	374 891
Depreciation of right-of-use assets	4 484 269	4 641 200
Total depreciation and amortisation	**5 158 500**	**5 016 091**

Notes to the Financial Statements

Figures in Rand	2024	2023
Movement in credit loss allowances		
Trade and other receivables	41 213	(354 693)
Other		
Commision	10 436 467	9 130 488
Advertising	27 676 822	17 650 135
Delivery expenses	17 645 427	18 106 158

17. Investment income

Figures in Rand	2024	2023
Interest income		
Investments in financial assets:		
Bank	1 977 058	312 440
Other financial assets	22 529	-
Total interest income	**1 999 587**	**312 440**

18. Finance costs

Figures in Rand	2024	2023
Borrowings (note 11)	497 786	1 274 853
Lease liabilities (Note 4)	334 354	680 392
Total finance costs	**832 140**	**1 955 245**

19. Taxation

Major components of the tax expense

Figures in Rand	2024	2023
Current		
Local income tax - current period	19 319 435	6 888 004
Deferred		
Originating and reversing temporary differences	(709 732)	(517 152)
	18 609 703	**6 370 852**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Figures in Rand	2024	2023
Accounting profit	68 907 640	23 872 627
Tax at the applicable tax rate of 27% (2023: 28%)	18 605 063	6 445 609
Tax effect of adjustments on taxable income		
Exempt income	-	(168 645)
Non-deductible expenditure	4 640	93 888
	18 609 703	**6 370 852**

Notes to the Financial Statements

20. Cash generated from operations

Figures in Rand	2024	2023
Profit before taxation	68 907 639	23 872 627
Adjustments for non-cash items:		
Depreciation	5 158 500	5 016 091
(Profit)/ loss on disposal of property, plant and equipment	(21 998)	10 141
Adjust for items which are presented separately:		
Interest income	(1 999 587)	(312 440)
Finance costs	497 786	1 274 853
Leases interest	334 354	680 392
Changes in working capital:		
Increase in inventories	(1 989 506)	(10 574 510)
Increase in trade and other receivables	(20 652 655)	(4 303 186)
(Decrease)/ increase in trade and other payables	(599 232)	6 138 071
	49 635 301	**21 802 039**

21. Tax paid

Figures in Rand	2024	2023
Balance at beginning of the year	975 862	770 652
Current tax recognised in profit or loss	(19 319 435)	(6 888 004)
Balance at end of the year	1 220 061	(975 862)
	(17 123 512)	**(7 093 214)**

22. Related parties

Relationships

Ultimate holding company	Marico Limited
Holding company	Marico South Africa Consumer Care Proprietary Limited
Other group companies	Marico South East Asia
Members of key management	R Mason (up to 30 June 2023) M R Mashilo
	P A Agrawal
	B Ryan (from 1 July 2023)

Related party balances

Figures in Rand	2024	2023
Amounts included in Trade receivable / (Trade Payable) regarding related parties		
Marico Limited	(525 166)	(1 533 921)
Marico Limited	5 235	-
	(519 931)	**(1 533 921)**

Related party transactions

Figures in Rand	2024	2023
Cross charges from related parties		
Marico Limited	(1 369 292)	1 692 525
Marico South East Asia	-	66 906
	(1 369 292)	**1 759 431**

Notes to the Financial Statements

23. Directors' emoluments

Executive

2024

Directors' emoluments	Emoluments	Bonuses and performance related payments	Allowances	Total
Services as director or prescribed officer				
J R Mason***	3 772 355	1 707 016	366 239	5 845 610
M R Mashilo	1 802 318	945 439	719 787	3 467 544
P A Agrawal*	-	-	-	-
R G Bartram**	2 075 041	1 202 812	381 334	3 659 187
	7 649 714	**3 855 267**	**1 467 360**	**12 972 341**

2023

Directors' emoluments	Emoluments	Bonuses and performance related payments	Allowances	Total
Services as director or prescribed officer				
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.

**Appinted 1 July 2023.

*** Resigned 30 June 2023.

24. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Notes	Amortised cost	Total
Trade and other receivables	8	52 460 405	52 460 405
Cash and cash equivalents	9	29 906 690	29 906 690
		82 367 095	**82 367 095**

2023

	Notes	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**

Notes to the Financial Statements

Categories of financial liabilities

2024

	Notes	Amortised cost	Leases	Total
Trade and other payables	13	50 927 002	-	50 927 002
Lease liabilities	4	-	2 191 128	2 191 128
		50 927 002	**2 191 128**	**53 118 130**

2023

	Notes	Amortised cost	Leases	Total
Trade and other payables	13	54 407 141	-	54 407 141
Borrowings	11	9 732 175	-	9 732 175
Lease liability	4	-	7 045 811	7 045 811
		64 139 316	**7 045 811**	**71 185 127**

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:

	Notes	2024	2023
Borrowings	11	-	9 732 175
Lease liabilities	4	2 191 128	7 045 811
Trade and other payables	13	60 026 126	60 625 358
Total borrowings		**62 217 254**	**77 403 344**
Cash and cash equivalents	9	(29 906 690)	(12 778 436)
Net borrowings		**32 310 564**	**64 624 908**
Equity		172 634 217	122 336 286
Gearing ratio		19 %	53 %

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, interest rate risk and price risk).

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.

Notes to the Financial Statements

The maximum exposure to credit risk is presented in the table below:

Holdings	Notes	2024 Gross carrying amount	2024 Credit loss allowance	2024 Amortised cost / fair value	2023 Gross carrying amount	2023 Credit loss allowance	2023 Amortised cost / fair value
Trade and other receivables	8	52 536 019	(75 614)	52 460 405	31 477 580	(86 329)	31 391 251
Cash and cash equivalents	9	29 906 690	-	29 906 690	12 778 436	-	12 778 436
		82 442 709	**(75 614)**	**82 367 095**	**44 256 016**	**(86 329)**	**44 169 687**

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.

2024

	Notes	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables		50 927 002	50 927 002	50 927 002
Lease liabilities	4	2 218 516	2 218 516	2 191 128
		53 145 518	**53 145 518**	**53 118 130**

2023

	Notes	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		-	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		5 189 037	-	5 189 037	4 854 683
		65 697 878	**5 848 991**	**71 546 869**	**71 185 127**

Foreign currency risk

The company is exposed to foreign currency risk as a result of certain transactions and borrowings 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:

Notes to the Financial Statements

US Dollar exposure:

	2024	2023
Current assets:		
Trade and other receivables	51 931	-
Current liabilities:		
Trade and other payables	(11 429 227)	(1 533 921)
Net US Dollar exposure	(11 377 296)	(1 533 921)
Exchange rates		
Rand per unit of foreign currency:		
US Dollar	18,940	17,796

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.

	2024 Increase	2024 Decrease	2023 Increase	2023 Decrease
Increase or decrease in rate				
Impact on profit or loss:				
US Dollar 10% change in exchange rate	(1 137 730)	1 137 730	(153 392)	153 392

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.

	2024 Increase	2024 Decrease	2023 Increase	2023 Decrease
Increase or decrease in rate				
Impact on profit or loss:				
Borrowings - 50 basis points change	-	-	(48 661)	48 661

Notes to the Financial Statements

25. Going concern

The annual 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 annual 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.

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.

MARICO SOUTH EAST ASIA CORPORATION (MSEA)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Saugata Gupta	Chairman
	Mr. Pawan Agrawal	Member
	Mr. Vineet Jain (appointed w.e.f. November 6, 2023)	Member
	Ms. Nguyen Thi Le Thuy	Member
	Ms. Nguyen Hoang Phuong Anh	Member
	Mr. Vaibhav Bhanchawat (until November 5, 2023)	Member
LEGAL REPRESENTATIVE	Mr. Saugata Gupta	Chairman
	Mr. Vaibhav Bhanchawat (until November 14, 2023)	General Director
	Mr. Vineet Jain (appointed w.e.f. November 15, 2023)	General Director
	Ms. Priti Bisen	Deputy General Director
	Ms. Nguyen Thi Le Thuy	Deputy General Director

BUSINESS REGISTRATION CERTIFICATE

No. 3700579324 dated February 11, 2011 was initially issued by the Department of Planning and Investment of Binh Duong Province and 16th amendment dated November 15, 2023

INVESTMENT CERTIFICATE

Project Code. 4374570280 dated June 01, 2023

The first amended Investment Registration Certificate No. 4374570280 dated December 12, 2023 was issued by the Economic Zone Management Board of Long An province for a period of 34 years (from the date of initial Investment Certificate to June 01, 2057)

Project Code 1013733152 dated February 11, 2011

The seventh amended Investment Registration Certificate No. 1013733152 dated July 10, 2023 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 September 16, 2045)

Project Code. 9816465766 dated December 31, 2008

The sixth amended Investment Registration Certificate No. 9816465766 dated December 20, 2023 was issued by the Board of Management of Industrial Park of Ho Chi Minh City. Project operating time is until December 19, 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 Marico South East Asia Corporation ("the Company"), which comprise the separate balance sheet as at 31 March 2024, 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 15 May 2024, as set out on pages 6 to 37.

Management's 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 Marico South East Asia Corporation as at 31 March 2024 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.: 23-01-00356-24-1

Pham Huy Cuong
Practicing Auditor Registration
Certificate No. 2675-2024-007-1
Deputy General Director

Truong Vinh Phuc
Practicing Auditor Registration
Certificate No. 1901-2023-007-1

Ho Chi Minh City, 15 May 2024

Separate Balance Sheet

as at 31 March 2024

	Code	Note	31/3/2024 VND	1/4/2023 VND
ASSETS				
Current assets (100 = 110 + 130 + 140 + 150)	100		**397,751,778,058**	**571,627,399,350**
Cash and cash equivalents	110	4	**38,980,466,421**	**148,033,598,539**
Cash	111		5,140,466,421	3,146,598,539
Cash equivalents	112		33,840,000,000	144,887,000,000
Accounts receivable – short-term	130		**159,788,825,300**	**194,988,094,973**
Accounts receivable from customers	131	5	139,090,238,902	172,746,864,302
Prepayments to suppliers	132		19,960,688,761	16,966,964,261
Other short-term receivables	136		737,897,637	5,274,266,410
Inventories	140	6	**193,146,323,842**	**224,947,798,704**
Inventories	141		222,963,247,279	258,157,311,559
Allowance for inventories	149		(29,816,923,437)	(33,209,512,855)
Other current assets	150		**5,836,162,495**	**3,657,907,134**
Short-term prepaid expenses	151		5,829,826,396	3,657,907,134
Taxes receivable from State Treasury	152	14(b)	6,336,099	-
Long-term assets (200 = 210 + 220 + 240 + 250 + 260)	200		**677,068,588,260**	**623,070,205,254**
Accounts receivable – long-term	210		**5,378,849,208**	**4,885,487,649**
Other long-term receivables	216		5,378,849,208	4,885,487,649
Fixed assets	220		**74,040,160,767**	**72,066,392,432**
Tangible fixed assets	221	7	55,022,542,384	50,752,278,128
Cost	222		186,020,644,040	164,879,170,924
Accumulated depreciation	223		(130,998,101,656)	(114,126,892,796)
Intangible fixed assets	227	8	19,017,618,383	21,314,114,304
Cost	228		41,555,557,516	39,998,336,760
Accumulated amortisation	229		(22,537,939,133)	(18,684,222,456)
Long-term work in progress	240	9	**688,172,428**	**11,841,500,996**
Construction in progress	242		688,172,428	11,841,500,996
Long-term financial investments	250		**492,870,000,000**	**492,870,000,000**
Investment in subsidiary	251	10	492,870,000,000	492,870,000,000
Other long-term assets	260		**104,091,405,857**	**41,406,824,177**
Long-term prepaid expenses	261	11	64,113,494,490	3,959,520,111
Deferred tax assets	262	12	39,977,911,367	37,447,304,066
TOTAL ASSETS (270 = 100 + 200)	270		**1,074,820,366,318**	**1,194,697,604,604**
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		**525,679,118,695**	**803,111,519,538**
Current liabilities	310		**502,356,020,677**	**773,405,675,836**
Accounts payable to suppliers	311	13	141,145,964,401	162,016,913,573
Advances from customers	312		3,456,091,068	1,719,774,515
Taxes payable to State Treasury	313	14(a)	7,372,888,233	15,686,736,511
Short-term accrued expenses	315	15(a)	273,714,417,551	290,587,898,227
Other short-term payables	319	16	1,287,241,727	58,394,353,010
Short-term borrowings	320	17	75,379,417,697	245,000,000,000
Long-term liabilities	330		**23,323,098,018**	**29,705,843,702**
Long-term accrued expenses	333	15(b)	3,339,440,328	3,155,220,172
Provisions – long-term	342	18	19,983,657,690	26,550,623,530
EQUITY (400 = 410)	400		**549,141,247,623**	**391,586,085,066**
Owners' equity	410	19	**549,141,247,623**	**391,586,085,066**
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		978,772,803,772	821,217,641,215
- Retained profits brought forward	421a		821,217,641,215	615,509,764,843
- Retained profit for the current year	421b		157,555,162,557	205,707,876,372
TOTAL RESOURCES (440 = 300 + 400)	440		**1,074,820,366,318**	**1,194,697,604,604**

15 May 2024

Prepared by	Reviewed by	Approved by
Phan Thi Cam Nguyen	**Nguyen Thi Le Thuy**	**Vineet Jain**
Chief Accountant	Vice President	General Director

Separate Statement of Income

for the year ended 31 March 2024

	Code	Note	Year ended 31/3/2024 VND	Year ended 31/3/2023 VND
Revenue from sales of goods	01	22	**2,118,164,471,768**	**2,002,640,172,342**
Revenue deductions	02	22	201,047,761,143	202,459,067,370
Net revenue (10 = 01 - 02)	10	22	**1,917,116,710,625**	**1,800,181,104,972**
Cost of sales	11	23	**721,460,272,519**	**711,117,350,653**
Gross profit (20 = 10 - 11)	20		**1,195,656,438,106**	**1,089,063,754,319**
Financial income	21	24	15,888,825,560	14,227,676,453
Financial expenses	22	25	22,492,893,916	7,963,763,929
In which: Interest expense	23		9,541,741,478	3,111,012,307
Selling expenses	25	26	846,152,914,275	777,958,920,085
General and administration expenses	26	27	147,515,249,734	143,031,075,671
Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		**195,384,205,741**	**174,337,671,087**
Other income	31	28	2,676,584,283	83,901,134,409
Other expenses	32		348,212,171	318,851,956
Results of other activities (40 = 31 - 32)	40		**2,328,372,112**	**83,582,282,453**
Accounting profit before tax (50 = 30 + 40)	50		**197,712,577,853**	**257,919,953,540**
Income tax expense – current	51	30	**42,688,022,597**	**57,781,957,469**
Income tax benefit – deferred	52	30	**(2,530,607,301)**	**(5,569,880,301)**
Net profit after tax (60 = 50 - 51 - 52)	60		**157,555,162,557**	**205,707,876,372**

15 May 2024

Prepared by

Phan Thi Cam Nguyen
Chief Accountant

Reviewed by

Nguyen Thi Le Thuy
Vice President

Approved by

Vineet Jain
General Director

Separate Statement of Cash Flows

for the year ended 31 March 2024 (Indirect method)

	Code	Year ended 31/3/2024 VND	31/3/2023 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Accounting profit before tax	01	**197,712,577,853**	**257,919,953,540**
Adjustments for			
Depreciation and amortisation	02	21,081,516,305	20,675,389,526
Allowances and provisions	03	13,380,979,620	18,717,843,069
Foreign exchange (gains)/losses arising from revaluation of monetary items denominated in foreign currencies	04	(174,045,160)	48,706,518
Profits from investing activities	05	(1,035,044,699)	(88,923,718,996)
Interest expense	06	9,541,741,478	3,111,012,307
Operating profit before changes in working capital	08	**240,507,725,397**	**211,549,185,964**
Change in receivables	09	5,750,441,896	(19,829,523,783)
Change in inventories	10	22,705,689,521	(12,123,500,575)
Change in payables and other liabilities	11	(41,892,084,027)	78,797,305,863
Change in prepaid expenses	12	(50,210,594,948)	1,988,354,341
		176,861,177,839	**260,381,821,810**
Interest paid	14	(12,074,151,067)	(26,026,006)
Corporate income tax paid	15	(50,375,785,703)	(54,180,433,242)
Other payments for operating activities	17	(10,852,160,119)	(4,280,527,939)
Net cash flows from operating activities	20	**103,559,080,950**	**201,894,834,623**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for additions to fixed assets and other long-term assets	21	(25,840,710,218)	(43,047,177,958)
Proceeds from disposals of fixed assets and other long-term assets	22	31,052,245,298	72,510,725,612
Receipts from short-term investments	24	-	8,000,000,000
Payments for investments in other entities	25	(49,287,000,000)	(443,583,000,000)
Receipts of interests	27	1,035,044,699	6,283,561,260
Net cash flows from investing activities	30	**(43,040,420,221)**	**(399,835,891,086)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	33	2,187,052,788,244	2,152,806,756,689
Payments to settle loan principals	34	(2,356,673,370,547)	(1,907,806,756,689)
Net cash flows from financing activities	40	**(169,620,582,303)**	**245,000,000,000**
Net cash flows during the year (50 = 20 + 30 + 40)	50	**(109,101,921,574)**	**47,058,943,537**
Cash and cash equivalents at the beginning of the year	60	**148,033,598,539**	**100,973,856,252**
Effect of exchange rate fluctuations on cash and cash equivalents	61	**48,789,456**	**798,750**
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 4)	70	**38,980,466,421**	**148,033,598,539**

15 May 2024

Prepared by	Reviewed by	Approved by
Phan Thi Cam Nguyen	**Nguyen Thi Le Thuy**	**Vineet Jain**
Chief Accountant	Vice President	General Director

Notes to the Separate Financial Statements

for the year ended 31 March 2024

These notes form an integral part of and should be read in conjunction with the accompanying separate 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 structure

The Company had one (1) subsidiary as at 31 March 2024 (1/4/2023: one (1) subsidiary). The details are described in Note 10.

As at 31 March 2024, the Company had 441 employees (1/4/2023: 435 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 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 comprise 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

Notes to the Separate Financial Statements
for the year ended 31 March 2024

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 – 35 years
- machinery and equipment 3 – 10 years
- motor vehicles 3 – 20 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.

(ii) Copyright

Copyright is 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 5 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 5 years.

(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 ranging from 23 to 34 years.

Notes to the Separate Financial Statements

for the year ended 31 March 2024

(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.

(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 share premium. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from 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.

Notes to the Separate Financial Statements

for the year ended 31 March 2024

(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.

(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 2023 was derived from the balances and amounts reported in the Company's separate financial statements for the year ended 31 March 2023.

Notes to the Separate Financial Statements

for the year ended 31 March 2024

4. Cash and cash equivalents

	31/3/2024 VND	1/4/2023 VND
Cash on hand	4,946,052	1,411,016
Cash in banks	5,135,520,369	3,145,187,523
Cash equivalents	33,840,000,000	144,887,000,000
	38,980,466,421	**148,033,598,539**

5. Accounts receivable from customers – short-term

Accounts receivable from customers detailed by significant customer

	31/3/2024 VND	1/4/2023 VND
Wincommerce General Commercial Services Joint Stock Company	31,097,322,698	19,545,679,192
EBS Vietnam Company Limited	22,891,223,192	23,131,984,763
Thien An Investment Limited Company	19,024,106,821	8,250,605,457
Saigon Co.op	17,864,367,351	18,633,268,759
Lwin & Myint Trading Company Limited	10,849,067,738	20,710,455,054
Bach Hoa Xanh Trading Joint Stock Company	10,600,286,465	22,144,617,247
Tan Dong Hiep Construction and Investment Group Company Limited	-	31,052,245,298
Others	26,763,864,637	29,278,008,532
	139,090,238,902	**172,746,864,302**

6. Inventories

	31/3/2024		1/4/2023	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	7,445,051,589	-	2,218,662,315	-
Raw materials	76,662,515,720	(7,394,627,198)	85,885,895,210	(19,931,102,243)
Tools and supplies	34,737,431,780	(9,941,930,821)	40,800,877,085	(10,035,860,344)
Work in progress	19,668,362,117	-	27,608,572,470	-
Finished goods	83,362,614,448	(11,843,010,217)	100,875,170,428	(2,543,719,719)
Merchandise inventories	1,087,271,625	(637,355,201)	768,134,051	(698,830,549)
	222,963,247,279	**(29,816,923,437)**	**258,157,311,559**	**(33,209,512,855)**

Included in inventories at 31 March 2024 was VND42,801 million (1/4/2023: VND45,112 million) of obsolete and slow-moving inventories that are difficult to sell.

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

	Year ended 31/3/2024 VND	Year ended 31/3/2023 VND
Opening balance	33,209,512,855	27,896,382,464
Allowance made during the year	9,095,785,341	16,829,038,064
Allowance utilised during the year	(12,488,374,759)	(11,515,907,673)
Closing balance	**29,816,923,437**	**33,209,512,855**

Notes to the Separate Financial Statements

for the year ended 31 March 2024

7. Tangible fixed assets

	Buildings	Machinery and equipment	Motor vehicles	Office equipment	Total
	VND	VND	VND	VND	VND
Cost					
Opening balance	33,196,429,573	123,654,372,909	232,408,800	7,795,959,642	164,879,170,924
Transfer from construction in progress	9,161,290,601	12,331,775,976	-	520,296,000	22,013,362,577
Transfer to long-term prepaid expenses	(222,345,370)	(63,680,000)	-	(327,286,000)	(613,311,370)
Written off	-	(120,909,091)	-	(137,669,000)	(258,578,091)
Closing balance	**42,135,374,804**	**135,801,559,794**	**232,408,800**	**7,851,300,642**	**186,020,644,040**
Accumulated depreciation					
Opening balance	19,215,433,372	87,584,041,314	232,408,800	7,095,009,310	114,126,892,796
Charge for the year	3,604,353,865	13,222,232,704	-	401,213,059	17,227,799,628
Transfer to long-term prepaid expenses	(55,586,343)	(10,845,333)	-	(31,581,001)	(98,012,677)
Written off	-	(120,909,091)	-	(137,669,000)	(258,578,091)
Closing balance	**22,764,200,894**	**100,674,519,594**	**232,408,800**	**7,326,972,368**	**130,998,101,656**
Net book value					
Opening balance	13,980,996,201	36,070,331,595	-	700,950,332	50,752,278,128
Closing balance	**19,371,173,910**	**35,127,040,200**	**-**	**524,328,274**	**55,022,542,384**

Included in tangible fixed assets as at 31 March 2024 were assets costing VND66,516 million (1/4/2023: VND46,013 million) which were fully depreciated, but which are still in active use.

8. Intangible fixed assets

	Land use rights	Copyright	Computer software	Others	Total
	VND	VND	VND	VND	VND
Cost					
Opening balance	23,521,902,815	720,817,817	15,024,175,028	731,441,100	39,998,336,760
Transfer from construction in progress	-	-	1,219,220,756	338,000,000	1,557,220,756
Closing balance	**23,521,902,815**	**720,817,817**	**16,243,395,784**	**1,069,441,100**	**41,555,557,516**
Accumulated amortisation					
Opening balance	6,914,567,874	720,817,817	10,379,462,332	669,374,433	18,684,222,456
Charge for the year	574,237,564	-	3,220,645,780	58,833,333	3,853,716,677
Closing balance	**7,488,805,438**	**720,817,817**	**13,600,108,112**	**728,207,766**	**22,537,939,133**
Net book value					
Opening balance	16,607,334,941	-	4,644,712,696	62,066,667	21,314,114,304
Closing balance	**16,033,097,377**	**-**	**2,643,287,672**	**341,233,334**	**19,017,618,383**

Included in intangible fixed assets as at 31 March 2024 were assets costing VND4,789 million (1/4/2023: VND4,114 million) which were fully amortised, but which are still active in use.

Notes to the Separate Financial Statements
for the year ended 31 March 2024

9. Construction in progress

	Year ended	
	31/3/2024	31/3/2023
	VND	VND
Opening balance	11,841,500,996	950,000,000
Additions	24,017,254,765	29,608,078,647
Transfer to tangible fixed assets (Note 7)	(22,013,362,577)	(14,730,595,636)
Transfer to intangible fixed assets (Note 8)	(1,557,220,756)	(1,380,687,677)
Transfer to long-term prepaid expenses (Note 11)	(11,600,000,000)	(2,605,294,338)
Closing balance	**688,172,428**	**11,841,500,996**

Major items of construction in progress at the year-end were as follows:

	31/3/2024	1/4/2023
	VND	VND
Software	438,172,428	111,500,996
Buildings	250,000,000	130,000,000
Leasehold land	-	11,600,000,000
	688,172,428	**11,841,500,996**

10. Investment in subsidiary

	Quantity Shares	% of equity owned	% of voting right	At 31/3/2024 and 1/4/2023		
				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.

11. Long-term prepaid expenses

	Prepaid land costs	Office renovation costs	Tools and instruments	Total
	VND	VND	VND	VND
Opening balance	430,119,758	1,716,647,627	1,812,752,726	3,959,520,111
Additions	48,620,200,000	1,449,063,279	2,213,714,091	52,282,977,370
Transfer from tangible fixed assets (Note 7)	-	166,759,027	348,539,666	515,298,693
Transfer from construction in progress (Note 9)	11,600,000,000	-	-	11,600,000,000
Amortisation for the year	(1,011,487,589)	(411,659,748)	(2,803,279,347)	(4,226,426,684)
Disposals	-	-	(17,875,000)	(17,875,000)
Closing balance	**59,638,832,169**	**2,920,810,185**	**1,553,852,136**	**64,113,494,490**

Notes to the Separate Financial Statements
for the year ended 31 March 2024

12. Deferred tax assets

	Tax rate	31/3/2024 VND	1/4/2023 VND
Allowance for inventories	20%	5,963,384,687	6,641,902,571
Accruals and provisions	20%	34,014,526,680	30,805,401,495
		39,977,911,367	**37,447,304,066**

13. Accounts payable to suppliers – short-term

Accounts payable to suppliers detailed by significant supplier

	Cost/Amount within payment capacity	
	31/3/2024 VND	1/4/2023 VND
MMS Communications Vietnam Company Limited	20,780,604,554	122,044,370
Marico Limited, the parent company	10,079,229,327	8,677,849,458
WPP Media Limited	2,118,107,264	25,301,351,839
Others	108,168,023,256	127,915,667,906
	141,145,964,401	**162,016,913,573**

The trade related amounts due to the parent company were unsecured, interest free and are payable upon demand.

Notes to the Separate Financial Statements

for the year ended 31 March 2024

14. Taxes receivable from/payable to State Treasury

(a) Taxes payable to State Treasury

	1/4/2023	Incurred	Paid	Net-off/Refunded	Reclassified	31/3/2024
	VND	VND	VND	VND	VND	VND
Value added tax	4,956,351,237	168,369,218,602	(57,641,982,301)	(111,152,561,143)	-	4,531,026,395
Personal income tax	1,739,810,087	32,547,749,698	(31,969,786,009)	(478,287,351)	-	1,839,486,425
Import and export tax	-	529,287,362	(535,623,461)	-	6,336,099	-
Corporate income tax	8,534,719,332	42,688,022,597	(50,375,785,703)	-	-	846,956,226
Other taxes	455,855,855	2,663,852,106	(2,964,288,774)	-	-	155,419,187
	15,686,736,511	**246,798,130,365**	**(143,487,466,248)**	**(111,630,848,494)**	**6,336,099**	**7,372,888,233**

(b) Taxes receivable from State Treasury

	1/4/2023	Incurred	Net-off	Reclassified	31/3/2024
	VND	VND	VND	VND	VND
Import and export tax	-	-	-	6,336,099	6,336,099

Notes to the Separate Financial Statements

for the year ended 31 March 2024

15. Accrued expenses

(a) Short-term accrued expenses

	31/3/2024 VND	1/4/2023 VND
Sales promotion	130,635,759,098	127,967,360,310
Advertising expenses	57,180,093,594	70,329,684,036
Salary and bonus	26,110,359,192	40,648,027,035
Outsourced services	19,274,177,557	19,021,722,580
Transportation costs	2,181,154,556	1,399,867,162
Interest expense	552,576,712	3,084,986,301
Others	37,780,296,842	28,136,250,803
	273,714,417,551	**290,587,898,227**

(b) Long-term accrued expenses

	31/3/2024 VND	1/4/2023 VND
Dismantling costs	2,747,550,000	2,641,875,000
Bonus	591,890,328	513,345,172
	3,339,440,328	**3,155,220,172**

16. Other short-term payables

	31/3/2024 VND	1/4/2023 VND
Trade union fee	179,438,880	153,441,826
Payable for acquisition of a subsidiary	-	49,287,000,000
Social insurance, health insurance and unemployment insurance	-	157,739,780
Others	1,107,802,847	8,796,171,404
	1,287,241,727	**58,394,353,010**

17. Short-term borrowings

	1/4/2023 Carrying amount Amount within repayment capacity VND	Receipts VND	Payments VND	31/3/2024 Carrying amount/ Amount within repayment capacity VND
Bank overdraft (i)	-	2,056,452,788,244	(2,051,673,370,547)	4,779,417,697
Short-term borrowings (ii)	245,000,000,000	130,600,000,000	(305,000,000,000)	70,600,000,000
	245,000,000,000	**2,187,052,788,244**	**(2,356,673,370,547)**	**75,379,417,697**

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 rate at 4.7% at 31 March 2024 and is payable upon the bank's demand.

Notes to the Separate Financial Statements
for the year ended 31 March 2024

(ii) Terms and conditions of outstanding short-term borrowings were as follows:

Lender	Currency	Annual interest rate	31/3/2024 VND	1/4/2023 VND
Citibank, N.A – Hanoi Branch	VND	2.75%	70,600,000,000	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

	31/3/2024 VND	1/4/2023 VND
Severance allowance	1,820,911,917	1,990,463,500
Disposal of unsold goods	18,162,745,773	24,560,160,030
	19,983,657,690	**26,550,623,530**

Movements in provisions – long-term during the year were as follows:

	Severance allowance VND	Disposal of unsold goods (i) VND	Total VND
Opening balance	1,990,463,500	24,560,160,030	26,550,623,530
Provision made during the year	240,094,500	4,045,099,779	4,285,194,279
Provision utilised during the year	(409,646,083)	(10,442,514,036)	(10,852,160,119)
Closing balance	**1,820,911,917**	**18,162,745,773**	**19,983,657,690**

(i) This balance represents provision for disposing of slow moving, non-moving and expired items of goods sold to overseas distributors such as Mega Lifesciences Pty Ltd (Myanmar) and domestic distributors.

19. Changes in owners' equity

	Share capital VND	Share premium VND	Retained profits VND	Total VND
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 1 April 2023	**95,358,950,000**	**(524,990,506,149)**	**821,217,641,215**	**391,586,085,066**
Profit for the year	-	-	157,555,162,557	157,555,162,557
Balance at 31 March 2024	**95,358,950,000**	**(524,990,506,149)**	**978,772,803,772**	**549,141,247,623**

Notes to the Separate Financial Statements

for the year ended 31 March 2024

20. Share capital

The Company's authorised and issued share capital are:

	At 31/3/2024 and 1/4/2023	
	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:

	31/3/2024	1/4/2023
	VND	VND
Within one year	21,036,675,535	16,789,217,285
Within two to five years	15,456,359,009	8,655,511,700
	36,493,034,544	**25,444,728,985**

(b) Foreign currencies

	31/3/2024		1/4/2023	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	192,572	4,723,446,080	1,410	32,747,341
MYR	-	-	1,396	7,592,300
		4,723,446,080		**40,339,641**

22. Revenue from sales of goods

Total revenue represents the gross value of goods sold exclusive of value added tax.

Net revenue comprised:

	Year ended	
	31/3/2024	31/3/2023
	VND	VND
Total revenue		
• Sales of goods	2,118,164,471,768	2,002,640,172,342
Less revenue deductions		
• Sales discounts	(194,936,503,946)	(194,919,108,366)
• Sales returns	(6,111,257,197)	(7,539,959,004)
	(201,047,761,143)	**(202,459,067,370)**
Net revenue	**1,917,116,710,625**	**1,800,181,104,972**

Notes to the Separate Financial Statements

for the year ended 31 March 2024

23. Cost of sales

	Year ended	
	31/3/2024 VND	31/3/2023 VND
Finished goods sold	712,364,487,178	694,288,312,589
Allowance for inventories	9,095,785,341	16,829,038,064
	721,460,272,519	**711,117,350,653**

24. Financial income

	Year ended	
	31/3/2024 VND	31/3/2023 VND
Interest income	1,035,044,699	6,368,102,849
Realised foreign exchange gains	14,679,735,701	7,859,573,604
Unrealised foreign exchange gains	174,045,160	-
	15,888,825,560	**14,227,676,453**

25. Financial expenses

	Year ended	
	31/3/2024 VND	31/3/2023 VND
Interest expense	9,541,741,478	3,111,012,307
Realised foreign exchange losses	12,951,152,438	4,804,045,104
Unrealised foreign exchange losses	-	48,706,518
	22,492,893,916	**7,963,763,929**

26. Selling expenses

	Year ended	
	31/3/2024 VND	31/3/2023 VND
Marketing support	317,769,283,301	236,406,774,967
Staff costs	249,865,771,784	247,680,896,038
Advertising cost	185,310,306,787	198,350,218,301
Transportation cost	32,346,567,338	33,963,333,244
Rental expenses	25,961,100,146	23,093,374,485
Travelling expenses	12,120,523,852	10,126,577,108
Depreciation and amortisation	-	127,210,247
Others	22,779,361,067	28,210,535,695
	846,152,914,275	**777,958,920,085**

Notes to the Separate Financial Statements

for the year ended 31 March 2024

27. General and administration expenses

	Year ended	
	31/3/2024 VND	31/3/2023 VND
Staff costs	103,975,414,007	91,265,199,551
Rental expenses	10,905,926,834	9,632,702,626
Professional fees	9,887,457,714	17,490,753,722
Outside services	6,387,593,058	5,181,901,657
Repairs and maintenance expenses	3,809,381,178	4,051,468,797
Depreciation and amortisation	3,943,548,612	4,018,309,809
Travelling expenses	2,393,215,949	1,353,134,678
License fees	1,334,119,457	2,050,538,483
Recruitment and training expenses	466,507,533	3,321,691,647
Others	4,412,085,392	4,665,374,701
	147,515,249,734	**143,031,075,671**

28. Other income

	Year ended	
	31/3/2024 VND	31/3/2023 VND
Gain from disposals of prepaid land costs	-	82,552,113,328
Gain from disposals of fixed assets	-	7,455,266
Other income	2,676,584,283	1,341,565,815
	2,676,584,283	**83,901,134,409**

29. Production and business costs by element

	Year ended	
	31/3/2024 VND	31/3/2023 VND
Raw material costs included in production costs	570,765,236,993	586,313,347,790
Labour costs and staff costs	406,011,055,364	389,402,201,326
Depreciation and amortisation	21,081,516,305	20,675,389,526
Outside services	678,933,574,765	587,932,823,930
Other expenses	38,337,053,101	47,783,583,837

Notes to the Separate Financial Statements

for the year ended 31 March 2024

30. Income tax

(a) Recognised in the seperate statement of income

	Year ended	
	31/3/2024 VND	31/3/2023 VND
Current tax expense		
Current year	42,688,022,597	57,781,957,469
Deferred tax benefit		
Originations and reversals of temporary differences	(2,530,607,301)	(5,569,880,301)
Income tax expense	**40,157,415,296**	**52,212,077,168**

(b) Reconciliation of effective tax rate

	Year ended	
	31/3/2024 VND	31/3/2023 VND
Accounting profit before tax	197,712,577,853	257,919,953,540
Tax at the Company's tax rate	39,542,515,571	51,583,990,708
Non-deductible expenses	614,899,725	628,086,460
	40,157,415,296	**52,212,077,168**

(c) Applicable tax rate

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	
	31/3/2024 VND	31/3/2023 VND
Parent company		
Marico Limited		
Purchases of raw materials	12,497,537,337	26,158,085,071
Cross charges expenses	12,863,269,481	9,515,696,520
Royalty fee	4,202,493,513	3,858,333,273
Subsidiary		
Beauty X Joint Stock Company		
Royalty fee	6,707,561,455	580,046,213
Other related companies		
Marico South Africa (Pty) Ltd.		
Cross charges income	-	95,002,576

Notes to the Separate Financial Statements

for the year ended 31 March 2024

	Transaction value for the year ended	
	31/3/2024 VND	**31/3/2023 VND**
Marico Bangladesh Limited		
Cross charges expense	28,881,176	-
Purchases of raw materials	459,449,400	-
Marico Middle East FZE		
Sales of goods	1,927,925,539	-
Members of Board of Directors and General Director		
Compensation	48,658,726,402	46,180,266,468

32. Non-cash investing activities

	Year ended	
	31/3/2024 VND	**31/3/2023 VND**
Acquisition of fixed assets not yet paid	3,292,189,717	2,832,970,000
Acquisition of the subsidiary not yet paid	-	49,287,000,000
Proceed from disposal of prepaid land costs not yet received	-	31,052,245,298

15 May 2024

Prepared by	Reviewed by	Approved by
Phan Thi Cam Nguyen	**Nguyen Thi Le Thuy**	**Vineet Jain**
Chief Accountant	Vice President	General Director

BEAUTY X JOINT STOCK COMPANY (BTYX)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Vineet Jain (appointed w.e.f. November 6, 2023) Ms. Nguyen Thi Le Thuy Mr. Vaibhav Bhanchawat (until November 5, 2023)
LEGAL REPRESENTATIVE	Mr. Vaibhav Bhanchawat (until November 6, 2023) Ms. Nguyen Thi Le Thuy Mr. Vineet Jain (appointed w.e.f. November 7, 2023)
BUSINESS REGISTRATION CERTIFICATE	No. 0317371405 dated July 6, 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 2nd amendment dated December 7, 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

Independent Auditor's Report

To:
The Shareholders,
The Board of Management and
The General Director
BEAUTY X JOINT STOCK COMPANY

We have audited the accompanying Financial Statements of Beauty X Joint Stock Company (hereinafter referred to as "the Company"), which were prepared on 27 March 2024 (from page 5 to page 19) including the Balance Sheet as of 31 December 2023, the Income Statement, the Cash Flow Statement for the fiscal year then ended and the Notes to the Financial Statements.

Responsibility of the General Director

The Company's General Director is responsible for the preparation, true and fair presentation of the Financial Statements in accordance with the Vietnamese Accounting Standards and System as well as other regulatory requirements on preparation and presentation of the Financial Statements; and responsible for the internal control as the Company's General Director determines necessary to enable the preparation and presentation of the Financial Statements to be free from material misstatement due to fraud or error.

Responsibility of Auditors

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

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

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

Opinion of Auditors

In our opinion, the Financial Statements give a true and fair view, in all material respects, of the financial position as of 31 December 2023 of Beauty X Joint Stock Company, its financial performance and its cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards and System and other regulatory requirements on preparation and presentation of the Financial Statements.

For and on behalf of
A&C Auditing and Consulting Co., Ltd.

Nguyen Minh Tri
Partner

Nguyen Thi Ngoc Quynh
Auditor

Balance Sheet

As of 31 December 2023

ITEMS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		5,37,82,70,055	16,40,33,455
I. Cash and cash equivalents	110		27,81,78,373	4,20,073
1. Cash	111	V.1	27,81,78,373	4,20,073
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		-	-
1. Trading securities	121		-	-
2. Provisions for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123		-	-
III. Short-term receivables	130		5,10,00,91,682	8,00,00,000
1. Short-term trade receivables	131	V.2	5,10,00,91,682	-
2. Short-term prepayments to suppliers	132		-	-
3. Short-term inter-company receivables	133		-	-
4. Receivables according to the progress of construction contract	134		-	-
5. Receivables for short-term loans	135		-	-
6. Other short-term receivables	136		-	8,00,00,000
7. Allowance for short-term doubtful debts	137		-	-
8. Deficit assets for treatment	139		-	-
IV. Inventories	140		-	-
1. Inventories	141		-	-
2. Allowance for inventories	149		-	-
V. Other current assets	150		-	8,36,13,382
1. Short-term prepaid expenses	151		-	-
2. Deductible VAT	152		-	8,36,13,382
3. Taxes and other receivables from the State	153		-	-
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-
B - NON-CURRENT ASSETS	200		37,78,21,618	83,34,76,727
I. Long-term receivables	210		-	-
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216		-	-
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		37,78,21,618	83,34,76,727
1. Tangible fixed assets	221		-	-
- Historical cost	222		-	-
- Accumulated depreciation	223		-	-
2. Financial leased assets	224		-	-
- Historical cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.3	37,78,21,618	83,34,76,727
- Initial cost	228		53,18,18,182	83,34,76,727
- Accumulated amortization	229		(15,39,96,564)	-
III. Investment property	230		-	-
- Historical costs	231		-	-
- Accumulated depreciation	232		-	-

Balance Sheet

As of 31 December 2023

ITEMS	Code	Note	Ending balance	Beginning balance
IV. Long-term assets in process	240		-	-
1. Long-term work in process	241		-	-
2. Construction-in-progress	242		-	-
V. Long-term financial investments	250		-	-
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252		-	-
3. Investments in other entities	253		-	-
4. Provisions for devaluation of long-term financial investments	254		-	-
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		-	-
1. Long-term prepaid expenses	261		-	-
2. Deferred income tax assets	262		-	-
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
TOTAL ASSETS	270		**5,75,60,91,673**	**99,75,10,182**
C - LIABILITIES	300		47,36,91,734	8,10,00,000
I. Current liabilities	310		47,36,91,734	8,10,00,000
1. Short-term trade payables	311		-	8,00,00,000
2. Short-term advances from customers	312		-	-
3. Taxes and other obligations to the State Budget	313	V.4	47,36,91,734	-
4. Payables to employees	314		-	-
5. Short-term accrued expenses	315		-	-
6. Short-term inter-company payables	316		-	-
7. Payables according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319		-	10,00,000
10. Short-term borrowings and financial leases	320		-	-
11. Provisions for short-term payables	321		-	-
12. Bonus and welfare funds	322		-	-
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Non-current liabilities	330		-	-
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term borrowings and financial leases	338		-	-
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-
D - OWNER'S EQUITY	400		5,28,23,99,939	91,65,10,182
I. Owner's equity	410		5,28,23,99,939	91,65,10,182
1. Capital	411	V.5	1,00,00,00,000	1,00,00,00,000
- Ordinary shares carrying voting rights	411a		1,00,00,00,000	1,00,00,00,000
- Preferred shares	411b		-	-

Balance Sheet

As of 31 December 2023

ITEMS	Code	Note	Ending balance	Beginning balance
2. Share premiums	412		-	-
3. Bond conversion options	413		-	-
4. Other sources of capital	414		-	-
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418		-	-
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings/(losses)	421	V.5	4,28,23,99,939	(8,34,89,818)
- Retained losses accumulated to the end of the previous period	421a		(8,34,89,818)	(8,34,89,818)
- Retained earnings of the current period	421b		4,36,58,89,757	-
12. Construction investment fund	422		-	-
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		**5,75,60,91,673**	**99,75,10,182**

Ho Chi Minh City, 27 March 2024

Phan Thi Cam Nguyen
Chief Accountant/Preparer

Nguyen Thi Le Thuy
General Director

Income Statement

For the fiscal year ended 31 December 2023

ITEMS	Code	Note	Current year	Previous year
1. Sales	01	VI.1	5,89,28,95,788	-
2. Sales deductions	02		-	-
3. Net sales	10		5,89,28,95,788	-
4. Cost of sales	11	VI.2	45,56,55,109	-
5. Gross profit	20		**5,43,72,40,679**	**-**
6. Financial income	21		1,62,044	3,36,973
7. Financial expenses	22		-	-
In which: Loan interest expenses	23		-	-
8. Selling expenses	25		-	-
9. General and administration expenses	26	VI.3	35,12,769	8,38,26,791
10. Net operating profit/(loss)	30		**5,43,38,89,954**	**(8,34,89,818)**
11. Other income	31		25,99,788	-
12. Other expenses	32		-	-
13. Other profit	40		25,99,788	-
14. Total accounting profit/(loss) before tax	50		**5,43,64,89,742**	**(8,34,89,818)**
15. Current income tax	51	V.4	1,07,05,99,985	-
16. Deferred income tax	52		-	-
17. Profit/(loss) after tax	60		**4,36,58,89,757**	**(8,34,89,818)**

Ho Chi Minh City, 27 March 2024

Phan Thi Cam Nguyen
Chief Accountant/Preparer

Nguyen Thi Le Thuy
General Director

Cash Flow Statement

(Indirect method) For the fiscal year ended 31 December 2023

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit/(loss) before tax	01		5,43,64,89,742	(8,34,89,818)
2. Adjustments				
- Depreciation of fixed assets and investment properties	02	V.3	15,39,96,564	-
- Provisions and allowances	03		-	-
- Exchange gain/(loss) due to revaluation of monetary items in foreign currencies	04		-	-
- Gain/(loss) from investing activities	05		-	-
- Loan interest expenses	06		-	-
- Others	07		-	-
3. Operating profit/(loss) before changes of working capital	08		5,59,04,86,306	(8,34,89,818)
- Increase/(decrease) of receivables	09		(4,63,48,19,755)	(16,36,13,382)
- Increase/(decrease) of inventories	10		-	-
- Increase/(decrease) of payables	11		(8,10,00,000)	8,10,00,000
- Increase/(decrease) of prepaid expenses	12		-	-
- Increase/(decrease) of trading securities	13		-	-
- Interests paid	14		-	-
- Corporate income tax paid	15	V.4	(59,69,08,251)	-
- Other cash inflows	16		-	-
- Other cash outflows	17		-	-
Net cash flows from operating activities	20		**27,77,58,300**	**(16,61,03,200)**
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other non-current assets	21	V.3	-	(83,34,76,727)
2. Proceeds from disposals of fixed assets and other non-current assets	22		-	-
3. Cash outflow for lending, buying debt instruments of other entities	23		-	-
4. Cash recovered from lending, selling debt instruments of other entities	24		-	-
5. Investments in other entities	25		-	-
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27		-	-
Net cash flows from investing activities	30		**-**	**(83,34,76,727)**
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31	V.5	-	1,00,00,00,000
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33		-	-
4. Repayment for loan principal	34		-	-
5. Payments for financial lease principal	35		-	-
6. Dividends and profit paid to the owners	36		-	-
Net cash flows from financing activities	40		**-**	**1,00,00,00,000**
Net cash flows during the year	50		**27,77,58,300**	**4,20,073**
Beginning cash and cash equivalents	60	V.1	**4,20,073**	**-**
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	**27,81,78,373**	**4,20,073**

Ho Chi Minh City, 27 March 2024

Phan Thi Cam Nguyen
Chief Accountant/Preparer

Nguyen Thi Le Thuy
General Director

Notes to the Financial Statements

For the fiscal year ended 31 December 2023

I. GENERAL INFORMATION

1. Ownership form

Beauty X Joint Stock Company (hereinafter referred to as "the Company") is a joint stock company.

2. Operating field

The Company's operating fields are trading and servicing.

3. Principal business activities

The Company's principal business activity is franchising.

4. Normal operating cycle

Normal operating cycle of the Company is within 12 months.

5. Statement of information comparability on the Financial Statements

The corresponding figures in the previous year can be comparable with the figures in the current year.

6. Headcount

As of the balance sheet date, the Company's headcount is 2 (headcount at the beginning of the year: 2).

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal year

The fiscal year of the Company is from 01 January to 31 December annually.

2. Accounting currency unit

The accounting currency unit is Vietnamese Dong (VND) because the Company's transactions are primarily made in VND.

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting System

The Company applies the Vietnamese Accounting Standards and System, which were issued in accordance with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016 and other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of the Financial Statements.

2. Statement of the compliance with the Accounting Standards and System

The General Director ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of the Financial Statements.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

2. Cash

Cash includes cash on hand and demand deposits in banks.

3. Receivables

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables and other receivables is made according the following principles:

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Company and customers who are independent to the Company.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt on the basis of the estimated loss.

Increases/decreases in the obligatory allowance for doubtful debts as of the balance sheet date are recorded into general and administration expenses.

4. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Company to bring the asset to its working condition

Notes to the Financial Statements

For the fiscal year ended 31 December 2023

for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the period only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

The Company's intangible fixed asset only includes trademark. The initial costs of a trademark acquired from a third party include purchase price, non-refundable sales tax and intellectual property registration fees. Trademark is amortized in accordance with the straight-line method in 3 - 5 years.

5. Payables and accrued expenses

Payables and accrued expenses are recorded for the amounts payable in the future associated with the goods and services received. Accrued expenses are recorded based on reasonable estimates for the amounts payable.

The classification of payables as trade payables, accrued expenses and other payables is made on the basis of following principles:

- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets, of which the seller is an independent entity with the Company.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

The payables and accrued expenses are classified as short-term and long-term items in the Balance Sheet on the basis of their remaining term as of the balance sheet date.

6. Capital

Capital is recorded according to the actual amounts contributed by shareholders.

7. Profit distribution

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Company as well as legal regulations and after getting approval from the General Meeting of Shareholders.

The distribution of profits to the shareholders is made with consideration toward non-cash items in the retained earnings that may affect cash flows and payment of dividends such as profit due to revaluation of assets contributed as investment capital, profit due to revaluation of monetary items, financial instruments and other non-cash items..

Dividends are recorded as payables upon approval of the General Meeting of Shareholders.

8. Recognition of sales and income

Sales of service provision

Sales of service provision shall be recognized when all of the following conditions are satisfied:

- The amount of sales can be measured reliably. When the contract stipulates that the buyer is entitled to return the services provided under specific conditions, sales is recognized only when these specific conditions are no longer existed and the buyer is not entitled to return the services provided.
- The Company received or shall probably receive the economic benefits associated with the provision of services.
- The stage of completion of the transaction at the end of reporting period can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In the case that the services are provided in several accounting periods, the determination of sales is done on the basis of the volume of work done as of the balance sheet date.

Interest

Interest is recorded, based on the term and the actual interest rate applied in each particular period.

9. Expenses

Expenses are those that result in outflows of the economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Notes to the Financial Statements

For the fiscal year ended 31 December 2023

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

10. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

Deferred income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the Financial Statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the Income Statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity.

The Company shall offset deferred tax assets and deferred tax liabilities if:

- The Company has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:

  - Of the same subject to corporate income tax; or
  - The Company has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

11. Related parties

A party is considered a related party of the Company in case that party is able to control the Company or to cause material effects on the financial decisions as well as the operations of the Company. A party is also considered a related party of the Company in case that party is under the same control or is subject to the same material effects.

Considering the relationship of related parties, the nature of relationship is focused more than its legal form.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET

1. Cash

This item reflects demand deposits in banks.

2. Short-term trade receivables

This item reflects trademark royalty receivable from Marico South East Asia Corporation (the Parent Company).

Notes to the Financial Statements

For the fiscal year ended 31 December 2023

3. Intangible fixed assets

The Company's intangible fixed asset is trademark. Details are as follows:

	Initial costs	Accumulated amortization	Net book values
Beginning balance	833.476.727	-	833.476.727
Other decreases	(301.658.545)	-	-
Amortization during the year	-	153.996.564	-
Ending balance	**531.818.182**	**153.996.564**	**377.821.618**

4. Taxes and other obligations to the State Budget

	Beginning balance	Amount payable during the year	Amount paid during the year	Ending balance
VAT on local sales	-	223.150.303	(223.150.303)	-
Corporate income tax	-	1.070.599.985	(596.908.251)	473.691.734
License duty	-	2.000.000	(2.000.000)	-
Total	**-**	**1.295.750.288**	**(822.058.554)**	**473.691.734**

Value added tax (VAT)

The Company has paid VAT in accordance with the deduction method at the tax rate of 10%.

Corporate income tax

The Company has to pay corporate income tax at the rate of 20% on taxable income.

Estimated corporate income tax payable during the year is as follows:

	Current year	Previous year
Total accounting profit/(loss) before tax	5.436.489.742	(83.489.818)
Increases/(decreases) of accounting profit to determine profit subject to corporate income tax:		
Income subject to tax	5.436.489.742	(83.489.818)
Loss of previous years brought forward	(83.489.818)	-
Taxable income	5.352.999.924	-
Corporate income tax rate	20%	20%
Corporate income tax payable	**1.070.599.985**	**-**

Determination of corporate income tax liability of the Company is based on currently applicable regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Financial Statements can be changed upon the inspection of tax authorities.

Other taxes

The Company has declared and paid these taxes in line with the prevailing regulations.

Notes to the Financial Statements

For the fiscal year ended 31 December 2023

5. Owner's equity

5a. Statement of fluctuations in owner's equity

	Capital	Retained earnings	Total
Beginning balance of the previous year	-	-	-
Receipt of capital contribution in the previous year	1.000.000.0000	-	1.000.000.000
Profit/(loss) in the previous year	-	(83.489.818)	(83.489.818)
Ending balance of the previous year	**1.000.000.0000**	**(83.489.818)**	**916.510.182**
Beginning balance of the current year	1.000.000.0000	(83.489.818)	916.510.182
Profit in the current year	-	4.365.889.757	4.365.889.757
Ending balance of the current year	**1.000.000.0000**	**4.282.399.939**	**5.282.399.939**

5b. Details of capital contribution of the owners

	Ending balance	Beginning balance
Marico South East Asia Corporation	990.000.000	-
Ms. Phan Thi Cam Nguyen	5.000.000	-
Ms. Nguyen Hoang Phuong Anh	5.000.000	-
Ms. Phan Quoc My	-	990.000.000
Mr. Phan Quoc Cong	-	5.000.000
Mr. Le Van Chien	-	5.000.000
Total	**1.000.000.000**	**1.000.000.000**

In 2023, the Company's shareholders transferred all of their shares at Beauty X Joint Stock Company to new shareholders. Details are as follows:

Contract No.	Transferor	Transferee	Number of shares	Value at face value
01/MBCP	Ms. Phan Quoc My	Marico South East Asia Corporation	99.000	990.000.000
02/MBCP	Mr. Phan Quoc Cong	Ms. Phan Thi Cam Nguyen	500	5.000.000
03/MBCP	Mr. Le Van Chien	Ms. Nguyen Hoang Phuong Anh	500	5.000.000
Total			**100.000**	**1.000.000.000**

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT

1. Sales

1a. Gross sales

This item reflects sales from trademark royalties.

1b. Sales to related parties

During the year, the Company generated sales from trademark royalties with Marico South East Asia Corporation (the Parent Company) with the amount of VND 5.473.229.546 (there was no transaction in the previous year).

Notes to the Financial Statements
For the fiscal year ended 31 December 2023

2. Costs of sales

This item reflects costs of services provided.

3. General and administration expenses

	Current year	Previous year
Taxes, fees and legal fees	2.000.000	-
Legal consultancy service charges	-	72.727.273
Other expenses	1.512.769	11.099.518
Total	**3.512.769**	**83.826.791**

4. Operating costs

	Current year	Previous year
Amortization of fixed assets	153.996.564	-
External services rendered	302.817.636	75.974.064
Other expenses	2.353.678	7.852.727
Total	**459.167.878**	**83.826.791**

VII. OTHER DISCLOSURES

1. Transactions and balances with related parties

The Company's related parties include the key managers, their related individuals and other related parties.

1a. Transactions and balances with the key managers and their related individuals

The key managers include the Board of Management and the General Director. The key managers' related individuals are their close family members.

Transactions with the key managers and their related individuals

The Company has no sales of goods and service provisions and no other transactions with the key managers and their related individuals.

Receivables from and payables to the key managers and their related individuals

The Company has no receivables from and payables to the key managers and their related individuals.

1b. Transactions and balances with other related parties

Other related parties of the Company include:

Other related parties	Relationship
Marico South East Asia Corporation	Parent Company
Ms. Phan Thi Cam Nguyen	Shareholder
Ms. Nguyen Hoang Phuong Anh	Shareholder

Notes to the Financial Statements

For the fiscal year ended 31 December 2023

Transactions with other related parties

Apart from service provisions to related parties presented in Note No. VI.1b, the Company has no transactions with other related parties.

Receivables from and payables to other related parties

Receivables from and payables to other related parties are presented in Note No. V.2.

2. Subsequent events

There is no material subsequent event which is required adjustments or disclosures in the Financial Statements.

Ho Chi Minh City, 27 March 2024

Phan Thi Cam Nguyen
Chief Accountant/Preparer

Nguyen Thi Le Thuy
General Director

Statement of the General Director

The General Director of Beauty X Joint Stock Company (hereinafter referred to as "the Company") presents this statement together with the Financial Statements for the period from 01 January 2024 to 31 March 2024.

Business highlights

Beauty X Joint Stock Company is a joint stock company which has been operating in accordance with the Business Registration Certificate No. 0317371405, registered for the first time on 06 July 2022 and amended for the 2nd time on 07 December 2023, granted by Ho Chi Minh City Department of Planning and Investment.

Head office

- Address : Minh Long Building, 7th Floor, No. 17 Ba Huyen Thanh Quan Street, Vo Thi Sau Ward, District 3, Ho Chi Minh City, Vietnam
- Tel. : (+84) 0904 994 255

The Company's principal business activities are management consultancy service and franchising.

Board of Management, Control Board and Executive Officers

The Board of Management, the Control Board and the General Director of the Company during the period and as of the date of this statement include:

The Board of Management and the General Director

Full name	Position	Appointing date
Mr. Vineet Jain	Chairman	06 November 2023
Ms. Nguyen Hoang Phuong Anh	Member	04 January 2023
Ms. Nguyen Thi Le Thuy	Member	04 January 2023
	cum General Director	04 January 2023

The Control Board

Full name	Position	Appointing date
Ms. Phan Thi Cam Nguyen	Chief of the Board	04 January 2023
Mr. Nguyen Danh Doan	Member	04 January 2023
Ms. Huynh Phuc Oanh Vu	Member	04 January 2023

Legal Representative

Full name	Position	Appointing date
Mr. Vineet Jain	Chairman	06 November 2023
Ms. Nguyen Thi Le Thuy	General Director	04 January 2023

Auditor

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Company's Financial Statements for the period from 01 January 2024 to 31 March 2024.

Responsibilities of the General Director

The General Director of the Company is responsible for the preparation of the Financial Statements to give a true and fair view of the financial position, the financial performance and the cash flows of the Company during the period. In order to prepare these Financial Statements, the General Director must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates prudently;
- state clearly whether the accounting standards applied to the Company are followed or not, and all the material differences from these standards are disclosed and explained in the Financial Statements;
- prepare the Financial Statements of the Company on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Financial Statements are free from material misstatements due to frauds or errors.

The General Director hereby ensures that all the accounting books of the Company have been fully recorded and can fairly reflect the financial position of the Company at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The General Director is also responsible for managing the Company's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The General Director hereby commits to the compliance with the aforementioned requirements in preparation of the Financial Statements.

Approval of the Financial Statements

The General Director hereby approves the accompanying Financial Statements, which give a true and fair view of the financial position as of 31 March 2024, the financial performance and the cash flows of the Company for the period from 01 January 2024 to 31 March 2024, in conformity with the Vietnamese Accounting Standards and System and other regulatory requirements on preparation and presentation of the Financial Statements.

Nguyen Thi Le Thuy
General Director

Date: 26 April 2024

Independent Auditor's Report

To:
THE SHAREHOLDERS,
THE BOARD OF MANAGEMENT AND
THE GENERAL DIRECTOR

BEAUTY X JOINT STOCK COMPANY

We have audited the accompanying Financial Statements of Beauty X Joint Stock Company (hereinafter referred to as "the Company"), which were prepared on 26 April 2024 (from page 5 to page 19) including the Balance Sheet as of 31 March 2024, the Income Statement, the Cash Flow Statement for the period from 01 January 2024 to 31 March 2024 and the Notes to the Financial Statements.

Responsibility of the General Director

The Company's General Director is responsible for the preparation, true and fair presentation of the Financial Statements in accordance with the Vietnamese Accounting Standards and System as well as other regulatory requirements on preparation and presentation of the Financial Statements; and responsible for the internal control as the Company's General Director determines necessary to enable the preparation and presentation of the Financial Statements to be free from material misstatement due to fraud or error.

Responsibility of Auditors

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

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

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

Opinion of Auditors

In our opinion, the Financial Statements give a true and fair view, in all material respects, of the financial position as of 31 March 2024 of Beauty X Joint Stock Company, its financial performance and its cash flows for the period from 01 January 2024 to 31 March 2024, in conformity with the Vietnamese Accounting Standards and System and other regulatory requirements on preparation and presentation of the Financial Statements.

For and on behalf of

A&C Auditing and Consulting Co., Ltd.

Nguyen Minh Tri
Partner

Nguyen Thi Ngoc Quynh
Auditor

Balance Sheet

As of 31 March 2024

ITEMS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		6,98,15,01,511	5,37,82,70,055
I. Cash and cash equivalents	110		2,03,46,13,562	27,81,78,373
1. Cash	111	V.1	2,03,46,13,562	27,81,78,373
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		-	-
1. Trading securities	121		-	-
2. Provisions for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123		-	-
III. Short-term receivables	130		4,94,68,87,949	5,10,00,91,682
1. Short-term trade receivables	131	V.2	4,92,08,87,949	5,10,00,91,682
2. Short-term prepayments to suppliers	132		2,60,00,000	-
3. Short-term inter-company receivables	133		-	-
4. Receivables according to the progress of construction contract	134		-	-
5. Receivables for short-term loans	135		-	-
6. Other short-term receivables	136		-	-
7. Allowance for short-term doubtful debts	137		-	-
8. Deficit assets for treatment	139		-	-
IV. Inventories	140		-	-
1. Inventories	141		-	-
2. Allowance for inventories	149		-	-
V. Other current assets	150		-	-
1. Short-term prepaid expenses	151		-	-
2. Deductible VAT	152		-	-
3. Taxes and other receivables from the State	153		-	-
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-
B- NON-CURRENT ASSETS	200		33,93,22,477	37,78,21,618
I. Long-term receivables	210		-	-
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216		-	-
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		33,93,22,477	37,78,21,618
1. Tangible fixed assets	221		-	-
- Historical cost	222		-	-
- Accumulated depreciation	223		-	-
2. Financial leased assets	224		-	-
- Historical cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.3	33,93,22,477	37,78,21,618
- Initial cost	228		53,18,18,182	53,18,18,182
- Accumulated amortization	229		(19,24,95,705)	(15,39,96,564)
III. Investment property	230		-	-
- Historical costs	231		-	-
- Accumulated depreciation	232		-	-

Balance Sheet

As of 31 March 2024

ITEMS	Code	Note	Ending balance	Beginning balance
IV. Long-term assets in process	240		-	-
1. Long-term work in process	241		-	-
2. Construction-in-progress	242		-	-
V. Long-term financial investments	250		-	-
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252		-	-
3. Investments in other entities	253		-	-
4. Provisions for devaluation of long-term financial investments	254		-	-
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		-	-
1. Long-term prepaid expenses	261		-	-
2. Deferred income tax assets	262		-	-
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
TOTAL ASSETS	270		**7,32,08,23,988**	**5,75,60,91,673**
C - LIABILITIES	300		63,50,10,045	47,36,91,734
I. Current liabilities	310		63,50,10,045	47,36,91,734
1. Short-term trade payables	311		-	-
2. Short-term advances from customers	312		-	-
3. Taxes and other obligations to the State Budget	313	V.4	63,50,10,045	47,36,91,734
4. Payables to employees	314		-	-
5. Short-term accrued expenses	315		-	-
6. Short-term inter-company payables	316		-	-
7. Payables according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319		-	-
10. Short-term borrowings and financial leases	320		-	-
11. Provisions for short-term payables	321		-	-
12. Bonus and welfare funds	322		-	-
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Non-current liabilities	330		-	-
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term borrowings and financial leases	338		-	-
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-

Balance Sheet

As of 31 March 2024

ITEMS	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		6,68,58,13,943	5,28,23,99,939
I. Owner's equity	410		6,68,58,13,943	5,28,23,99,939
1. Capital	411	V.5	1,00,00,00,000	1,00,00,00,000
- Ordinary shares carrying voting rights	411a		1,00,00,00,000	1,00,00,00,000
- Preferred shares	411b		-	-
2. Share premiums	412		-	-
3. Bond conversion options	413		-	-
4. Other sources of capital	414		-	-
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418		-	-
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421	V.5	5,68,58,13,943	4,28,23,99,939
- Retained earnings accumulated to the end of the previous period	421a		4,28,23,99,939	4,28,23,99,939
- Retained earnings of the current period	421b		1,40,34,14,004	-
12. Construction investment fund	422		-	-
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		**7,32,08,23,988**	**5,75,60,91,673**

Ho Chi Minh City, 26 April 2024

Phan Thi Cam Nguyen

Chief Accountant/Preparer

Nguyen Thi Le Thuy

General Director

Income Statement

For the period from 01 January 2024 to 31 March 2024

ITEMS	Code	Note	From 01 January 2024 to 31 March 2024	From 01 January 2023 to 31 December 2023
1. Sales	01	VI.1	1,81,43,78,122	5,89,28,95,788
2. Sales deductions	02		-	-
3. Net sales	10		1,81,43,78,122	5,89,28,95,788
4. Cost of sales	11	VI.2	3,84,99,141	45,56,55,109
5. Gross profit	20		1,77,58,78,981	5,43,72,40,679
6. Financial income	21		7,417	1,62,044
7. Financial expenses	22		-	-
In which: Loan interest expenses	23		-	-
8. Selling expenses	25		-	-
9. General and administration expenses	26	VI.3	1,12,86,097	35,12,769
10. Net operating profit	30		1,76,46,00,301	5,43,38,89,954
11. Other income	31		-	25,99,788
12. Other expenses	32		82,66,236	-
13. Other profit/(loss)	40		(82,66,236)	25,99,788
14. Total accounting profit before tax	50		1,75,63,34,065	5,43,64,89,742
15. Current income tax	51	V.4	35,29,20,061	1,07,05,99,985
16. Deferred income tax	52		-	-
17. Profit after tax	60		**1,40,34,14,004**	**4,36,58,89,757**

Ho Chi Minh City, 26 April 2024

Phan Thi Cam Nguyen

Chief Accountant/Preparer

Nguyen Thi Le Thuy

General Director

Cash Flow Statement (Indirect method)

For the period from 01 January 2024 to 31 March 2024

ITEMS	Code	Note	From 01 January 2024 to 31 March 2024	From 01 January 2023 to 31 December 2023
I. Cash flows from operating activities				
1. Profit before tax	01		1,75,63,34,065	5,43,64,89,742
2. Adjustments				
- Depreciation of fixed assets and investment properties	02	V.3	3,84,99,141	15,39,96,564
- Provisions and allowances	03		-	-
- Exchange gain/(loss) due to revaluation of monetary items in foreign currencies	04		-	-
- Gain/(loss) from investing activities	05		-	-
- Loan interest expenses	06		-	-
- Others	07		-	-
3. Operating profit before changes of working capital	08		1,79,48,33,206	5,59,04,86,306
- Increase/(decrease) of receivables	09		15,32,03,733	(4,63,48,19,755)
- Increase/(decrease) of inventories	10		-	-
- Increase/(decrease) of payables	11		28,20,89,984	(8,10,00,000)
- Increase/(decrease) of prepaid expenses	12		-	-
- Increase/(decrease) of trading securities	13		-	-
- Interests paid	14		-	-
- Corporate income tax paid	15	V.4	(47,36,91,734)	(59,69,08,251)
- Other cash inflows	16		-	-
- Other cash outflows	17		-	-
Net cash flows from operating activities	20		**1,75,64,35,189**	**27,77,58,300**
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other non-current assets	21		-	-
2. Proceeds from disposals of fixed assets and other non-current assets	22		-	-
3. Cash outflow for lending, buying debt instruments of other entities	23		-	-
4. Cash recovered from lending, selling debt instruments of other entities	24		-	-
5. Investments in other entities	25		-	-
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27		-	-
Net cash flows from investing activities	30		**-**	**-**
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33		-	-
4. Repayment for loan principal	34		-	-
5. Payments for financial lease principal	35		-	-
6. Dividends and profit paid to the owners	36		-	-
Net cash flows from financing activities	40		**-**	**-**
Net cash flows during the year	50		**1,75,64,35,189**	**27,77,58,300**
Beginning cash and cash equivalents	60	V.1	**27,81,78,373**	**4,20,073**
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	**2,03,46,13,562**	**27,81,78,373**

Ho Chi Minh City, 26 April 2024

Phan Thi Cam Nguyen

Chief Accountant/Preparer

Nguyen Thi Le Thuy

General Director

Notes to the Financial Statements

For the period from 01 January 2024 to 31 March 2024

I. GENERAL INFORMATION

1. Ownership form

Beauty X Joint Stock Company (hereinafter referred to as "the Company") is a joint stock company.

2. Operating field

The Company's operating fields are trading and servicing.

3. Principal business activities

The Company's principal business activity is franchising.

4. Normal operating cycle

Normal operating cycle of the Company is within 12 months.

5. Statement of information comparability on the Financial Statements

The corresponding figures in the previous period cannot be comparable with the figures in the current period because the figures in the current period only covered 3 months (from 01 January 2024 to 31 March 2024) while the figures in the previous period covered 12 months (from 01 January 2023 to 31 December 2023).

6. Headcount

As of 31 March 2024, the Company's headcount is 2 (headcount as of 01 January 2024: 2).

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal year

In the previous years, the Company's fiscal year was from 01 January to 31 December. On 07 December 2023, the Company decided to change its fiscal year as follows:

- The first fiscal year after the date of change: from 01 January 2024 to 31 March 2024.
- The following fiscal years: from 01 April of a calendar year to 31 March of the following year.

2. Accounting currency unit

The accounting currency unit is Vietnamese Dong (VND) because the Company's transactions are primarily made in VND.

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting System

The Company applies the Vietnamese Accounting Standards and System, which were issued in accordance with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016 and other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of the Financial Statements.

2. Statement of the compliance with the Accounting Standards and System

The General Director ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of the Financial Statements.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

2. Cash

Cash includes cash on hand and demand deposits in banks.

3. Receivables

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables and other receivables is made according the following principles:

- Trade receivables reflect receivables concerning the commercial nature incurring from purchase and sale transactions between the Company and customers who are independent to the Company.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt on the basis of the estimated loss.

Notes to the Financial Statements

For the period from 01 January 2024 to 31 March 2024

Increases/decreases in the obligatory allowance for doubtful debts as of the balance sheet date are recorded into general and administration expenses.

4. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Company to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets incurring subsequent to initial recognition are included into operation costs during the period only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss incurring from such disposal is included in the income or the expenses during the period.

The Company's intangible fixed asset only includes trademark. The initial costs of a trademark acquired from a third party include purchase price, non-refundable sales tax and intellectual property registration fees. Trademark is amortized in accordance with the straight-line method in 3 - 5 years.

5. Payables and accrued expenses

Payables and accrued expenses are recorded for the amounts payable in the future associated with the goods and services received. Accrued expenses are recorded based on reasonable estimates for the amounts payable.

The classification of payables as trade payables, accrued expenses and other payables is made on the basis of following principles:

- Trade payables reflect payables of commercial nature incurring from the purchase of goods, services, or assets, of which the seller is an independent entity with the Company.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

The payables and accrued expenses are classified as short-term and long-term items in the Balance Sheet on the basis of their remaining term as of the balance sheet date.

6. Capital

Capital is recorded according to the actual amounts contributed by shareholders.

7. Profit distribution

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Company as well as legal regulations and after getting approval from the General Meeting of Shareholders.

The distribution of profits to the shareholders is made with consideration toward non-cash items in the retained earnings that may affect cash flows and payment of dividends such as profit due to revaluation of assets contributed as investment capital, profit due to revaluation of monetary items, financial instruments and other non-cash items..

Dividends are recorded as payables upon approval of the General Meeting of Shareholders.

8. Recognition of sales and income

Sales of service provision

Sales of service provision shall be recognized when all of the following conditions are satisfied:

- The amount of sales can be measured reliably. When the contract stipulates that the buyer is entitled to return the services provided under specific conditions, sales is recognized only when these specific conditions are no longer existed and the buyer is not entitled to return the services provided.
- The Company received or shall probably receive the economic benefits associated with the provision of services.
- The stage of completion of the transaction at the end of reporting period can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In the case that the services are provided in several accounting periods, the determination of sales is done on the basis of the volume of work done as of the balance sheet date.

Notes to the Financial Statements

For the period from 01 January 2024 to 31 March 2024

Interest

Interest is recorded, based on the term and the actual interest rate applied in each particular period.

9. Expenses

Expenses are those that result in outflows of the economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

10. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

Deferred income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the Financial Statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the Income Statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity.

The Company shall offset deferred tax assets and deferred tax liabilities if:

- The Company has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:

  - Of the same subject to corporate income tax; or
  - The Company has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

11. Related parties

A party is considered a related party of the Company in case that party is able to control the Company or to cause material effects on the financial decisions as well as the operations of the Company. A party is also considered a related party of the Company in case that party is under the same control or is subject to the same material effects.

Considering the relationship of related parties, the nature of relationship is focused more than its legal form.

Notes to the Financial Statements

For the period from 01 January 2024 to 31 March 2024

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET

1. Cash

This item reflects demand deposits in banks.

2. Short-term trade receivables

This item reflects trademark royalty receivable from Marico South East Asia Corporation (the Parent Company).

3. Intangible fixed assets

The Company's intangible fixed asset is trademark. Details are as follows:

	Initial costs	Accumulated amortization	Net book values
Beginning balance	531.818.182	153.996.564	377.821.618
Amortization during the year	-	38.499.141	-
Ending balance	**531.818.182**	**192.495.705**	**339.322.477**

4. Taxes and other obligations to the State Budget

	Beginning balance	Amount payable during the period	Amount paid during the period	Ending balance
VAT on local sales	-	282.089.984	-	282.089.984
Corporate income tax	473.691.734	352.920.061	(473.691.734)	352.920.061
License duty	-	2.000.000	(2.000.000)	-
Total	**473.691.734**	**637.010.045**	**(475.691.734)**	**635.010.045**

Value added tax (VAT)

The Company has paid VAT in accordance with the deduction method at the tax rate of 10%.

Corporate income tax

The Company has to pay corporate income tax at the rate of 20% on taxable income.

Estimated corporate income tax payable is as follows:

	From 01 January 2024 to 31 March 2024	From 01 January 2023 to 31 December 2023
Total accounting profit before tax	1.756.334.065	5.436.489.742
Increases/(decreases) of accounting profit to determine profit subject to corporate income tax:		
- Other increases	8.266.236	-
Income subject to tax	1.764.600.301	5.436.489.742
Loss of previous years brought forward	-	(83.489.818)
Taxable income	1.764.600.301	5.352.999.924
Corporate income tax rate	20%	20%
Corporate income tax payable	**352.920.061**	**1.070.599.985**

Notes to the Financial Statements

For the period from 01 January 2024 to 31 March 2024

Determination of corporate income tax liability of the Company is based on currently applicable regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Financial Statements can be changed upon the inspection of tax authorities.

Other taxes

The Company has declared and paid these taxes in line with the prevailing regulations.

5. Owner's equity

5a. Statement of fluctuations in owner's equity

	Capital	Retained earnings	Total
As of 01 January 2023	1.000.000.0000	(83.489.818)	916.510.182
Profit in the previous period	-	4.365.889.757	4.365.889.757
As of 31 December 2023	**1.000.000.0000**	**4.282.399.939**	**5.282.399.939**
As of 01 January 2024	1.000.000.0000	4.282.399.939	5.282.399.939
Profit in the current period	-	1.403.414.004	1.403.414.004
As of 31 December 2024	**1.000.000.0000**	**5.685.813.943**	**6.685.813.943**

5b. Details of capital contribution of the owners

	31 March 2024	01 January 2024
Marico South East Asia Corporation	990.000.000	990.000.000
Ms. Phan Thi Cam Nguyen	5.000.000	5.000.000
Ms. Nguyen Hoang Phuong Anh	5.000.000	5.000.000
Total	**1.000.000.000**	**1.000.000.000**

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT

1. Sales

1a. Gross sales

This item reflects sales from trademark royalties.

1b. Sales to related parties

During the period, the Company generated sales from trademark royalties with Marico South East Asia Corporation (the Parent Company) with the amount of VND 1.814.378.122 (previous period: VND 5.473.229.546).

2. Costs of sales

This item reflects costs of services provided.

3. General and administration expenses

	From 01 January 2024 to 31 March 2024	From 01 January 2023 to 31 December 2023
Taxes, fees and legal fees	2.000.000	2.000.000
Other expenses	9.286.097	1.512.769
Total	**11.286.097**	**3.512.769**

Notes to the Financial Statements

For the period from 01 January 2024 to 31 March 2024

4. Operating costs

	From 01 January 2024 to 31 March 2024	From 01 January 2023 to 31 December 2023
Amortization of fixed assets	38.499.141	153.996.564
External services rendered	9.200.000	302.817.636
Other expenses	2.086.097	2.353.678
Total	**49.785.238**	**459.167.878**

VII. OTHER DISCLOSURES

1. Transactions and balances with related parties

The Company's rXelated parties include the key managers, their related individuals and other related parties.

1a. Transactions and balances with the key managers and their related individuals

The key managers include the Board of Management and the General Director. The key managers' related individuals are their close family members.

Transactions with the key managers and their related individuals

The Company has no sales of goods and service provisions and no other transactions with the key managers and their related individuals.

Receivables from and payables to the key managers and their related individuals

The Company has no receivables from and payables to the key managers and their related individuals.

1b. Transactions and balances with other related parties

Other related parties of the Company include:

Other related parties	Relationship
Marico South East Asia Corporation	Parent Company
Ms. Phan Thi Cam Nguyen	Shareholder
Ms. Nguyen Hoang Phuong Anh	Shareholder

Transactions with other related parties

Apart from service provisions to related parties presented in Note No. VI.1b, the Company has no transactions with other related parties.

Receivables from and payables to other related parties

Receivables from and payables to other related parties are presented in Note No. V.2.

2. Subsequent events

There is no material subsequent event which is required adjustments or disclosures in the Financial Statements.

Ho Chi Minh City, 26 April 2024

Phan Thi Cam Nguyen

Chief Accountant/Preparer

Nguyen Thi Le Thuy

General Director

MARICO LANKA (PRIVATE) LIMITED (MSL)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Ashish Goupal Mr. Siddhartha Roy Mr. Weerasekara Mudiyanselage Jayantha Weerasekara Mr. Dipesh Acharya
REGISTERED OFFICE	36-3/1, Haig Road, Bambalapitiya, Colombo – 04, Sri Lanka
AUDITORS	Udaya Jayasekera & Co
BANKERS	Standard Chartered Bank

Independent Auditor's Report

To
The Shareholders of
Marico Lanka (Pvt) Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Marico Lanka (Privatet) Ltd which comprise the statement of financial position as at 31 March 2024, 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 2024 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 it appears from our examination, proper accounting records have been kept by the Company.

15 May 2024

Colombo.

Statement of Comprehensive Income

year ended 31 March 2024

	Note	2024 ₹	2023 ₹
Revenue	3	16,54,10,139	2,19,29,865
Cost of sales	4	(7,32,43,343)	(9,63,31,538)
Gross profit		**9,21,66,796**	**(7,44,01,673)**
Administration expenses	5	(2,10,00,320)	(2,22,53,003)
Selling & distribution expenses	6	(69,87,671)	(76,30,266)
Finance and other expenses	7	(2,19,71,743)	(5,34,74,989)
Profit / (loss) before taxation		**4,22,07,062**	**(15,77,59,931)**
Income tax expense	8	-	-
Profit / (loss) for the year		4,22,07,062	(15,77,59,931)

Statement of Financial Position

as at 31 March 2024

	Note	2024 ₹	2023 ₹
ASSETS			
Current assets			
Security deposit		3,00,000	3,00,000
Inventories	9	7,18,29,347	4,49,22,977
Trade receivables	10	1,40,13,584	3,13,34,348
Cash & cash equivalents	11	3,22,85,524	-
Total current assets		**11,84,28,455**	**7,65,57,325**
Total assets		**11,84,28,455**	**7,65,57,325**
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	12	39,06,41,883	2,49,42,526
Reserves & surplus		(35,48,98,999)	(39,71,06,061)
		3,57,42,884	**(37,21,63,535)**
Current liabilities			
Trade payables	13	1,01,80,719	12,38,55,642
Amounts due to related parties	14	7,03,94,085	9,00,50,759
Bank overdrafts	15	-	23,27,15,242
Other payables and provisions	16	21,10,767	20,99,217
Total liabilities		**8,26,85,571**	**44,87,20,860**
Total equity and liabilities		**11,84,28,455**	**7,65,57,325**

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.

Director **Director**

Figures in brackets indicate deductions.

The accounting policies and notes from 1 to 19 form an integral part of these financial statements.

15-May-2024

Colombo

Statement of Changes In Equity

year ended 31 March 2024

	Stated Capital	Accumulated Loss	Total Equity
	₹	₹	₹
Balance as at 31 March 2022	**2,49,42,526**	**(23,93,46,130)**	**(21,44,03,604)**
Loss for the period	-	(15,77,59,931)	(15,77,59,931)
Balance as at 31 March 2023	**2,49,42,526**	**(39,71,06,061)**	**(37,21,63,535)**
Profit/(Loss) for the period	-	4,22,07,062	4,22,07,062
Share Issue During the Year	36,56,99,357	-	36,56,99,357
Balance as at 31 March 2024	**39,06,41,883**	**(35,48,98,999)**	**3,57,42,884**

Figures in brackets indicate deductions.

The accounting policies and notes from 1 to 19 form an integral part of these financial statements.

Statement of Cash Flows

year ended 31 March 2024

	2024	2023
	₹	₹
Cash flows from operating activities		
Net profit before taxation for the period	4,22,07,062	(15,77,59,931)
Operating profit / (loss) before working capital changes	**4,22,07,062**	**(15,77,59,931)**
Changes in working capital		
Increase / (decrease) in Inventories	(2,69,06,370)	34,73,086
Increase / (decrease) in trade and other receivables	1,73,20,765	3,80,70,760
Increase / (decrease) in trade payables	(11,36,74,923)	1,67,66,364
Increase / (decrease) in other payables	11,550	13,16,248
Increase / (decrease) in amounts due to related parties	(1,96,56,674)	1,41,18,136
Cash (used in)/ generated from operations	**(10,06,98,591)**	**(8,40,15,338)**
Tax paid	-	-
Net cash (used in) / generated from operating activities	**(10,06,98,591)**	**(8,40,15,338)**
Cash flows from investing activities		
Proceeds from share issue	36,56,99,357	-
Net cash flows used in investing activities	**36,56,99,357**	**-**
Cash flows from financing activities		
Security deposit paid	-	-
Cash at Bank/(Overdarft facility)	3,22,85,524	(8,40,15,338)
Net cash flows (used in) / from financing activities	**3,22,85,524**	**(8,40,15,338)**
Net (decrease) / increase in cash and cash equivalents	**26,50,00,766**	**-**
Cash and cash equivalents, at the beginning of the year	(23,27,15,242)	(14,86,99,904)
Cash and cash equivalents, at the end of the year	3,22,85,525	(23,27,15,242)
Analysis of Cash & Cash equivalent		
Cash & Cash equivalent		
Unfavourable balance (Bank Overfraft)	-	(23,27,15,242)
Cash and cash equivalents at the end of the year comprise:		
Cash at bank	3,22,85,524	-
	3,22,85,524	**(23,27,15,242)**

The accounting policies and notes from 1 to 19 form an integral part of these financial statements.

Notes to the Financial Statements
year ended 31 March 2024

1. COPORATE INFORMATION

1.1. General Information

Marico Lanka (Pvt) Limited 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 and 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 2024 were authorized for issue by the Board of Directors on 15 May 2024.

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 currency. 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 currency rate of exchange ruling at the reporting date. All differences are taken to income statement. Non-monetary 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 events has been considered and where appropriate adjustments to or disclosures have been made in the respective notes to the financial statements.

2.2. TAXATION Current Taxes

current income tax is based on the elements of income and expenditure as reported 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, JUDGEMENTS 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.

Notes to the Financial Statements

year ended 31 March 2024

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.

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.

2.5. 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.

2.6. Stated Capital

Ordinary shares are classified as equity.

2.7. 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 e required to settle the obligation and reliable estimate can be made of the amount of obligation.

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.

Notes to the Financial Statements
year ended 31 March 2024

3. REVENUE

	2024	2023
	₹	₹
Revenue from manufacturing activities	6,29,25,312	78,52,654
Revenue from trading activities	10,24,84,827	1,40,77,211
	16,54,10,139	**2,19,29,865**

4. COST OF SALES

	2024	2023
	₹	₹
Cost of Raw Material Consumed (Note 4.1)	3,22,74,139	1,54,92,560
Cost of Packing Material Consumed (Note 4.2)	1,50,22,349	1,25,53,753
	4,72,96,488	**2,80,46,313**
Cost of finished goods sold (Note 4.3)	53,03,331	4,88,89,856
	5,25,99,819	**7,69,36,169**
Freight forwarding and distribution charges	77,88,270	1,26,38,439
Processing and other manufacturing cost	1,28,55,254	67,56,930
	7,32,43,343	**9,63,31,538**

4.1 Cost of raw materials consumed

	2024	2023
	₹	₹
Opening balance	84,18,514	1,42,73,295
Purchases during the period	4,03,32,357	96,37,780
Closing balance	(1,64,76,733)	(84,18,514)
	3,22,74,139	**1,54,92,560**

4.2 Cost of packing materials

	2024	2023
	₹	₹
Opening balance	1,51,98,621	65,94,833
Purchases during the period	3,38,87,259	2,11,57,542
Closing balance	3,40,63,531	1,51,98,621
	1,50,22,349	**1,25,53,753**

4.3 Cost of finished goods sold

	2024	2023
	₹	₹
Opening balance	2,13,05,841	2,75,27,935
Purchases during the period	52,86,574	4,26,67,762
Closing balance	2,12,89,083	2,13,05,841
	53,03,331	**4,88,89,856**

Notes to the Financial Statements

year ended 31 March 2024

5. ADMINISTRATION EXPENSES

	2024	2023
	₹	₹
Audit fee	1,26,500	1,14,950
Employee expenses	74,84,825	1,81,73,959
Rent & storage charges	7,50,000	6,05,000
Legal and professional charges	80,23,742	28,63,148
Royalty	41,35,253	15,946
Director's Remuneration	4,80,000	4,80,000
	2,10,00,320	**2,22,53,003**

6. SELLING & DISTRIBUTION EXPENSES

	2024	2023
	₹	₹
Advertisements & sales promotions	69,87,671	76,30,266
	69,87,671	**76,30,266**

7. FINANCE AND OTHER EXPENSES

	2024	2023
	₹	₹
Overdraft interest charges	2,06,68,187	4,55,93,983
Bank charges	9,02,533	19,87,254
Exchange loss	4,01,023	58,93,752
	2,19,71,743	**5,34,74,989**

8. INCOME TAX EXPENSE

	2024	2023
	₹	₹
Income tax charge for the year (Note 8.1)	-	-
Under / (over) provision of prior year taxes	-	-
Income tax expense for the year	**-**	**-**

8.1 Reconciliation between accounting profit and taxable profit/ (loss)

	2024	2023
	₹	₹
Accounting profit before tax	4,22,07,062	(15,77,59,931)
Aggregate disallowed items	80,23,742	33,59,098
Adjusted taxable profit/ (loss)	5,02,30,804	(15,44,00,833)
Interest income	-	-
Total statutory income	5,02,30,804	(15,44,00,833)
Set off against Tax Losses	(5,02,30,804)	-
Taxable Income / (Loss)	**-**	**(15,44,00,833)**
Income tax @ 30%	**-**	**-**

Notes to the Financial Statements

year ended 31 March 2024

9. INVENTORIES

	2024 ₹	2023 ₹
Raw material	1,64,76,733	84,18,514
Packing materials	3,40,63,531	1,51,98,621
Finished goods	28,33,368	21,05,190
	5,33,73,632	**2,57,22,326**
Goods in transit	1,84,55,715	1,92,00,651
	7,18,29,347	**4,49,22,977**

10. TRADE RECEIVABLES

	2024 ₹	2023 ₹
A. Baurs & Co. Pvt Ltd	1,40,13,584	3,13,34,348
	1,40,13,584	**3,13,34,348**

11. CASH & CASH EQUIVALENTS

	2024 ₹	2023 ₹
Standard Chartered Bank	3,22,85,524	-
	3,22,85,524	**-**

12. STATED CAPITAL

	2024 ₹	2023 ₹
Issued and fully paid ordinary shares of Rs. 10	39,06,41,883	2,49,42,526
	39,06,41,883	**2,49,42,526**

13. TRADE PAYABLES

	2024 ₹	2023 ₹
Custom clearing A/C	2,36,15,464	1,06,29,877
Other trade payable	(1,34,34,745)	11,32,25,765
	1,01,80,719	**12,38,55,642**

Notes to the Financial Statements

year ended 31 March 2024

14. AMOUNTS DUE TO RELATED PARTIES

	2024 ₹	2023 ₹
Marico India	7,03,94,085	9,00,50,759
	7,03,94,085	**9,00,50,759**

15. BANK OVERDRAFT

	2024 ₹	2023 ₹
Bank overdraft - Standard Chartered Bank	-	23,27,15,242
	-	**23,27,15,242**

16. OTHER PAYABLES AND PROVISIONS

	2024 ₹	2023 ₹
Other payables (Note 16.1)	21,10,767	20,99,217
	21,10,767	**20,99,217**

16.1. Other payables

	2024 ₹	2023 ₹
Auditors remuneration payable	1,26,500	1,14,950
Statutory dues	19,84,267	19,84,267
	21,10,767	**20,99,217**

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 Goupal, Mr.Nilanjan Roy Choudhury, 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 ₹	Outstanding balance as at 31.03.2024 ₹
Marico Limited	Parent Company	Purchases	5,83,58,147	5,83,58,147
		Royalty expense	46,96,454	46,96,454
		Advertisment and Promotion expenses	73,39,484	73,39,484

Marico India Limited has provided a corporate guarantee of 250Mn for the OD facility obtained by Marico Lanka (Pvt) Ltd during the period. (Note 15)

Notes to the Financial Statements

year ended 31 March 2024

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.

	2023/2024	2022/2023
	₹	₹
Short term employee benefits	4,80,000	4,80,000

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.

MARICO MALAYSIA SDN. BHD. (MMSB)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Pawan Agrawal Mr. Chin Chee Kee, Datuk JP (until August 1, 2023) Ms. Poh Shiow Mei (until August 1, 2023) Ms. Nguyen Thi Le Thuy (appointed w.e.f. August 1, 2023) Mr. Ngoh Choo Ann (appointed w.e.f. March 31, 2024) Mr. Sri Sargunaraj a/l Ideraju (appointed w.e.f. Aug 1, 2023 and until March 31, 2024)
REGISTERED OFFICE	Level 22, Axiata Tower, No. 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470
AUDITORS	M/s. Sundar & Associates
BANKERS	HSBC Bank Malaysia Berhad

Independent Auditors' Report

To
The Member 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 2024, 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 2024, 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.

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 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.

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 A/L ARUMUGAM
01876/02/2026J
Chartered Accountant

Dated:
Shah Alam

Statement of Financial Position

as at 31 March 2024

	Note	2024 RM	2023 RM
CURRENT ASSETS			
Cash and cash equivalents	6	5,723	14,265
Total current assets		**5,723**	**14,265**
TOTAL ASSETS		**5,723**	**14,265**
EQUITY			
Share capital	7	17,660,240	17,660,240
Accumulated losses		(17,684,537)	(17,666,395)
TOTAL EQUITY		**(24,297)**	**(6,155)**
CURRENT LIABILITIES			
Non-trade payables and accruals	8	30,020	20,420
Total current liabilities		**30,020**	**20,420**
TOTAL LIABILITIES		**30,020**	**20,420**
TOTAL EQUITY AND LIABILITIES		**5,723**	**14,265**

Statement of Comprehensive Income

for the Financial year ended 31 March 2024

	Note	2024 RM	2023 RM
Revenue		-	-
Other operating income		289	1,145
Other operating expenses		**(18,431)**	**(20,403)**
Loss before tax	9	(18,142)	(19,258)
Taxation	10	-	-
Loss for the financial year representing total comprehensive expense for the financial year		**(18,142)**	**(19,258)**

Statement of Changes In Equity

for the Financial year ended 31 March 2024

	Share Capital	Accumulated Losses	Total
	RM	RM	RM
At 01 April 2022	17,660,240	(17,647,137)	13,103
Loss for the financial year	-	(19,258)	(19,258)
At 31 March 2023 / 01 April 2023	**17,660,240**	**(17,666,395)**	**(6,155)**
Loss for the financial year	**-**	**(18,142)**	**(18,142)**
At 31 March 2024	**17,660,240**	**(17,684,537)**	**(24,297)**

Statement of Cash Flows

for the financial year ended 31 March 2024

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(18,142)	(19,258)
Adjustment for:			
Gain on foreign exchange - unrealised		(289)	(1,145)
Operating loss before working capital changes		(18,431)	(20,403)
Changes in payables		9,600	(20,414)
Net change in operating activities		**(8,831)**	**(40,817)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(8,831)**	**(40,817)**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**289**	**1,145**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		**14,265**	**53,937**
CASH AND CASH EQUIVALENTS CARRIED FORWARD	I	**5,723**	**14,265**

NOTE

I. Cash and cash equivalents

Cash and cash equivalents included in the statement above comprise the following amounts:

	2024 RM	2023 RM
Bank balance	5,723	14,265
	5,723	**14,265**

Notes to the Financial Statements
for the Financial year ended 31 March 2024

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office is located at Level 22, Axiata Tower, No. 9, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P. Kuala Lumpur.

The principal activities of the Company are distribution 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 RM18,142 for the financial year ended 31 March 2024 and as at that date, the current liabilities of the Company exceeded its current assets by RM24,297 and deficit in shareholder's equity of RM24,297. 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.

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

Notes to the Financial Statements

for the Financial year ended 31 March 2024

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.

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

Notes to the Financial Statements

for the Financial year ended 31 March 2024

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.

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

Notes to the Financial Statements

for the Financial year ended 31 March 2024

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.

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 recognised directly in equity, the related tax effect is also recognised directly in equity.

Notes to the Financial Statements

for the Financial year ended 31 March 2024

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.

I. Foreign Currency ~ Foreign Currency Transactions (Cont'd) 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 UNCERTAINTIES

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.

Notes to the Financial Statements
for the Financial year ended 31 March 2024

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.

	2024 RM	2023 RM
Bank balance	5,723	14,265

7. SHARE CAPITAL

Details	2024		2023	
	Number of Shares Unit	Amount of Shares RM	Number of Shares Unit	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

	2024 RM	2023 RM
Other payables	6,020	-
Accruals	24,000	20,420
	30,020	**20,420**

9. LOSS BEFORE TAX

Loss before tax is arrived at:

	2024 RM	2023 RM
After charging:		
- Auditors' remuneration	3,000	3,000
and crediting:		
- Gain on foreign exchange - unrealised	(289)	(1,145)

10. TAXATION

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:

	2024 RM	2023 RM
Loss before tax	(18,142)	(19,258)
Tax at Malaysian statutory tax rate of 24%	(4,354)	(4,622)
Non-deductible expenses	4,423	4,896
Non-taxable income	(69)	(274)
	-	-

Notes to the Financial Statements
for the Financial year ended 31 March 2024

Under the amendment of Income Tax Act 1967 by the Finance Act 2023 and with effect from year of assessment 2023, 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 15% on first chargeable income of RM150,000 and 17% on remaining chargeable income up to RM600,000. However, 24% corporate tax rate shall be applicable on an excess of RM600,000.

Furthermore, with effect from year of assessment 2024, the Small and Medium Enterprise Corporate Tax shall not be applicable to a company if more than 20% of its paid-up capital in respect of ordinary shares is directly or indirectly owned by one or more companies incorporated outside Malaysia or owned by one or more individuals who are not citizens of Malaysia.

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.

	2024 RM	2023 RM
Unutilised capital allowance	(7,294,877)	(7,294,877)
Unabsorbed business 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.

	2024 RM	2023 RM
REVENUE		
Revenue	-	-
NON OPERATING INCOME		
Gain on foreign exchange - unrealised	289	1,145
OTHER OPERATING EXPENSES	(18,431)	(20,403)
LOSS BEFORE TAX	**(18,142)**	**(19,258)**

	2024 RM	2023 RM
OTHER OPERATING EXPENSES		
Auditors' remuneration	3,000	3,000
Bank charges	21	4
Miscellaneous expenses	-	699
Professional charges	15,410	14,400
Tax fee	-	2,300
	18,431	**20,403**

(ZED)

ZED LIFESTYLE
PRIVATE LIMITED

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Amit Bhasin Mr. Amit Prakash Mr. Siddharth Vaya
REGISTERED OFFICE	711, Shapath V. S.G. Road, Prahlad Nagar, Ahmedabad - 380015
AUDITORS	M/s. Haribhakti & Co. LLP
BANKERS	IndusInd Bank Limited Kotak Mahindra Bank Limited

Independent Auditor's Report

To
The Members of
Zed Lifestyle Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Zed Lifestyle Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 financial statements including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "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 ("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, 2024, its profit (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 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 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 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 Board of Director's 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 the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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 these 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, 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 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, Board of Directors 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 is 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 this 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. 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 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.

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, except for use of accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled as described in para (vi) below;

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 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, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

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. 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, other than as disclosed in the notes 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 persons or entities, 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, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, 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) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and that the audit trail feature used by the company to maintain accounting transactions did not operate throughout the year for all relevant transactions recorded in the software. Since the audit trail feature was not operated throughout the year, we cannot comment on the tampering of the said feature, if any. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1 2023, reporting under 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Dhaval Pandya
Partner
Membership No.160500
UDIN: 24160500BKHJHA2567

Place: Mumbai
Date: April 25, 2024

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 Zed Lifestyle Private Limited ("the Company") on the financial statements for the year ended March 31, 2024]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the 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

(a) (B) The Company has maintained proper records showing full particulars of Intangible Assets.

(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) and 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, 2024 for holding any benami property under the Prohibition of Benami Property Transactions (Prohibition) Act, 1988 (as amended in 2016) 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, written confirmations have been obtained by the management. 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 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. The sanction letter from the bank and/or financial institutions requires the Company to submit the return on annual basis and the relevant date to submit the report falls due post signing of this report.

(iii) (a) During the year, the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to the following entities:

(₹in Lakhs)

Sr No	Particulars	Guarantees	Security	Loans	Advances in the nature of loans
1	**Aggregate amount granted / provided during the year**				
	- Subsidiaries	Nil	Nil	Nil	Nil
	- Joint Ventures	Nil	Nil	Nil	Nil
	- Associates	Nil	Nil	Nil	Nil
	- Others	Nil	Nil	5.19	Nil
2	**Balance outstanding as at March 31, 2023 in respect of above cases**				
	- Subsidiaries	Nil	Nil	Nil	Nil
	- Joint Ventures	Nil	Nil	Nil	Nil
	- Associates	Nil	Nil	Nil	Nil
	- Others – Loan to employees	Nil	Nil	8.52	Nil

(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 been stipulated and the repayments or receipts during the year are regular

(d) The aforesaid loans and interest thereon are repayable/payable on demand. As no such demand has been raised by the Company till date, reporting under clause (iii)(c) and (d) of paragraph 3 of the Order are not applicable.

(e) 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 overdues of existing loans given to the same parties.

(f) 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:

(₹in Lakhs)

Particulars	All parties	Promoters	Related Parties	Remarks
Aggregate amount of loans/ advances in nature of loan				
- Repayable on demand (A)	8.52	Nil	Nil	
- Agreement does not specify any terms or period of repayment (B)	Nil	Nil	Nil	
Total (A+B)	**8.52**	**Nil**	**Nil**	

(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 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 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.

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 transactions 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 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 subsidiaries, associates, jointly controlled entities or joint operations as defined under the Act during the year under audit as well as at the year end. Accordingly reporting under clause (ix) (e) of the Order is not applicable.

(f) The Company does not have any subsidiaries, associates, jointly controlled entities or joint operations as defined under the Act during the year under audit as well as at the year end. Accordingly reporting under clause (ix) (f) of the Order is not applicable.

(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) Though establishment of vigil mechanism is not mandated by the Act or by SEBI LODR Regulations, we have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and shared with us for reporting under this clause.

(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 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 (a) and (b) 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) (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 is not a Core Investment Company (CIC) 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.

(c) As informed by the Company, the Group to which the Company belongs has no CIC as part of the Group.

(xvii) The Company has not incurred cash losses for the current financial year. However, the Company had incurred cash losses in the immediately preceding financial year amounting to ₹75.7 Lakhs.

(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 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

Dhaval Pandya
Partner
Membership No.160500
UDIN: 24160500BKHJHA2567

Place: Mumbai
Date: April 25, 2024

Annexure 2 to the Independent Auditor’s Report

[Referred to in paragraph 2(f) 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, 2024.]

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 Zed Lifestyle Private Limited (“the Company”) as of March 31, 2024 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 Board of Directors 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, to the best of our information and according to the explanations given to us, 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, 2024, 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

Dhaval Pandya
Partner
Membership No.160500
UDIN: 24160500BKHJHA2567

Place: Mumbai
Date: April 25, 2024

Balance Sheet

as at March 31, 2024

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	3	96.56	80.30
(b) Right-of-use Assets	4	243.45	317.82
(c) Other Intangible Assets	5	1.39	2.94
		341.40	**401.06**
(d) Financial Assets	6(a)	143.70	59.12
(e) Deferred tax assets (Net)	7	254.01	370.99
(f) Other non-current assets	6(b)	-	1.19
Total Non-current Assets		**739.11**	**832.35**
Current Assets			
(a) Inventories	8	1,999.46	1,268.78
(b) Financial assets			
(i) Trade receivables	9	1,630.92	1,231.26
(ii) Cash and cash equivalents	10	61.51	64.42
(iii) Bank balances other than (ii) above	11	30.00	-
(iii) Loans	12	8.52	5.95
(c) Current tax assets (Net)	13	102.22	14.41
(d) Other current assets	14	448.86	405.11
Total Current Assets		**4,281.49**	**2,989.94**
Total Assets		**5,020.60**	**3,822.30**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1.25	1.25
(b) Other Equity	16	553.24	195.17
Total Equity		**554.49**	**196.42**
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	17	204.54	276.43
(ii) Other Financial Liabilities		-	-
(b) Provisions	23	56.33	317.55
Total Non-current Liabilities		**260.87**	**593.98**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	253.70	1,349.56
(ii) Lease Liabilities	19	71.89	61.47
(iii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		70.58	166.70
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,331.75	1,280.13
(iv) Other Financial Liabilities	21	40.73	39.64
(b) Other current liabilities	22	55.35	71.76
(c) Provisions	23	381.24	62.61
Total Current Liabilities		**4,205.24**	**3,031.87**
Total Liabilities		**4,466.11**	**3,625.85**
Total Equity and Liabilities		**5,020.60**	**3,822.27**
Material 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,
(FRN 103523W/W100048)

Dhaval Pandya
Partner
Membership No. 160500

Date: 25 April 2024
Place: Mumbai

For and on behalf of the Board of Directors of
Zed Lifestyle Private Limited

Siddharth Vaya
Director
DIN : 10534699

Date: 25 April 2024
Place: Mumbai

Amit Bhasin
Director
DIN : 05124789

Date: 25 April 2024
Place: Mumbai

Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Lakhs)

	Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
	Revenue from Operations	24	17,315.47	10,661.11
	Other income	25	9.47	30.26
I	**Total Income**		**17,324.94**	**10,691.37**
	Expenses			
	Purchase of stock-in-trade	26	7,481.22	4,488.88
	Changes in inventories of stock-in-trade	27	(730.68)	(803.58)
	Employee benefits expense	28	1,250.65	1,260.19
	Finance costs	29	134.91	92.54
	Depreciation and amortization expenses	3,4,5	113.63	80.34
	Other expenses	30	8,592.31	6,408.40
II	**Total expenses**		**16,842.03**	**11,526.78**
III	**Profit before tax(I-II)**		**482.91**	**(835.41)**
	Less: Tax expense			
	(1) Current tax	7,31	-	-
	(2) Deferred tax		(118.96)	225.30
	(3) Tax in respect of earlier years		-	-
IV	**Total Tax Expenses**		**(118.96)**	**225.30**
V	**Profit for the year (III-IV)**		**363.95**	**(610.11)**
VI	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement loss on the defined benefit plans		(7.86)	(4.21)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	- Remeasurement gain on the defined benefit plans		1.98	1.06
	Total Other Comprehensive Income		**(5.88)**	**(3.15)**
VII	**Total Comprehensive Income (IV - V)**		**358.07**	**(613.26)**
VIII	**Earnings per equity share (Face value of ₹ 10/- each)**	32		
	(1) Basic (in ₹)		2,856.79	(4,892.76)
	(2) Diluted (in ₹)			
IX	**Material 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,
(FRN 103523W/W100048)

Dhaval Pandya
Partner
Membership No. 160500

Date: 25 April 2024
Place: Mumbai

For and on behalf of the Board of Directors of
Zed Lifestyle Private Limited

Siddharth Vaya
Director
DIN : 10534699

Date: 25 April 2024
Place: Mumbai

Amit Bhasin
Director
DIN : 05124789

Date: 25 April 2024
Place: Mumbai

Statement of Cash Flow

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities		
Profit / (Loss) for the year	482.91	(835.41)
Adjustments for:		
Depreciation/Amortization	113.63	80.34
Interest Income	(3.43)	(1.37)
Interest Expense	120.10	83.32
Gratuity expenses	(7.86)	(4.21)
Amount written back	(3.23)	0.00
Profit on Sale of Assets	(0.07)	(8.98)
Operating Cash Flow before Working Capital Changes	**702.06**	**(686.30)**
Adjustment for (increase)/decrease in assets:		
Inventories	(730.68)	(803.58)
Trade Receivables	(399.66)	890.48
Other Financial Assets	(173.77)	(35.50)
Other Current assets	6.25	(327.78)
Adjustment for increase/(decrease) in liabilities:		
Trade Payables	1,958.73	(209.39)
Other Current Liabilities	41.00	171.95
Other Financial Liabilities	1.09	12.89
Employee Benefit Obligations	(0.00)	-
Cash used in operations	**1,405.01**	**(987.23)**
Taxes Paid (Net)	(50.00)	-
Net Cash generated from /(used in) Operating Activities (A)	**1,355.01**	**(987.23)**
Cash flows from investing activities		
Investment in Fixed Deposit	(30.00)	
Interest received	3.43	1.37
Payment for property, plant and equipment	(77.11)	(329.69)
Proceeds from sale of property, plant and equipment	23.19	58.61
Net Cash used in Investing Activities (B)	**(80.48)**	**(269.70)**
Cash flows from financing activities		
Proceeds from borrowings	(1,095.86)	1,228.66
Net Proceeds/(Payment) of Lease liabilities	(61.47)	157.93
Interest paid	(120.10)	(83.32)
Net Cash generated from /(used in) Financing Activities (A)	**(1,277.43)**	**1,303.27**
Net increase/(decrease) in cash and cash equivalents	**(2.91)**	**46.35**
Cash and cash equivalents at the beginning of the year	64.42	18.07
Cash and cash equivalents at the end of the year	**61.51**	**64.42**
Cash and Cash Equivalent Comprise of: (Note-10)		
Cash on Hand	7.41	1.32
Balance with Banks	54.11	63.10
	61.51	**64.42**

The Notes are an integral part of these financial statements.

As per our report of even date.
For **Haribhakti & Co. LLP**
Chartered Accountants,
(FRN 103523W/W100048)

For and on behalf of the Board of Directors of
Zed Lifestyle Private Limited

Dhaval Pandya
Partner
Membership No. 160500

Date: 25 April 2024
Place: Mumbai

Siddharth Vaya
Director
DIN : 10534699

Date: 25 April 2024
Place: Mumbai

Amit Bhasin
Director
DIN : 05124789

Date: 25 April 2024
Place: Mumbai

Statement of Changes in Equity

as at March 31, 2024

(A) EQUITY SHARE CAPITAL

1) Current reporting period

(₹ in Lakhs)

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

(₹ in Lakhs)

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

1) Current reporting period

(₹ in Lakhs)

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
Balance at the beginning of current reporting period	1,043.37	(848.21)	195.17
Total Comprehensive Income for the current year	-	358.07	358.07
Balance at the end of current reporting period	**1,043.37**	**(490.14)**	**553.24**

2) Previous reporting period

(₹ in Lakhs)

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
Balance at the beginning of 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 current reporting period	**1,043.37**	**(848.21)**	**195.17**

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,
(FRN 103523W/W100048)

Dhaval Pandya
Partner
Membership No. 160500

Date: 25 April 2024
Place: Mumbai

For and on behalf of the Board of Directors of
Zed Lifestyle Private Limited

Siddharth Vaya
Director
DIN : 10534699

Date: 25 April 2024
Place: Mumbai

Amit Bhasin
Director
DIN : 05124789

Date: 25 April 2024
Place: Mumbai

Material Accounting Policies

for the year ended March 31, 2024

Note

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 Wholly Owned Subsidiary of MARICO LIMITED.

Address of the registered office:

711, Shapath V S.G Road, Prahlad Nagar Ahmedabad, Gujarat; 380015

2 MATERIAL 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 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.

Material Accounting Policies

for the year ended March 31, 2024

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)
Plant & Machinery	15
Building	3
Computers & Data proccesing Units	3
Office Equipments	5
Furniture & Fixtures	10
Intangibles	
Tally Software	4
Website (Beardo.in)	4

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 (CGU).

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.

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 CGU) earlier.

Material Accounting Policies

for the year ended March 31, 2024

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:

Classific.ation 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 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.

Material Accounting Policies

for the year ended March 31, 2024

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.

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.

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

Material Accounting Policies
for the year ended March 31, 2024

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.

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.

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.

Material Accounting Policies
for the year ended March 31, 2024

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.

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.

Material Accounting Policies

for the year ended March 31, 2024

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. 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.

2.20 Recent Accounting Pronouncements:

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 2024.

2.21 Provisions, Contingent Liabilities and Contingent Assets:

Provident Fund: Contribution towards provident fund of employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity: Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The Gratuity scheme of the Company is a defined benefit scheme and the expense for the period is recognised based on actuarial valuation at the Balance Sheet date. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognises each period of service give rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial losses/ gains are recognised in the Profit and Loss Account in the year in which they arise

Short Term Employee Benefits: The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include performance incentive which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Other Long Term Employee Benefits: The amount of long-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include performance incentive which are expected to occur beyond twelve months after the end of the period in which the employee renders the related service.

Notes to the Financial Statements

for the year ended March 31, 2024

3. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Building	Plant and Machinery	Furniture & Fittings	Office Equipments	Motor Vehicles	Total
Deemed Cost:						
As at 31-03-2023	**4.00**	**2.24**	**83.85**	**120.07**	**12.22**	**222.38**
Additions	-	4.01	55.20	17.90	-	77.11
Disposals	-	-	22.35	25.93	6.92	55.20
As at 31-03-2024	**4.00**	**6.25**	**116.70**	**112.04**	**5.30**	**244.29**
Accumulated depreciation:						
As at 31-03-2023	**3.95**	**1.14**	**37.07**	**89.44**	**10.48**	**142.08**
Charge for the year	0.03	0.51	16.28	20.54	0.36	37.72
Disposals	-	-	2.55	23.41	6.11	32.07
As at 31-03-2024	**3.98**	**1.65**	**50.80**	**86.57**	**4.72**	**147.72**
Net book value						
As at 31-03-2023	**0.05**	**1.10**	**46.78**	**30.63**	**1.74**	**80.30**
As at 31-03-2024	**0.02**	**4.60**	**65.90**	**25.47**	**0.58**	**96.56**

(₹ in Lakhs)

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**

4. Right-of-Use Assets

(₹ in Lakhs)

Particulars	Building	Total
Deemed Cost:		
As at 31-03-2023	**394.016**	**394.016**
Additions		-
Disposals		-
As at 31-03-2024	**394.02**	**394.02**

Notes to the Financial Statements
for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Building	Total
Accumulated depreciation:		
As at 31-03-2023	**76.20**	**76.20**
Charge for the year	74.36	74.36
Disposals		-
As at 31-03-2024	**150.56**	**150.56**
Net book value		
As at 31-03-2023	**317.82**	**317.82**
As at 31-03-2024	**243.45**	**243.45**

(₹ in Lakhs)

Particulars	Building	Total
Deemed Cost:		
As at 31-03-2022	**233.79**	**233.79**
Additions	257.86	257.86
Disposals	97.63	97.63
As at 31-03-2023	**394.02**	**394.02**
Accumulated depreciation:		
As at 31-03-2022	**74.05**	**74.05**
Charge for the year	50.15	50.15
Disposals	48.00	48.00
As at 31-03-2023	**76.20**	**76.20**
Net book value		
As at 31-03-2022	**159.74**	**159.74**
As at 31-03-2023	**317.82**	**317.82**

5. Intangible Assets

(₹ in Lakhs)

Particulars	Application Software	Trademarks and licenses	Total
Cost:			
As at 31-03-2023	**13.67**	**10.24**	**23.91**
Additions	-	-	-
Disposals	-	-	-
As at 31-03-2024	**13.67**	**10.24**	**23.91**
Accumulated amortization:			
As at 31-03-2023	**11.13**	**9.84**	**20.97**
Charge for the year	1.33	0.21	1.55
Disposals	-	-	-
As at 31-03-2024	**12.47**	**10.05**	**22.52**
Net book value			
As at 31-03-2023	**2.53**	**0.41**	**2.94**
As at 31-03-2024	**1.20**	**0.19**	**1.39**

Notes to the Financial Statements

for the year ended March 31, 2024

(₹ in Lakhs)

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**

6(a). Other financial assets

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits	144.08	59.50
Less : ECL Provision for Security Deposit	(0.39)	(0.39)
Total	**143.70**	**59.12**

6(b). Other Non Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid Expenses - Non Current	-	1.19
Total	**-**	**1.19**

7. Deferred tax assets (Net)

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets		
On account of property, plant and equipment	15.85	13.51
On account of Income tax losses	53.62	326.72
On account of other timing differences	184.53	30.75
Total	**254.01**	**370.99**

The Company has recognised deferred tax assets on carried forward tax losses which can be carried forward as per Income Tax Act for 8 years. The Company estimates that the deferred tax assets will be recoverable against the future taxable income based on the current year's business performance and future plans.

Notes to the Financial Statements

for the year ended March 31, 2024

Movement of deferred tax asset as at March 31, 2024

(₹ in Lakhs)

Particulars	Opening Balance	Recognized in Profit & Loss	Closing Balance
Deferred tax assets:			
Unabsorbed depreciation	12.63	12.74	25.37
Business loss carry forwards	314.09	(285.84)	28.25
Expenses deductible in future years:		-	-
- Provisions, allowances for doubtful receivables and others	12.07	145.30	157.37
- Defined benefit obligations	11.86	5.65	17.51
Property, plant and equipment	13.51	2.34	15.85
Others	6.82	2.83	9.65
Total	**370.99**	**(116.98)**	**254.01**

Movement of deferred tax asset as at March 31, 2023

(₹ in Lakhs)

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**

8. Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Packing Materials	256.09	193.90
Stock-in-trade	1,743.37	1,074.88
Total	**1,999.46**	**1,268.78**

Notes to the Financial Statements

for the year ended March 31, 2024

9. Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Undisputed - Considered good	1,625.52	1,227.71
Undisputed - Considered good from Related Parties (Refer Note No. 33)	5.40	3.54
Undisputed - Considered doubtful	15.54	47.96
Disputed - Considered good	-	-
Disputed - Considered doubtful	609.74	-
Less:		
Allowance for doubtful debts	(625.29)	(47.96)
Total	**1,630.92**	**1,231.25**

Trade receivable ageing schedule as on March 31, 2024

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivable							
- considered good	743.61	877.47	9.84	-	-	-	1,630.92
- considered doubtful			10.37	5.17	-	-	15.54
Disputed trade receivable							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	-	609.74	-	-	609.74
Less:							
Allowances for Bad Debts			(10.37)	(614.91)			(625.29)
Total	**743.61**	**877.47**	**9.84**	**-**	**-**	**-**	**1,630.92**

Trade receivable ageing schedule as on March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivable							
- considered good	534.09	662.74	1.07	26.77	6.19	0.40	1,231.26
- considered doubtful	-	-	47.96	-	-	-	47.96
Disputed trade receivable							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-		-	-	-	-
Less:							
Allowances for Bad Debts			(47.96)				(47.96)
Total	**534.09**	**662.74**	**1.07**	**26.77**	**6.19**	**0.40**	**1,231.26**

Notes to the Financial Statements
for the year ended March 31, 2024

10. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with Banks		
Cash on hand	7.41	1.32
In Current Accounts	54.11	63.10
Total	**61.51**	**64.42**

11. Bank balances other than (ii) above

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with Banks with original maturity period more than 3 months but less than 12 months	30	-
Total	**30**	**-**

12. Loans

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Loan to Employees repayable on demand		
Unsecured - Considered good	8.52	5.95
Total	**8.52**	**5.95**

13. Current tax assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance payments of tax (net of provision for tax ₹ Nil; PY: ₹ Nil)	102.22	14.41
Total	**102.22**	**14.41**

14. Other current assets

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance to Suppliers	150.89	98.81
Employee Receivables	0.97	1.51
Prepaid Expenses	78.48	76.48
Balance with Government authority	217.88	228.32
Interest Receivable	0.64	-
Total	**448.86**	**405.11**

Notes to the Financial Statements

for the year ended March 31, 2024

15. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
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, 2024: 12,534)(as at March 31, 2023: 12,534)	1.25	1.25
	1.25	**1.25**

15.1 Fully paid equity shares

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
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

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	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%**

15.3 Shares held by Promoters at the end of the year

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of 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 March 31, 2024

16. Other equity

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium		
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**
Retained earnings		
Balance at beginning of year	(848.21)	(234.95)
Profit attributable to owners of the Company	358.07	(613.26)
Balance at end of the year	**(490.14)**	**(848.21)**
Total	**553.24**	**195.17**

17. Non-current Lease Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liablity	204.54	276.43
Total	**204.54**	**276.43**

18. Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured from Banks:		
Bank Overdraft	253.70	1,349.56
(Bank overdraft is taken from Kotak Mahindra Bank [Current Rate of Interest: 9.05%] is secured by Corporate guarantee by Marico limited and IndusInd Bank [Current Rate of Interest: 8.55%] is secured by security of current assets of the company & corporate guarantee given by Marico Limited)		
Total	**253.70**	**1,349.56**

19. Current Lease Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liablity	71.89	61.47
Total	**71.89**	**61.47**

Notes to the Financial Statements
for the year ended March 31, 2024

20. Trade payables

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Undisputed dues MSME (Refer Note below)	70.58	166.70
Undisputed dues others	2,225.74	983.52
Undisputed dues related parties (Refer Note No. 33)	1,106.01	296.60
Total	**3,402.326**	**1,446.82**

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.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount due to any supplier as at the year end		
- Principal	70.58	166.70
- 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	-	-

Trade payable ageing schedule as on March 31, 2024

(₹ in Lakhs)

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	9.92	56.76	2.51	1.39	-	70.58
- others	2,002.43	204.70	12.40	6.22	-	2,225.74
- related parties	299.79	323.03	483.17	-	-	1,106.00
Disputed trade payable						
- MSME	-	-	-	-	-	-
- others	-	-	-	-	-	-
- related parties	-	-	-	-	-	-
Total	**2,312.14**	**584.48**	**498.09**	**7.61**	**-**	**3,402.33**

Notes to the Financial Statements

for the year ended March 31, 2024

Trade payable ageing schedule as on March 31, 2023

(₹ in Lakhs)

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	391.91	579.55	2.48	6.07	3.51	983.52
- related parties	232.06	64.54	-	-	-	296.60
Disputed trade payable						
- MSME	-	-	-	-	-	-
- others	-	-	-	-	-	-
- related parties	-	-	-	-	-	-
Total	**761.88**	**671.28**	**3.64**	**6.07**	**3.95**	**1,446.82**

21. Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Salaries and other benefits payable to employees	31.23	39.64
Security Deposit Received	9.50	-
Total	**40.73**	**39.64**

22. Other current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Other Payables		
Advance from Customers	11.36	29.36
Statutory dues	43.99	42.40
Total	**55.35**	**71.76**

23. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non Current		
Gratuity [refer note (i) and (a)]	56.33	317.55
Total Non current provisions	**56.33**	**317.55**
Current		
Others	381.24	62.61
Total current provisions	**381.24**	**62.61**

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 Act, 2013:

Notes to the Financial Statements
for the year ended March 31, 2024

Note (i)

The company provides for gratuity for employees, wherever applicable. Amount of gratuity payable on retirement/termination is computed basis the Acturial Report. The gratuity plan is unfunded.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	**380.17**	**237.39**
Add: Additional provision recognised	116.10	286.14
Less: Amount used during the year	58.69	143.36
Balance as at the end of the year	**437.58**	**380.17**

(a) Balance sheet amounts - Gratuity

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
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-23	01-Apr-22
Date of Reporting	31-Mar-24	31-Mar-23
Period of Reporting	12 Months	12 Months

Assumptions (Current Period)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.20%	5.66%
Rate of Salary Increase	13.00%	7.00%
Rate of Employee Turnover	28.75%	25.00%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

Assumptions (Previous Period)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	7.14%	7.20%
Rate of Salary Increase	13.00%	13.00%
Rate of Employee Turnover	28.75%	28.75%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

Notes to the Financial Statements
for the year ended March 31, 2024

Table Showing Change in the Present Value of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present Value of Benefit Obligation at the Beginning of Period	**47.12**	**35.69**
Interest Cost	3.39	2.02
Current Service Cost	13.40	12.00
(Benefit Paid Directly by the Employer)	(2.20)	(6.80)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	(2.03)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.14	6.23
Actuarial (Gains)/Losses on Obligations - Due to Experience	7.72	(0.00)
Present Value of Benefit Obligation at the End of Period	**69.56**	**47.12**

Amount Recognized in the Balance Sheet

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(Present Value of Benefit Obligation at the end of the Period)	69.56	47.12
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	69.56	47.12
Net (Liability)/Asset Recognized in the Balance Sheet	**69.56**	**47.12**

Net Interest Cost for Current Period

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present Value of Benefit Obligation at the Beginning of the Period	47.12	35.69
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	**47.12**	**35.69**
Interest Cost	3.39	2.02
(Interest Income)	-	-
Net Interest Cost for Current Period	**3.39**	**2.02**

Expenses Recognized in the Statement of Profit or Loss for Current Period

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Service Cost	13.40	12.00
Net Interest Cost	3.39	2.02
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	**16.79**	**14.02**

Notes to the Financial Statements
for the year ended March 31, 2024

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Actuarial (Gains)/Losses on Obligation For the Period	7.86	4.21
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	**7.86**	**4.21**

Balance Sheet Reconciliation

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Net Liability	**47.12**	**35.69**
Expenses Recognized in Statement of Profit or Loss	16.79	14.02
Expenses Recognized in OCI	7.86	4.21
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	(2.20)	(6.80)
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	**69.56**	**47.12**

Other Details

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
No of Members in Service	177	141
Per Month Salary For Members in Service	50.71	43.71
Weighted Average Duration of the Defined Benefit Obligation	5	5
Average Expected Future Service	2	2
Defined Benefit Obligation (DBO) - Total	69.56	47.12
Defined Benefit Obligation (DBO) - Due but Not Paid	-	-
Expected Contribution in the Next Year	-	-

Net Interest Cost for Next Year

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present Value of Benefit Obligation at the End of the Period	69.56	47.12
(Fair Value of Plan Assets at the End of the Period)	-	-
Net Liability/(Asset) at the End of the Period	**69.56**	**47.12**
Interest Cost	4.97	3.39
(Interest Income)	-	-
Net Interest Cost for Next Year	**4.97**	**3.39**

Notes to the Financial Statements
for the year ended March 31, 2024

Expenses Recognized in the Statement of Profit or Loss for Next Year

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Service Cost	16.15	13.40
Net Interest Cost	4.97	3.39
(Expected Contributions by the Employees)	-	-
Expenses Recognized	**21.11**	**16.79**

Maturity Analysis of the Benefit Payments

(₹ in Lakhs)

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2024	As at March 31, 2023
1st Following Year	13.22	6.43
2nd Following Year	11.35	8.77
3rd Following Year	10.63	7.57
4th Following Year	10.56	7.03
5th Following Year	9.26	6.71
Sum of Years 6 To 10	25.20	18.26
Sum of Years 11 and above	11.63	8.69

Sensitivity Analysis

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Defined Benefit Obligation on Current Assumptions	**69.56**	**47.12**
Delta Effect of +1% Change in Rate of Discounting	(2.22)	(1.60)
Delta Effect of -1% Change in Rate of Discounting	2.39	1.73
Delta Effect of +1% Change in Rate of Salary Increase	2.19	1.60
Delta Effect of -1% Change in Rate of Salary Increase	(2.10)	(1.53)
Delta Effect of +1% Change in Rate of Employee Turnover	(1.06)	(0.87)
Delta Effect of -1% Change in Rate of Employee Turnover	1.11	0.91

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 to the Financial Statements

for the year ended March 31, 2024

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.

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. Gratuity is paid from entity as and when it becomes due and is paid as per entity scheme for Gratuity.

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 March 31, 2024

24. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of Products	17,315.47	10,661.11
Total	**17,315.47**	**10,661.11**

25. Other Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest Income	3.43	1.37
Royalty Income	0.01	10.47
Cashback Income	0.01	0.38
Written Back Account	3.23	0.0
Reimbursement on COD Returns (Net off commission)	2.27	8.78
Profit on Sale of Assets	0.07	8.98
Other Misc Income	0.46	0.28
Total	**9.47**	**30.26**

26. Purchases of Stock-in-trade

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Purchase of Goods	7,144.85	4,359.00
Other Direct Expenses	336.37	129.89
Total	**7,481.22**	**4,488.88**

27. Changes in inventories of Stock-in-trade

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Stock at the beginning of the year	1,268.78	465.21
Stock at the end of the year	1,999.46	1,268.78
Total	**(730.68)**	**(803.58)**

28. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and Wages	1,186.30	1,207.99
Gratuity Expense (Refer Note No 23 (a))	16.79	14.02
Contribution to provident and other funds	28.59	26.05
Staff Welfare Expenses	18.97	12.14
Total	**1,250.65**	**1,260.19**

Notes to the Financial Statements

for the year ended March 31, 2024

29. Finance costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest Expenses	92.15	62.79
Bank Charges	6.25	2.68
Commission on Corporate Guarantee	8.56	6.54
Other Finance Costs	0.00	-
Interest on Lease Liability	27.96	20.52
Total	**134.91**	**92.54**

30. Other expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Advertisement and sales promotion	4,389.65	4,130.40
Conferences & Meeting Expenses	78.23	47.18
Customer Service Expenses	36.58	56.33
Freight, forwarding and distribution expenses	2,086.23	1,215.80
Insurance Charges	47.78	17.55
Legal & Professional Charges	587.14	518.28
Provision for Doubtful Debts	577.33	43.30
Bad and Doubtful Debts	62.06	-
Rent and storage charges	195.13	15.65
Sales Commission Expenses	77.68	-
Software Expenses	109.01	84.04
Travelling, conveyance and vehicle expenses	223.31	210.56
Misc Expenses (Refer Note (i) below	122.18	69.29
Total	**8,592.31**	**6,408.40**

(i) Miscellaneous expense includes payment gateway charges, repairs & maintance, printing and stationery, rates and taxes, and other expenses.

Payment to Auditors (Net of Goods & Service Tax)

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
As Auditor:		
Statutory Audit Fees	6.74	5.67
Limited Review Fees	1.55	1.55
Total	**8.29**	**7.22**

Notes to the Financial Statements

for the year ended March 31, 2024

31. Income tax recognised in profit or loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a. Income tax expenses		
Current tax on profits for the year	-	-
Deferred tax charge/(credit)	116.98	(226.36)
Total income tax expenses during the year recognised in profit or loss	**116.98**	**(226.36)**
b. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before tax (a)	482.91	(835.41)
Income tax rate as applicable (b)	25.17%	25.17%
Calculated taxes based on above without any adjustment for deductions [(a) * (b)]	**121.54**	**(210.26)**
Others	(2.58)	(15.04)
Income tax expense for the current year recognised in profit or loss	**118.96**	**(225.30)**

32. Disclosure pursuant to Indian Accounting Standard (Ind AS) - 33: Earnings Per Share

(₹ in Lakhs)

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Profit/(Loss) after Tax	A	358	(613)
Weighted Average number of Equity Shares	B	12,534	12,534
Nominal Value Per Share (₹)	C	10.00	10.00
Basic and diluted Earning /(loss) per share (₹)	D = A/B	2,857	(4,893)

33. 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 - CEO & Director
b) Key Management Personnel	Siddharth Vaya - Director (w.e.f. 6th March, 2024)
c) Key Management Personnel	Amit Prakash - Director
d) Key Management Personnel	Amit Bhasin - Director
e) Holding Company	Marico Limited
f) Fellow Subsidiary	Marico Bangladesh Limited
g) Fellow Subsidiary	Marico Innovation Foundation
h) Fellow Subsidiary	Marico Middle East FZE

Notes to the Financial Statements

for the year ended March 31, 2024

Year ended on 31st March 2024

(₹ in Lakhs)

Particulars	Holding Company	Fellow Subsidiary	Key Management personnel	Total
Transactions:				
Sale of Goods	441.70	21.67	-	463.37
Purchase of Goods	40.47			40.47
Intra group service arrangement	596.25	-	-	596.25
Commission on Corporate Gaurantee	8.56	-	-	8.56
Balances:				
Trade receivable	-	5.40	-	5.40
Trade payables	1,106.01	-	-	1,106.01

Year ended on 31st March 2023

(₹ in Lakhs)

Particulars	Holding Company	Fellow Subsidiary	Key Management personnel	Total
Transactions:				
Intra group service arrangement	567.01	-	-	567.01
Sale of Goods	1,611.73	5.54	-	1,617.26
Corporate Guarantee taken	3,000.00	-	-	3,000.00
Commission on Corporate Gaurantee	6.50	-	-	6.50
Balances:				
Trade receivable	-	3.54	-	3.54
Trade payables	296.60	-	-	296.60

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.

34. Financial instruments and Risk management

34.1 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.

Notes to the Financial Statements

for the year ended March 31, 2024

34.2 Categories of financial instruments

The following table provides categorisation of all financial instruments at carrying value.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets		
(a) Measured at amortised cost		
(a) Cash and cash equivalent	61.51	64.42
(b) Bank balance other than (a) above	30.00	-
(c) Trade receivables	1,630.92	1,231.26
(d) Current Investment	-	-
(e) Loans	8.52	5.95
Total Financial Assets	**1,730.95**	**1,301.63**
Financial liabilities		
(a) Measured at amortised cost		
(a) Borrowings	253.70	1,349.56
(b) Trade payables	3,402.33	1,446.83
(c) Other financial liabilities	40.73	39.64
(d) Lease Liability	276.43	337.89
Total Financial Liabilities	**3,973.18**	**3,173.93**

34.3 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.

34.3.1 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.

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	31st March, 2024		31st March, 2023	
		Hedged	Unhedged	Hedged	Unhedged
Trade Payable	USD	-	-	-	-
Trade Recievable	USD	-	38,807	-	65,202

B. Foreign currency sensitivity analysis

The Company's exposure to Foreign Currency changes for all currencies is not material.

Notes to the Financial Statements

for the year ended March 31, 2024

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.

34.3.2 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.

35 (1). 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).

(2). 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.

36. The Figures of the previous year have been regrouped/reclassified wherever necessary.

37. Ratios

(₹ in Lakhs)

No.	Particulars	Basis	As at March 31, 2024	As at March 31, 2023	Variance %	Reason for variation
a)	**Current Ratio**	times	1.02	0.99	3%	
	Current Assets					
	/ Current Liabilities					
b)	**Debt-Equity Ratio**	times	0.46	6.87	-93%	Part of borrowings repaid during the year out of cash generated from Operations
	Total Borrowings					
	/ Shareholders' Funds					
	(Share Capital + Reserves & surplus)					

Notes to the Financial Statements

for the year ended March 31, 2024

(₹ in Lakhs)

No.	Particulars	Basis	As at March 31, 2024	As at March 31, 2023	Variance %	Reason for variation
c)	**Debt Service Coverage Ratio**	times	4.03	(5.39)	-175%	Part of borrowings repaid during the year out of cash generated from Operations & Profit made for the year as compared to losses in FY23
	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. / Debt service = Interest & Lease Payments + Principal Repayments					
d)	**Return on Equity Ratio**	%	97%	-121%	-180%	Profits in current FY as compared to loss in PY due to higher scale of business
	Net profit after tax					
	/ Average Shareholders' Funds (opening + closing)/2)					
e)	**Inventory Turnover Ratio**	times	4.13	4.25	-3%	
	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					
f)	**Trade Receivables Turnover Ratio**	days	30	57	-47%	Better turnaround of receivables along with Higher Revenue during the year
	Average Trade Receivable = (Opening Trade Receivable + Closing Trade Receivable)/2					
	/Revenue from Operations *365					
g)	**Trade Payables Turnover Ratio**	days	118	126	-6%	
	Cost of materials consumed + purchase of stock-in-trade					
	/ Average Trade Payable = (Opening Trade Payable + Closing Trade Payable)/2					
h)	**Net Capital Turnover Ratio**	times	227.09	-254.25	-189%	Revenue growth compared to FY23 & Positive working capital as on 31/3/24 due to repayment of loan
	Revenue from Operations					
	/ Working Capital = Currnet Assets - Current Liabilities					
i)	**Net Profit Ratio**	%	2%	-6%	-137%	Profits in current FY as compared to loss in PY due to higher scale of business
	Net profit after tax		364	(610)		
	/ Revenue from Operations		17,315	10,661		
j)	**Return on Capital Employed**	%	76%	-48%	-259%	Profits in current FY as compared to loss in PY due to higher scale of business
	Earnings before Interest & Taxes					
	/ Capital Employed = Shareholders' Funds + Total debt + deferred tax liability					
k)	**Return on Investment.**	%	NA	NA		
	As per guidance note issued by ICAI, this ratio is applicable to public limited company only.					

Notes to the Financial Statements

for the year ended March 31, 2024

38 (1). The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(2) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(3) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

(4) 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.

(5) 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.

(6) The company has not given any loans or Advances in the nature of loans to directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person.

(7) The Company does not have any such transaction which is not recorded in the books of accounts and 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).

(8) There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

(9) The Company is not declared as wilful defaulter by any bank or financial Institution or other lender

(10) The Company does not have any relationship with struck off companies.

As per our report of even date.
For **Haribhakti & Co. LLP**
Chartered Accountants,
(FRN 103523W/W100048)

Dhaval Pandya
Partner
Membership No. 160500

Date: 25 April 2024
Place: Mumbai

For and on behalf of the Board of Directors of
Zed Lifestyle Private Limited

Siddharth Vaya
Director
DIN : 10534699

Date: 25 April 2024
Place: Mumbai

Amit Bhasin
Director
DIN : 05124789

Date: 25 April 2024
Place: Mumbai

(ANPL)

APCOS NATURALS PRIVATE LIMITED

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Arush Chopra Ms. Megha Sabhlok Mr. Koteshwar L N Mr. Amit Bhasin Mr. Aashish Agarwal
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, 2024, 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 material 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, 2024, 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. The other information is expected to be made available to us after the date of audit report.

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 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 financial controls 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 an adequate internal financial controls system 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 the 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.

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 except for the matters stated in paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow 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.

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 B".

g) With respect to the other matters 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 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 did not have any pending litigations as at March 31, 2024.

(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, 2024.

(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) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has the feature of recording audit trail (edit log) facility and the same has operated with effect from April 3, 2023 onwards for all relevant transactions recorded in the software, as described in note no. 50 to the financial statements.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of this software.

As proviso to Rule3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 000756N/N500441

Jalaj Soni
Partner
Membership number: 528799
UDIN: 24528799BKDIBX9911

Place: New Delhi
Date: 29-04-2024

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) The Company has a regular programme of physical verification of its property, plant and equipment once in three years which in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with this programme, the property, plant and equipment is physically verified by the management during the year ended on March 31, 2024.

(c) The Company does not own any immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favor of the lessee) as disclosed notes 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.

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 of tax deducted at source and equalization levy. 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 except in case of labour welfare fund remaining unpaid amounting to ₹ 0.25 lakhs for the period of September'22 to March'23.

(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 on 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 willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us, the Company has not taken any term loans during the year.

(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.

(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 whistleblower 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 Indian 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 relates to Section 177 is not applicable to the Company.

xiv. In our opinion and according to the information and explanations given to us, the 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 ₹ 543.98 lakhs in the financial year and had incurred cash losses of INR 1,418.69 lakhs in the preceding financial year.

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 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 & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 000756N/N500441

Jalaj Soni
Partner
Membership number: 528799
UDIN: 24528799BKDIBX9911

Place: New Delhi
Date: 29-04-2024

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' of our report to the Members of Apcos Naturals Private Limited of even date)

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 Apcos Naturals Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion the company has maintained, 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, 2024 based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note').

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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "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 the 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.

Auditor's 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, both issued by 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 control 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 qualified 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over financial reporting, 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 control 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.

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 000756N/N500441

Jalaj Soni
Partner
Membership number: 528799
UDIN: 24528799BKDIBX9911

Place: New Delhi
Date: 29-04-2024

Balance Sheet as at March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2	377.89	183.27
Intangible assets	3	1.30	2.56
Right-of-use assets	4	97.20	142.58
Other financial assets	5	8.76	7.24
Deferred tax assets (net)	6	752.04	565.71
Other non-current assets	7	2.50	-
Total non-current assets		**1,239.69**	**901.36**
Inventories	8	1,009.41	854.69
Financial assets			
(i) Trade receivables	9	2,417.18	626.72
(ii) Cash and cash equivalents	10	152.01	403.03
(iii) Bank balances other than cash & cash equivalents	11	95.07	807.11
(iv) Other financial assets	12	5.05	21.15
Current tax assets (net)	13	14.40	15.88
Other current assets	14	41.98	258.87
Total current assets		**3,735.10**	**2,987.45**
TOTAL ASSETS		**4,974.80**	**3,888.81**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1.92	1.92
Other equity	16	1,080.46	1,781.34
Total equity		**1,082.39**	**1,783.26**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17(a)	1.82	5.95
(ii) Lease liabilities	18 (a)	78.37	101.75
Employee benefit obligations	19	103.95	43.14
Total non-current liabilities		**184.14**	**150.84**
Current liabilities			
Financial liabilities			
(i) Borrowings	17(b)	681.56	349.90
(ii) Lease liabilities	18 (b)	31.51	54.51
(iii) Trade payables	20		
- dues of micro enterprises and small enterprises		512.87	163.88
- dues of creditors other than micro enterprises and small enterprises		2,150.20	1,096.05
(iv) Other financial liabilities	21	142.21	65.16
Other current liabilities	22	155.62	163.62
Provisions	23	20.00	25.00
Employee benefit obligations	19	14.30	36.59
Total current liabilities		**3,708.27**	**1,954.71**
Total liabilities		**3,892.41**	**2,105.55**
TOTAL EQUITY AND LIABILITIES		**4,974.80**	**3,888.81**
Summary of material accounting policies	1.2		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached
For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm registration number: 000756N/N500441

Jalaj Soni
Partner
Membership number: 528799

Place: New Delhi
Date: April 29, 2024

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: April 29, 2024

Megha Sabhlok
Director
DIN: 08282396

Place: Mohali, Punjab
Date: April 29, 2024

Statement of Profit & Loss for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	24	9,603.28	5,924.69
Other income	25	15.38	19.10
Total income (I)		**9,618.66**	**5,943.79**
Expenses			
Cost of material consumed	26	1,764.63	1,557.87
Purchase of stock-in-trade	27	720.31	376.57
Changes in inventories of finished goods, work-in progress and traded goods	28	(101.46)	(327.73)
Employee benefits expense	29	956.77	664.75
Finance costs	30	85.11	43.81
Depreciation and amortisation expense	31	100.07	78.13
Other expenses	32	6,976.16	5,066.73
Total expenses (II)		**10,501.59**	**7,460.13**
Loss before tax (III = II - I)		**(882.93)**	**(1,516.34)**
Tax expense			
Current tax expense		-	-
Deferred tax expense/(credit)	6	(185.26)	(365.13)
Total tax expense (IV)		**(185.26)**	**(365.13)**
Loss for the year (V= III-IV)		**(697.67)**	**(1,151.20)**
Other comprehensive income/(loss)			
i) Items that will not be subsequently reclassified to profit or loss			
a.) remeasurements of the defined benefit liabilities		(4.29)	9.19
b.) income tax relating to items that will not be reclassified to profit or loss	6	1.08	(2.31)
Total other comprehensive income /(loss) for the year (VI)		**(3.21)**	**6.88**
Total comprehensive income / (loss) for the year (VII = V+VI)		**(700.89)**	**(1,144.32)**
Earning / (loss) per equity share	37		
Basic loss per share (In ₹)		(0.04)	(0.06)
Diluted loss per share (In ₹)		(0.04)	(0.06)
Summary of material accounting policies	1.2		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached
For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm registration number: 000756N/N500441

Jalaj Soni
Partner
Membership number: 528799

Place: New Delhi
Date: April 29, 2024

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: April 29, 2024

Megha Sabhlok
Director
DIN: 08282396

Place: Mohali, Punjab
Date: April 29, 2024

Statement of Cash Flows for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

Particulars	For the year ended on March 31, 2024	For the year ended on March 31, 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(882.93)	(1,516.34)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	98.80	76.93
Amortization of intangible assets	1.26	1.20
Int received on income tax refund	-	(0.19)
Unrealized foreign exchange (gain) / loss (net)	-	(1.17)
Provision for doubtful debts	12.57	-
Bad debts recovered	(1.30)	
Bad debts	4.45	3.38
Remeasurement gains/ (losses) on defined benefit plans	(4.29)	9.19
Interest income	(12.87)	(18.09)
Finance costs	26.47	34.44
Loss on sale of property, plant and equipment's (net)	0.19	-
Liabilities no longer required written back	(0.40)	(0.34)
Operating Profit/(loss) before working capital changes	**(758.05)**	**(1,411.00)**
Movement in working capital		
(Increase)/ decrease in trade receivables	(1,806.17)	(97.63)
(Increase)/ decrease in other financial assets	(2.12)	(2.86)
(Increase)/ decrease in inventories	(154.72)	(526.72)
(Increase)/ decrease in other assets	216.89	(47.48)
Increase/ (decrease) in trade payables	1,403.54	644.02
Increase/ (decrease) in other financial liabilities	13.44	23.20
Increase/ (decrease) in provisions	(5.00)	5.00
Increase/ (decrease) in employee benefit obligations	38.52	17.16
Increase/ (decrease) in other liability	(8.00)	114.92
Cash used from operations	**(1,061.67)**	**(1,281.39)**
Income tax (paid)/refunds (net)	1.48	(7.17)
Net cash used in operating activities (A)	**(1,060.19)**	**(1,288.56)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment & intangible assets	(172.60)	(165.66)
Proceeds from sale of property, plant and equipment	0.88	0.08
Interest income received	29.56	(0.07)
Movemnet in bank deposits (net)	712.04	(300.70)
Net cash flow generated from / (used in) investing activities (B)	**569.88**	**(466.35)**

Statement of Cash Flows for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

Particulars	For the year ended on March 31, 2024	For the year ended on March 31, 2023
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	0.30
Securities premium received	-	1,998.88
Loan from holding company	300.00	-
Repayment of borrowings	(4.06)	(2.42)
Payment of lease liabilities including interest thereon	(59.18)	(45.20)
Payment of interest on lease liabilities	(13.23)	(13.89)
Interest paid	(15.82)	(17.93)
Net cash flow generated from / (used in) financing activities (C)	**207.71**	**1,919.76**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(282.60)**	**164.84**
Cash and cash equivalents at the beginning of the year (Refer note below)	57.19	(107.58)
Cash and cash equivalents at the end of the year (Refer note below)	**(225.41)**	**57.25**

Notes :-

For the purpose of the statement of cash flows, cash and cash equivalent comprises the followings:

Particulars	For the year ended on March 31, 2024	For the year ended on March 31, 2023
Cash and cash equivalents		
Balances with banks:		
On current accounts (Refer note 10)	150.60	402.82
Cash on hand (Refer note 10)	1.41	0.21
Cash credit from banks (Refer note 17 b)	(377.43)	(345.84)
	(225.41)	**57.19**

As per our report of even date attached
For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm registration number: 000756N/N500441

Jalaj Soni
Partner
Membership number: 528799

Place: New Delhi
Date: April 29, 2024

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: April 29, 2024

Megha Sabhlok
Director
DIN: 08282396

Place: Mohali, Punjab
Date: April 29, 2024

Statement of Changes in equity for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

A. Equity share capital

(a) Equity share capital as at March 31, 2024

Particulars	Notes	Balance as at April 01, 2023	Changes during the year	Balance as at March 31, 2024
Equity shares of ₹ 10 each issued, subscribed and fully paid-up	15	1.92	-	1.92

(b) Equity share capital as at March 31, 2023

Particulars	Notes	Balance as at April 01, 2022	Changes during the year	Balance as at March 31, 2023
Equity shares of ₹ 10 each issued, subscribed and fully paid-up	15	1.62	0.30	1.92

B. Other equity

Particulars	Notes	Reserves and surplus		Total other equity
		Securities premium	Retained earnings	
Balance as at April 01, 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, net of transaction cost		1,998.88	-	1,998.88
Balance as at March 31, 2023	16	**3,884.35**	**(2,103.01)**	**1,781.34**
Loss for the year transferred from the statement of profit or loss		-	(697.67)	(697.67)
Other comprehensive loss for the year (net of income tax)		-	(3.21)	(3.21)
Total comprehensive income/(loss)		**-**	**(700.89)**	**(700.89)**
Issue of equity shares, net of transaction cost		-	-	-
Balance as at March 31, 2024		**3,884.35**	**(2,803.89)**	**1,080.45**

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 material accounting policies 1.2

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

As per our report of even date attached
For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm registration number: 000756N/N500441

For and on behalf of the Board of Directors of
APCOS Naturals Private Limited
CIN: U74999PB2018PTC048652

Jalaj Soni
Partner
Membership number: 528799

Arush Chopra
Director
DIN: 08282394

Megha Sabhlok
Director
DIN: 08282396

Place: New Delhi
Date: April 29, 2024

Place: Mohali, Punjab
Date: April 29, 2024

Place: Mohali, Punjab
Date: April 29, 2024

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

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, 2024 were approved for issue in accordance with the resolution of the Board of Directors on April 29, 2024.

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:

- 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.

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 ₹ 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.

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

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.

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

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise 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 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 statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

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:

Assets	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.

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.

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

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 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

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

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 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 thatdo 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.

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

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 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.

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

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

(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.

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.

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

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 statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

2. Property, plant and equipment

Particulars	Computers	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Total
Gross carrying amount						
As at April 01, 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**
Additions	2.66	25.63	206.36	1.65	-	236.30
Disposals	(0.19)	(0.94)	(0.45)	(1.62)	-	(3.20)
As at March 31, 2024	**29.69**	**157.87**	**246.08**	**26.46**	**23.28**	**483.38**
Accumulated depreciation						
As at April 01, 2022	**7.63**	**10.43**	**15.87**	**8.62**	**4.54**	**47.09**
Depreciation for the year	7.09	11.23	2.78	3.50	2.76	27.36
Disposals	(0.46)	-	(6.98)	-	-	(7.44)
As at March 31, 2023	**14.26**	**21.66**	**11.67**	**12.12**	**7.30**	**67.01**
Depreciation for the year	7.34	14.11	12.42	3.97	2.77	40.61
Disposals	(0.19)	(0.60)	(0.35)	(0.99)	-	(2.13)
As at March 31, 2024	**21.41**	**35.17**	**23.74**	**15.10**	**10.07**	**105.49**
Net Carrying value (as at March 31, 2023)	**12.96**	**111.52**	**28.50**	**14.31**	**15.98**	**183.27**
Net Carrying value (as at March 31, 2024)	**8.28**	**122.70**	**222.34**	**11.36**	**13.21**	**377.89**

3. Intangible assets

Particulars	Computer software	Total
Gross carrying amount		
As at April 01, 2022	**2.68**	**2.68**
Additions	1.36	1.36
Disposals		-
As at March 31, 2023	**4.04**	**4.04**
Additions	-	-
Disposals	-	-
As at March 31, 2024	**4.04**	**4.04**
Accumulated amortisation		
As at April 01, 2022	**0.28**	**0.28**
Amortization for the year	1.20	1.20
Disposals	-	-
As at March 31, 2023	**1.48**	**1.48**
Amortization for the year	1.26	1.26
Disposals	-	-
As at March 31, 2024	**2.74**	**2.74**
Net Carrying value (as at March 31, 2023)	**2.56**	**2.56**
Net Carrying value (as at March 31, 2024)	**1.30**	**1.30**

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

4. Right-of-use assets

Particulars	Leasehold Buildings	Total
Gross carrying amount		
As at April 01, 2022	**185.17**	**185.17**
Additions	64.64	64.64
Disposals	(19.05)	(19.05)
As at March 31, 2023	**230.76**	**230.76**
Additions	12.82	12.82
Disposals	(89.16)	(89.16)
As at March 31, 2024	**154.42**	**154.42**
Accumulated depreciation		
As at April 01, 2022	**57.66**	**57.66**
Depreciation for the year	49.57	49.57
Disposals	(19.05)	(19.05)
As at March 31, 2023	**88.18**	**88.18**
Depreciation for the year	58.20	58.20
Disposals	(89.16)	(89.16)
As at March 31, 2024	**57.22**	**57.22**
Net Carrying value (as at March 31, 2023)	**142.58**	**142.58**
Net Carrying value (as at March 31, 2024)	**97.20**	**97.20**

5. Other financial assets - non-current

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets at amortized cost		
Security deposits-considered good	8.76	7.24
Total	**8.76**	**7.24**

Note: The carrying value of above assets approximates their fair value as disclosed in note no. 40.

6. Deferred tax

Particulars	As at March 31, 2024	As at March 31, 2023
Deffered tax asset	780.00	604.32
Deferred tax liabilities	(27.96)	(38.62)
Total deferred tax assets (net)	**752.04**	**565.70**

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

The following is the analysis of the movement in deferred tax assets/(liabilities) presented in financial statements March 31, 2024:

Particulars	As at April 01 2023	(Charge)/ Credit to Profit or loss	(Charge)/ Credit to Other Comprehensive Income	As at March 31, 2024
Deferred tax liabilities :				
(a) Property, plant & equipment	(3.39)	(0.66)	-	(4.05)
(c) Right of use assets	(35.23)	11.32	-	(23.91)
	(38.62)	**10.66**	**-**	**(27.96)**
Deferred tax asset				
(a) Lease liability	39.33	(11.67)	-	27.66
(b) Defined benefit obligations	20.07	8.61	1.08	29.76
(c) Loss allowance on trade receivables	-	4.60	-	4.60
(d) Provisions for sales return	-	5.03	-	5.03
(e) Unabsorbed losses	539.71	168.03	-	707.74
(f) Unabsorbed depreciation	5.21	-	-	5.21
	604.32	**174.60**	**1.08**	**780.00**
Deferred tax assets (net)	**565.70**	**185.26**	**1.08**	**752.04**

The following is the analysis of the movement in deferred tax assets/(liabilities) presented in financial statements March 31, 2023:

Particulars	As at April 01 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)
(c) 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	368.94	-	539.71
(f) Unabsorbed deprecation	-	5.21	-	5.21
	233.33	**373.29**	**(2.31)**	**604.32**
Deferred tax assets (net)	**202.87**	**365.13**	**(2.31)**	**565.70**

Income tax

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax		
Current income tax charge for the year	-	-
Deferred tax		
Deferred tax charge / (credit) on profits for the year	(185.26)	(365.13)
Total deferred tax assets (net) (a)	**(185.26)**	**(365.13)**
Recognised in other comprehensive income		

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax		
Deferred tax charge / (credit) related to items that will not be reclassified to profit and loss	(1.08)	2.31
Income tax charged to Other Comprehensive income (b)	**(1.08)**	**2.31**
Deferred tax assets (a+b)	**(186.34)**	**(362.82)**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss before tax as per statement of profit and loss (a)	**(882.93)**	**(1,516.34)**
Enacted income tax rate in India (b)	25.17%	25.17%
Income tax credit calculated (c)= a *b	**(222.23)**	**(381.66)**
Effect of expenses disallowed in determine taxable profits	35.89	25.32
Effect of tax on income charged at lower rate	-	(6.48)
	(186.34)	**(362.82)**

7. Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	2.50	
Total	**2.50**	**-**

8. Inventories

(Valued at cost or NRV, whichever is lower)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	58.23	112.17
Packing materials	405.57	298.37
Work-in-progress	213.69	79.33
Finished goods [including goods in transit: 21.33 (March 31,2023: 5.00)]	133.37	120.02
Traded goods	198.55	244.80
Total	**1,009.41**	**854.69**

Note:-

The inventory values are net of provision: INR 30.34 (March 31, 2023 : INR 13.00)

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

9. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Carried at amortised cost		
Considered good - unsecured	2,417.18	626.72
Having significant increase in credit risk	18.28	5.71
	2,435.46	**632.43**
Less: provision for receivables having significant increase in credit risk	(18.28)	(5.71)
Total	**2,417.18**	**626.72**
Current portion	2,417.18	626.72
Non- current portion	-	-
Total	**2,417.18**	**626.72**

Notes:

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 as disclosed in note no. 40.

3. For explanations on the Company's credit risk management processes, Refer note 39 (c).

4. Trade receivables ageing schedule as at March 31, 2024:

Sr. No	Particulars	Outstanding as on March 31, 2024 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
1	Undisputed trade receivables - considered good	1,510.03	692.84	198.08	16.23	-	-	2,417.18
2	Undisputed trade receivables - which have significant increase in credit risk	-	-	-	12.22	0.32	5.74	18.28
3	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
4	Disputed trade receivable - considered good	-	-	-	-	-	-	-
5	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	**1,510.03**	**692.84**	**198.08**	**28.45**	**0.32**	**5.74**	**2,435.46**

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

5. Trade receivables ageing schedule as at March 31, 2023:

Sr. No	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
1	Undisputed trade receivables - considered good	245.40	381.25	-	0.07	-	-	626.72
2	Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	5.71	-	5.71
3	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
4	Disputed trade receivable - considered good	-	-	-	-	-	-	-
5	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	**245.40**	**381.25**	**-**	**0.07**	**5.71**	**-**	**632.43**

10. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
- In current accounts	150.60	402.82
Cash on hand	1.41	0.21
Total	**152.01**	**403.03**

11. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed deposits with maturity more than 3 months but less than 12 months	95.07	807.11
Total	**95.07**	**807.11**

12. Other financial assets - current

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued on fixed deposit	1.90	18.59
Security deposits-considered good	2.94	2.56
Other recoverables	0.21	-
Total	**5.05**	**21.15**

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

13. Current tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance tax / tax deducted at source	14.40	15.88
Total	**14.40**	**15.88**

14. Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Advances to vendors	22.64	97.90
Prepaid expenses	5.02	5.27
Goods and service tax recoverable	14.32	155.70
Total	**41.98**	**258.87**

15. Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised share capital		
30,000 (March 31, 2023 : 30,000) Equity shares of INR 10/- each	3.00	3.00
7,000 (March 31, 2023 : 7000) Compulsorily convertible preference shares of INR 100/- each	7.00	7.00
Total	**10.00**	**10.00**

Particulars	As at March 31, 2024	As at March 31, 2023
Issued, subscribed and paid-up equity shares		
19,232 (March 31, 2023 : 19,232) equity share capital of INR 10/- each	1.92	1.92
Total	**1.92**	**1.92**

(i) Reconciliation of issued, subscribed and fully paid up share capital

Equity shares

Particulars	Number of shares	Amount
As at April 01, 2022	**16,156**	**1.62**
Changes during the year	3,076	0.31
As at March 31, 2023	**19,232**	**1.92**
Changes during the year	-	
As at March 31, 2024	**19,232**	**1.92**

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

(ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of INR 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, 2024, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2023: 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

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity Shares of INR 10/- each fully paid-up				
Marico Limited	11,539	60%	11,539.00	60%

(iv) Details of shares held by promotors

As at March 31, 2024

Name of shareholder	Number of shares	% of total share	% change during year
Equity shares of INR 10/- each fully paid-up			
Arush Chopra	3,462	18%	-
Megha Sabhlok	3,462	18%	-

As at March 31, 2023

Name of shareholder	No. of Shares held	% of total share	% change during year
Equity shares of INR 10/- each fully paid-up			
Arush Chopra	3,462	18%	3%
Megha Sabhlok	3,462	18%	3%

(v) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Equity shares of INR 10/- each fully paid-up				
Arush Chopra	3,462	18%	3,462	18%
Megha Sabhlok	3,462	18%	3,462	18%
Marico Limited	11,539	60%	11,539	60%

(vi) The equity shareholders 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 FY2021-22 and 2022-23 respetively at face value of INR 10/- and premium of INR 64, 983/-By Virtue of this transfer and fresh issue , Marico Ltd has became Holding company with 60% of Share holding.

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

(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

Reserves and surplus

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium (refer note (i) below)	3,884.35	3,884.35
Retained earnings (refer note (ii) below)	(2,803.90)	(2,103.01)
Total	**1,080.46**	**1,781.34**

(i) Securities premium

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	3,884.35	1,885.47
Add: On shares issued during the year	-	1,998.88
Less:- share issue expenses	-	-
Closing balance	**3,884.35**	**3,884.35**

(ii) Retained earnings

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	(2,103.01)	(958.69)
Loss for the year transferred from statement of profit and loss	(697.67)	(1,151.20)
Other comprehensive income /(loss) for the year	(3.21)	6.88
Closing balance	**(2,803.90)**	**(2,103.01)**

17. Borrowings

(a) Non-current borrowings

Particulars	Maturity Date	Terms of repayment	Coupon / interest rate	As at March 31, 2024	As at March 31, 2023
Secured loans					
Term loans					
- 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

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

Particulars	Maturity Date	Terms of repayment	Coupon / interest rate	As at March 31, 2024	As at March 31, 2023
- 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%	5.95	9.72
Total (a)				**5.95**	**10.01**
Less: Current maturities of non-current borrowings (b)				4.13	4.06
Total non-current borrowings (b-a)				**1.82**	**5.95**

(b) Current borrowings

Particulars	Terms of repayment	Coupon /interest rate	As at March 31, 2024	As at March 31, 2023
(i) Secured loan from bank				
Cash credit (Refer note 2 below)	On demand	10% link to 3M MCLR +1.4%	377.43	345.84
(ii) Unsecured loan				
From holding company (Refer note 1 below)	On demand	10% link to 3M MCLR +1.4%	300.00	-
Total (a)			**677.43**	**345.84**
Current maturities of non-current borrowings (b)			**4.13**	**4.06**
Total current borrowings (a+b)			**681.56**	**349.90**

Notes:

1. Refer note 36 for related party transactions and balances.
2. Cash credit from axis bank has hypothecstion of all the stock in trade consisting of raw material, finished goods, work in progress, movable assets or merchandise, all the book debts, amount outstanding, monies receivable, claims and bills.
3. The Company's liquidity risk related to payment of non-current and current borrowings is disclosed in note no. 39 (b).
4. The carrying value of borrowings approximates its fair value as disclosed in note no. 40.

18 (a). Lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Non-current		
Lease liabilities - non-current	78.37	101.75
Total	**78.37**	**101.75**
(b) Current		
Lease liabilities - current	31.51	54.51
Total	**31.51**	**54.51**

Notes:

1. The Company's liquidity risk related to payment of lease liabilities is disclosed in note no. 39 (b).
2. The carrying value of lease liabilities approximates its fair value as disclosed in note no. 40.

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

19. Employee benefit obligation

(a) Non-current

Particulars	As at March 31, 2024	As at March 31, 2023
Gratuity (refer note (i) below)	67.59	43.14
Leave encashment	36.36	-
Total	**103.95**	**43.14**

(b) Current

Particulars	As at March 31, 2024	As at March 31, 2023
Gratuity (refer note (i) below)	8.03	4.65
Leave encashment	6.27	31.94
Total	**14.30**	**36.59**

(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, 2024	As at March 31, 2023
Employer's contribution to provident fund	25.42	23.37
Employer's contribution to employee state insurance	2.87	3.33
Total	**28.29**	**26.70**

(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:

(c) Other short term benefits

A. Actuarial assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	7.19%	7.36%
Expected rate of increase in compensation levels (per annum)	25.00%	25.00%
Retirement age (years)	60	60
Mortality table	0.10	0.10
Withdrawal rate	100% of IALM 2012-14	100% of IALM 2012-14

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

B. Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening present value of obligation	47.79	41.55
Interest cost	3.52	2.89
Current service cost	20.02	12.54
Gratuity liability from business acquisition	**71.33**	**56.98**
Past service cost	-	-
Benefits paid	-	-
Actuarial loss/ (gain) on obligation	4.29	(9.19)
Closing present value of obligation	**75.62**	**47.79**

C. Expense recognized in the statement of profit and loss

Particulars	As at March 31, 2024	As at March 31, 2023
Current service cost	20.02	12.54
Past service cost	-	
Interest cost	3.52	2.89
Expense recognized in the statement of profit and loss	**23.54**	**15.43**
Net actuarial loss/(gain) to be recognized in OCI	4.29	(9.19)
Expense recognized in the statement of other comprehensive income	**4.29**	**(9.19)**

D. Reconciliation of expense in statement of profit and loss

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation at the end of the year	75.62	47.79
Present value of defined benefit obligation at the beginning of the year	(47.79)	(41.55)
Benefits paid	-	-
Income / (loss) recognised in other comprehensive income	(4.29)	9.19
Expense recognized in statement of profit and loss	**23.54**	**15.43**

E. Reconciliation of expense in statement of profit and loss

Particulars	As at March 31, 2024	As at March 31, 2023
Net defined liability at the beginning of the year	47.79	41.55
Expense recognized in statement of profit and loss	23.54	15.43
Net actuarial loss/(gain) to be recognized in OCI	4.29	(9.19)
Closing net defined liability / (asset) at the end of the year	**75.62**	**47.79**

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

F. Reconciliation of present value of defined benefit obligation and fair value of assets

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	75.62	47.79
Fair value of plan assets	-	-
Net funded status	**75.62**	**47.79**
Recognized under:		
Non-current provision	67.59	43.14
Current provision	8.03	4.65

G. Net assets / liability and actuarial experience gain / (loss) for present benefit obligation ('PBO') and plan assets on gratuity

Particulars	As at March 31, 2024	As at March 31, 2023
PBO	75.62	47.79
Plan assets	-	-
Net assets/(liability)	(75.62)	(47.79)
Experience (gain)/loss on PBO	4.29	(9.19)
Experience (gain)/loss on plan assets	-	-

H. Employer's best estimate for payment during next year

Particulars	As at March 31, 2024	As at March 31, 2023
Gratuity	30.48	19.08

I. Maturity profile of defined benefit obligation (value on undiscounted basis)

Particulars	As at March 31, 2024	As at March 31, 2023
Year 1	8.03	4.64
Year 2	8.41	6.05
Year 3	8.78	6.04
Year 4	10.67	6.15
Year 5	10.03	7.22
After 5th year	71.28	44.68

(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 statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

20. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises	512.87	163.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,150.20	1,096.05
Total	**2,663.07**	**1,259.93**

Notes:

1. Trade payables include payables to holding company: INR 95.44 (March 31, 2023: Nil) . Refer note 36 for related party transactions.

2. **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, 2024	As at March 31, 2023
I. The Principal amount remaining unpaid to any supplier as at the end of accounting Period included in trade payable	512.87	163.88
II. Interest due thereon	5.35	3.27
Total payables due to micro and small enterprises	**518.22**	**167.15**
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)	12.35	3.27
The amount of interest accrued and remaining unpaid at the end of accounting year	20.97	3.27
Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the Period.	-	
Interest due and payable towards suppliers registered under MSMED Act for payments already made.	15.62	
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.

3. **Ageing of the trade payables as at March 31, 2024 as per Schedule III to the Companies Act, 2013:**

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
a. MSME (undisputed)	25.70	178.43	308.74	-	-	-	512.87
b. Others (undisputed)	360.46	733.30	1,006.23	50.21	-	-	2,150.20
c. Disputed dues MSME	-	-	-	-	-	-	-
d. Disputed dues others	-	-	-	-	-	-	-
Total	**386.16**	**911.73**	**1,314.97**	**50.21**	**-**	**-**	**2,663.07**

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

4. Ageing of the trade payables as at March 31, 2023 as per Schedule III to the Companies Act, 2013:

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	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**

5. The Company's liquidity risk related to payments of trade payables is disclosed in note no. 39 (b).

6. The Company's credit risk related to trade payables in foreign currency is disclosed in note 39 (c).

7. The carrying value of trade payables approximates their fair value as disclosed in note no. 40.

21. Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Payables to employees (refer note below)	72.13	51.77
Credit card dues	3.85	10.75
Interest accrued but not due on borrowings	0.03	2.62
Capital creditors	66.20	-
Total	**142.21**	**65.16**

Notes:

1. Payables to employees include salary payable to key managerial personnel: INR 6.23 (March 31, 2023: INR 2.03). Refer note 36 for related party transactions.

2. The Company's liquidity risk related to payment of other financial liabilities is disclosed in note no. 39 (b).

3. The carrying value of above assets approximates their fair value as disclosed in note no. 40.

22. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers (refer note below)	96.29	98.81
Statutory dues	38.36	61.54
Interest expense on MSME	20.97	3.27
Total	**155.62**	**163.62**

Note: Advance from customers above include advance from holding company: INR 62.46 (March 31, 2023: NIL). Refer note 36 for related party transactions.

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

23. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for sales return	20.00	25.00
Total	**20.00**	**25.00**

24. Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of manufactured goods	7,484.18	5,924.69
Sale of traded goods	2,119.10	-
Total revenue from operations	**9,603.28**	**5,924.69**

Sales by types of product- Revenue from customers by type of products sold

The following table shows the distribution of the company's revenues by types of product:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Hair care	676.76	763.92
Skin care	855.23	1,042.54
Body care	314.12	240.00
Make -up	6,887.74	3,690.48
Fragrances	863.16	179.25
Other	6.27	8.50
Total	**9,603.28**	**5,924.69**

Sales by market- Revenue from external customers by location of customers.

The following table shows the distribution of the company's revenues by geographical market:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	9,545.07	5,868.63
Outside India	58.21	56.06
Total	**9,603.28**	**5,924.69**

25. Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income on fixed depsoit	12.87	18.09
Recovery of bad debts	1.30	-
Liabilities written back	0.40	0.34
Interest received on income tax refund	-	0.19
Unwinding of security deposits	0.81	0.48
Total	**15.38**	**19.10**

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

26. Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw materials		
Opening balance	112.17	82.52
Purchases	374.60	520.97
Closing balance	(58.23)	(112.17)
Cost of raw materials consumed (a)	**428.54**	**491.32**
Packing materials		
Opening balance	298.37	129.03
Purchases	1,443.29	1,235.89
Closing balance	(405.57)	(298.37)
Cost of packing materials consumed (b)	**1,336.09**	**1,066.55**
Total cost of materials consumed (a+b)	**1,764.63**	**1,557.87**

27. Purchase of traded goods

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchases of traded goods	720.31	376.57
Total	**720.31**	**376.57**

28. Change in inventory

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening inventories		
Finished goods	120.02	98.09
Work-in-progress	79.33	18.33
Traded goods	244.80	-
Total opening inventories (a)	**444.15**	**116.42**
Closing inventories		
Finished goods	133.37	120.02
Work-in-progress	213.69	79.33
Traded goods	198.55	244.80
Total closing inventories (b)	**545.61**	**444.15**
Change in inventory (a-b)	**(101.46)**	**-327.73**

29. Employee benefit expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	855.00	592.94
Contribution to provident and other funds	28.70	26.89
Leave encashment	23.67	12.86
Gratuity (Refer note 19)	23.55	15.43
Staff welfare expenses	25.85	16.63
Total	**956.77**	**664.75**

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

30. Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on borrowings	12.45	1.28
Interest on lease liabilities	13.23	13.89
Interest on cash credit	40.02	19.28
Interest on delayed payment of TDS	0.78	3.80
Interest on delayed payment of MSME	17.70	3.27
Other borrowing costs	0.93	2.29
Total	**85.11**	**43.81**

31. Depreciation and amortization expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipment [refer note 2]	40.61	27.36
Amortisation of intangible assets [refer note 3]	1.26	1.20
Depreciation on right of use assets[refer note 4]	58.20	49.57
Total	**100.07**	**78.13**

32. Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Advertisement and sales promotion	5,041.88	3,851.07
Forwarding and distribution expenses	791.06	690.70
Commission	96.53	112.58
Membership and subscription expenses	69.96	107.75
Legal and professional charges	462.78	71.01
Repairs and maintenance	7.31	6.63
Rates and taxes	10.63	17.95
Power, fuel and water charges	8.99	10.39
Labour charges	223.67	109.86
Travelling, conveyance and vehicle expenses	135.14	26.20
Consumption of stores, spare and consumables	10.12	11.95
Bad debts	4.45	3.38
Loss allowance on trade receivables	12.57	-
Payment to auditors (refer note 42)	12.20	6.00
Rent and storage charges	12.15	17.24
Loss on modification of lease	0.39	-
Loss on sale of property, plant and equipment	0.19	0.00
Business support service	45.67	-
Miscellaneous expenses	30.47	24.02
Total	**6,976.16**	**5,066.73**

(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.

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

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.

Particulars	As at March 31, 2024	As at March 31, 2023
Total debt	683.38	355.85
Less: Cash and cash equivalents	(152.01)	(403.03)
Net debt	**531.37**	**(47.18)**
Total equity	1,082.39	1,783.26
Equity and net debt	1,613.75	1,736.09
Net debt to equity ratio	**32.93%**	**-2.72%**

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".

Sales by market- Revenue from external customers by location of customers.

The following table shows the distribution of the company's revenues by geographical market:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
India	9,545.07	5,868.63
Outside India	58.21	56.06
Total	**9,603.28**	**5,924.69**

Carrying value of non-current assets -by location of assets

The following table shows the carrying amount of non-current assets (other than financial assets, investments and deferred tax assets) by geographical area in which the assets are located:

Particulars	As at March 31, 2024	As at March 31, 2023
India	1,239.70	901.36
Outside India	-	-
Total	**1,239.70**	**901.36**

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

35. Leases - as a lessee

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.

Maturity analysis-contractual undiscounted cash flows

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	31.51	54.51
One to five years	78.37	101.74
More than five years	-	-
Total undiscounted lease liabilities	**109.88**	**156.25**

Amount recognized as current and non-current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current lease liabilities (refer note 18)	78.37	101.75
Current lease liabilities (refer note 18)	31.51	54.51
Total lease liabilities	**109.88**	**156.26**

The following is the movement of lease liabilities for the year ended:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	156.26	138.16
Additions	12.42	63.29
Finance cost accrued during the year	13.23	13.89
Lease modifications/ derecognition of lease liabilities	0.39	-
sub-total (a)	**182.30**	**215.34**
Payment of interest	13.23	13.89
Payment of lease liabilities	59.17	45.19
sub-total (b)	**72.40**	**59.08**
Total (a+b)	**109.90**	**156.26**

Amount recognised in statement of profit or loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on lease liabilities (included in finance cost paid)	13.23	13.89
Cash outflow for leases	12.34	17.24
Total cash outflow for leases	**25.57**	**31.13**

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

Amount recognised in statement of cash flows

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on lease liabilities (included in finance cost paid)	13.23	13.89
Cash outflow for leases	59.17	45.19
Total cash outflow for leases	**72.40**	**59.08**

Changes in liabilities arising from financing activities

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balances	156.26	138.16
Cash flows	(72.40)	(59.08)
Lease (Net)	12.81	63.29
Others#	13.23	13.89
Closing balances	**109.90**	**156.26**

It includes accretion of interest.

36. Related party disclosure

A. Name of related party and relationship

Related parties where control exists

Marico Limited - Holding company

Subsidiary of holding company

HW Wellness Solutions Private Limited

Key management personnel

Arush Chopra - Whole time director

Megha Sabhlok - Whole time director

Koteshwar Narasimha Lankadasu - Non-executive director (December 21, 2023 onwards)

Amit Bhasin - Non-Executive Director (January 21, 2024 onwards)

Aashish Agarwal - Non-executive director (March 23, 2024 onwards)

Ketan Bhanwarlal Jain - Director (till July 31, 2023)

Sanjay Mishra - Director (till December 12, 2023)

Pawan Bhagwan Das Agrawal - (till March 22, 2024)

Relatives of KMP

Neena Chopra - Mother of director

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

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, 2024	Balance outstanding as at March 31, 2024
1	Marico Limited	Holding company	Borrowings taken	300.00	300.00
2	Marico Limited	Holding company	Interest on borrowings taken	11.73	-
3	Marico Limited	Holding company	Revenue from operations	28.22	-
4	Marico Limited	Holding company	Trade payables	-	95.44
5	Marico Limited	Holding company	Advance from customers	-	62.46
6	HW Wellness Solutions Private Limited	Subsidiary of holding company	Purchase of goods	1.80	-
7	HW Wellness Solutions Private Limited	Subsidiary of holding company	Revenue from operations	1.52	-
8	Arush Chopra	Director	Remuneration	56.23	3.48
9	Arush Chopra	Director	Reimbusment of expenses	1.72	-
10	Megha Sabhlok	Director	Remuneration	56.24	1.95
11	Megha Sabhlok	Director	Reimbusment of expenses	0.16	-
12	Neena Chopra	Mother of director	Remuneration	25.03	0.80
13	Neena Chopra	Mother of director	Reimbusment of expenses	0.07	-
14	Neena Chopra	Mother of director	Rent	26.35	-
15	Neena Chopra	Mother of director	Sale of property, plant and equipment	0.60	-

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	-

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

37. Earnings / (loss) 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.

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Basic earnings / (loss) per share		
Net loss after tax attributable to equity shareholders	(697.67)	(1,151.20)
Weighted average number of equity shares used to compute basic earnings per share	19,232	17,842
Basic earnings per share (in INR)	(0.04)	(0.06)
(b) Diluted earnings / (loss) per share		
Net loss after tax attributable to equity shareholders	(697.67)	(1,151.20)
Weighted average number of equity shares used to compute diluted earnings per share	19,232	17,842
Diluted earnings per share (in INR)	(0.04)	(0.06)

38. Assets pledged as security

Particulars	As at March 31, 2024	As at March 31, 2023
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, 2024	As at March 31, 2023
Generator (WDV)	2.76	3.20
Vehicle (WDV)	13.21	15.97
Traded goods	1,009.41	854.69
Book Debts	2,417.18	626.72
Total	**3,442.56**	**1,500.58**

Notes:

1. This includes hypothecation of stock and debtors for working capital facilities.
2. The loan on generator has been repaid during the year but the documentation of charge satisfaction is pending as on balance sheet date.

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

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.

The gross carrying amount of trade receivables is INR 627.85 as at March 31, 2024 and INR 533.05 as at March 31, 2023.

Reconciliation of loss allowance provision- trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Loss allowance at the beginning of the year	5.71	19.92
Less: Used for write off (refer note 32)	-	(14.21)
Add: Bad bebt recovered	-	-
Add : Changes in loss allowances (refer note 32)	12.57	-
Loss allowance at the end of the year	**18.28**	**5.71**

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 INR 11.70 as at March 31, 2024 and INR 9.80 as at March 31, 2023.

(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, 2024 is 1.01 (as at March 31, 2023 is 1.53) whereas the liquid ratio of the company as at March 31, 2024 is 0.74 (as at March 31, 2023 is 0.94).

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

Maturities of financial liabilities

Contractual maturities of financial liabilities as on March 31, 2024	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Non-current borrowings	17 (a)	-	1.82	-	-	1.82
Current borrowings	17 (b)	681.56	-	-	-	681.56
Trade payables	20	2,663.07	-	-	-	2,663.07
Lease liabilities	18	31.51	37.69	40.68	-	109.88
Other financial liabilities	21	142.21	-	-	-	142.21
Total non- derivative liabilities		**3,518.34**	**39.51**	**40.68**	**-**	**3,598.53**

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						
Non-current borrowings	17 (a)	-	4.13	1.82	-	5.95
Current borrowings	17 (b)	349.90	-	-	-	349.90
Trade payables	20	1,259.93	-	-	-	1,259.93
Lease liabilities	18	54.51	25.84	30.86	45.04	156.25
Other financial liabilities	21	65.14	-	-	-	65.14
Total non- derivative liabilities		**1,729.48**	**29.97**	**32.68**	**45.04**	**1,837.17**

(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 ₹ lakhs as on March 31, 2024

Particulars	USD	CAD	EUR
Financial assets			
Foreign currency debtors for export of goods	19.16	-	-
Other receivable / (payable) including advance for Export			
Net exposure to foreign currency risk (assets)	**19.16**	**-**	**-**

Particulars	USD	CAD	EUR
Financial liabilities			
Foreign currency creditors for import of goods and services	-	-	-
Net Exposure to foreign currency risk (liabilities)	**-**	**-**	**-**

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

The company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ lakhs as on March 31, 2023

Particulars	USD	CAD	EUR
Financial assets			
Foreign currency debtors for export of goods	8.85	-	-
Other receivable / (payable) including advance for Export	-	-	-
Net Exposure to foreign currency risk (assets)	**8.85**	**-**	**-**

Particulars	USD	CAD	EUR
Financial liabilities			
Foreign currency creditors for import of goods and services	5.56	-	29.66
Net exposure to foreign currency risk (liabilities)	**5.56**	**-**	**29.66**

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	For the year ended March 31, 2024	For the year ended March 31, 2023
Variable rate borrowings	10.40%	9.75%

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. Fair value measurements

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Particulars	Carrying value			Fair Value		
	FVTPL	FVTOCI	Amortized costs	Level-1 Quoted Price in Active Markets	Level-2 Significant Observable Input	Level-3 Significant Observable Input
i) As at March 31, 2024						
Financial assets						
Non-current						
Other financial assets*	-	-	8.76	-	-	8.76
Current						
Trade receivables*	-	-	2,417.18	-	-	2,417.18

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

Particulars	Carrying value			Fair Value		
	FVTPL	FVTOCI	Amortized costs	Level-1 Quoted Price in Active Markets	Level-2 Significant Observable Input	Level-3 Significant Observable Input
Cash and cash equivalents*	-	-	152.01	-	-	152.01
Bank balances other than cash and cash equivalents*	-	-	95.07	-	-	95.07
Other financial assets*	-	-	5.05	-	-	5.05
Total financial assets	**-**	**-**	**2,678.07**	**-**	**-**	**2,678.07**
Financial liabilities						
Non-current						
Borrowings**	-	-	1.82	-	-	1.82
Lease liabilities*	-	-	78.37	-	-	78.37
Current						
Borrowings**	-	-	681.56	-	-	681.56
Lease liabilities*	-	-	31.51	-	-	31.51
Trade payables*			2,663.07	-	-	2,663.07
Other financial liabilities*	-	-	142.21	-	-	142.21
Total financial liabilites	**-**	**-**	**3,598.53**	**-**	**-**	**3,598.53**
ii) As at March 31, 2023						
Financial assets						
Non-current						
Other financial assets*	-	-	7.24	-	-	7.24
Current						
Trade receivables*	-	-	626.72	-	-	626.72
Cash and cash equivalents*	-	-	403.03	-	-	403.03
Bank balances other than cash and cash equivalents*	-	-	807.11	-	-	807.11
Other financial assets*	-	-	21.15	-	-	21.15
Total financial assets	**-**	**-**	**1,865.25**	**-**	**-**	**1,865.25**
Financial liabilities						
Non-current						
Borrowings**	-	-	5.95	-	-	5.95
Lease liabilities*	-	-	101.75	-	-	101.75
Current						
Borrowings**	-	-	349.90	-	-	349.90
Lease liabilities*	-	-	54.51	-	-	54.51
Trade payables*			1,259.93	-	-	1,259.93
Other financial liabilities*	-	-	65.16	-	-	65.16
Total financial liabilites	**-**	**-**	**1,837.20**	**-**	**-**	**1,837.20**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. There has been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2024 and March 31, 2023.

* The carrying amounts of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other current financial assets, trade payables, lease liabilities and other financial liabilities, approximates the fair values, due to their short-term nature. The other non-current financial assets represents security deposit and interest accrued but not due on bank deposits, the carrying value of which approximates the fair values as on the reporting date.

** The Company's borrowings have been contracted at fixed rates of interest. Accordingly, the carrying value of such borrowings approximates fair value.

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

Level:1

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes instruments like listed equity instruments, traded bonds and mutual funds that have quoted price.

Level:2

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level:3

These instruments are valued based on significant unobservable inputs whereby future cash flows are discounted using appropriate discount rate.

When measuring the fair value of an asset or a liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the etnire measurement.

41. Contingent liabilities

The Company does not have any pending litigations and proceedings at the end of the reporting period.

42. Payment to auditor (excluding GST)

Particulars	As at March 31, 2024	As at March 31, 2023
Audit fees		
Statutory audit fees	9.50	5.00
Tax audit fees	2.00	1.00
Reimbursement of expenses	0.70	-
Total	**12.20**	**6.00**

43. The Company does not have any share based payments.

44. Contractual commitments

The Company has no contractual commitments and corporate guarantee during the year.

45. 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, 2024	As at March 31, 2023
Property, plant and equipment	11.55	-
Capital expenditure not recognised as liabilities	**11.55**	**-**

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

46. Accounting ratios

Ratio	Items included in numerator and denominator for computing	As at March 31, 2024	As at March 31, 2023	Variance (%age)	Remarks
(a) Current ratio	Current assets / Current liabilities	1.01	1.53	-34.10%	Change in ratio is due to increase in receivables during thr year.
(b) Debt-equity ratio	Total borrowings/Shareholders' funds (share capital + reserves & surplus)	0.63	0.20	216.39%	Change in ratio is due to increase in cash credit limit during the year and new borrowings from holding company.
(c) Debt service coverage ratio	(Net profit after taxes + non-cash operating expenses + interest + other) / Debt service = Interest & lease payments + principal repayments	(0.65)	(2.00)	-67.69%	Change in ratio is due to losses have been decreased and borrowing costs have been increased.
(d) Return on equity	Net profit after tax / Average shareholders' funds [(opening + closing)/2]	-48.69%	-64.56%	-24.57%	-
(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]	10.30	10.02	2.84%	-
(f) Trade receivables turnover ratio	Revenue from operations / Average trade receivables [(opening trade receivables + closing trade receivables)/2]	6.31	10.22	-38.24%	Change in ratio is due to increase in trade receivables against increase in revenue during the year
(g) Trade payables turnover ratio	Net credit purchases / Average trade payables [(opening trade payables + closing trade payables)/2]	1.36	2.24	-39.27%	Change in ratio is due to increase in trade payables against increase in purchases during the year
(h) Net capital turnover ratio	Revenue from operations / Working capital (Current assets - current liabilities)	357.93	5.74	6139.14%	Change in ratio is due to current borrowings from holding company leading to increase in current liabilities during the year
(i) Net profit ratio	Net profit after tax / Revenue from operations	-7%	-19.43%	-62.61%	Change in ratio is due to increase in revenue during the year and cost control.
(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)]	-275.93%	-115.84%	138.20%	Change in ratio is due to more decrease in losses and increase in borrowings during the year
(k) Return on investment	Net profit before tax / Shareholders' funds (share capital + reserves & surplus)	NA	NA	NA	NA

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

47. 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 has cash credit limit upto five crores from HDFC bank security of its current assets (refer note 17).

j) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

k) The Company does not own any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed notes to the financial statements.

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.

48. The figures for the previous year have been reclassified/regrouped wherever necessary including for amendments relating to Schedule III of the Companies Act, 2013 for better understanding and comparability.

Notes to the financial statements for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

49. 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 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.

50. The Ministry of Corporate affairs (MCA) has prescribed a new requirement for companies under the proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transactions , creating and edit log change made in the books of account along with the date when such changes were made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot disabled.

The Company has used an accounting software for maintaining its books of account which has the feature of recording audit trail (edit log) facility and the same has operated with effect from April 3, 2023 onwards for all relevant transactions recorded in the software.

As per our report of even date attached
For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm registration number: 000756N/N500441

Jalaj Soni
Partner
Membership number: 528799

Place: New Delhi
Date: April 29, 2024

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: April 29, 2024

Megha Sabhlok
Director
DIN: 08282396

Place: Mohali, Punjab
Date: April 29, 2024

HW WELLNESS SOLUTIONS PRIVATE LIMITED(HWPL)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Puru Gopesh Gupta Mr. Sreejith Moolayil Mr. Koteshwar L N Mr. Aashish Agarwal Mr. Amit Bhasin
REGISTERED OFFICE	Sr. No 254, Tirumalla Industrial Estate, Hinjewadi, Taluka Mulshi Pune - 411057
AUDITORS	M/s. Haribhakti & Co. LLP
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 Financial Statements

Opinion

We have audited the accompanying financial statements of HW Wellness Solutions Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 financial statements including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "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 ("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, 2024, 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 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 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 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 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.

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 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 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, 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 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, Board of Directors 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 is 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 this 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. 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 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.

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, except for:

      i) use of accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled as described in para (vi) below;

      ii) the server 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 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, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act;

f. The observation relating to the maintenance of accounts and in respect of audit trail, are as stated in paragraph (b) above

g. 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";

h. 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;

i. 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 financial statements – Refer Note 35 on Contingent Liabilities to the 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 42(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 42(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) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and that the audit trail feature used by the Company to maintain accounting transactions did not operate throughout the year for all relevant transactions recorded in the software. Since the audit trail feature was not operated throughout the year, we cannot comment on the tampering of the said feature, if any. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Deepak G. Morolia
Partner
Membership No. 130533
UDIN: 24130533BKFEBY3885

Place: Mumbai
Date: April 29, 2024

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 financial statements for the year ended March 31, 2024]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the 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

(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, 2024 for holding any benami property under the Prohibition of Benami Property Transactions (Prohibition) Act, 1988 (as amended in 2016) 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) (a) During the year, the Company has provided advances in the nature of loans to the employees:

Sr No	Particulars	Advances in the nature of loans
1	**Aggregate amount granted / provided during the year**	
	- Subsidiaries/Joint Ventures/ Associates	-
	- Others	Rs. 4.64 lakhs
2	**Balance outstanding as at March 31, 2024 in respect of above cases**	
	- Subsidiaries/Joint Ventures/Associates	-
	- Others	Rs. 0.73 lakhs

(b) The terms and conditions of the grant of advances in the nature of loans 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 has been stipulated and the repayments or receipts during the year are regular as per stipulation.

(d) In respect of the aforesaid loans and advances in the nature of loans, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) 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 overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(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 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 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

Name of the statute	Nature of the dues	Amount ₹	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Income Tax Act, 1961	TDS	0.28	April 2023 to October 2023	7th of every following Month	April 22, 2024	
Employees' State Insurance Act, 1948	ESIC	0.42	Till October 2023	15th of every following month	Not Paid	
The Employee's Provident Funds and Miscellaneous Provisions Act, 1952	PF	19.92	April 2022 to October 2023	15th of every following month	Not Paid	
The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Professional Tax	0.12	Till October 2023	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

Name of the statute	Nature of the dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
West Bengal GST Act, 2017	GST	Rs. 8.76 lakhs	April 2019 -March 2020	Department of Commercial Tax, Government of West Bengal	

(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 taken any loans or other borrowings from any lender. Accordingly, reporting under clause (ix)(a) of paragraph 3 of the Order is not applicable.

(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 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 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 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.

The Company is not a Core Investment Company (CIC) 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.

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 and the immediately preceding financial year amounting to Rs. 1849.71 Lakhs and Rs. 2,057.99 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 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

Deepak G. Morolia
Partner
Membership No. 130533
UDIN: 24130533BKFEBY3885

Place: Mumbai
Date: April 29, 2024

Annexure 2 to the Independent Auditor's Report

[Referred to in paragraph 2(g) 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 financial statements for the year ended March 31, 2024]

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, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors 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, to the best of our information and according to the explanations given to us, 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, 2024, 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

Deepak G. Morolia
Partner
Membership No. 130533
UDIN: 24130533BKFEBY3885

Place: Mumbai
Date: April 29, 2024

Balance Sheet as at year ended March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	180.66	126.24
Right of use assets	3	387.45	517.43
Financial assets	4		
(i) Other financial assets		67.52	1,614.38
Current tax Assets (net)	5	59.10	65.89
Deferred tax assets (net)	6	1,142.54	481.01
Total non-current assets		**1,837.27**	**2,804.94**
Current assets			
Inventories	7	838.16	536.75
Financial Assets			
(i) Investment	8	272.94	280.33
(ii) Trade receivables	9	817.04	571.35
(iii) Cash and cash equivalents	10	262.50	171.05
(iv) Bank balances other than cash and cash equivalents	11	573.54	2,095.55
Other current assets	12	763.05	547.29
Total current assets		**3,527.23**	**4,202.32**
Total Assets		**5,364.50**	**7,007.26**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	13	2.25	2.25
Other Equity	14	3,716.89	5,169.30
Total Equity		**3,719.14**	**5,171.55**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
(i) Lease Liabilities	15	240.61	386.77
Provisions	16	69.39	50.87
Total Non-current liabilities		**310.00**	**437.64**
Current liabilities			
Financial Liabilities			
(i) Lease Liabilities	15	184.82	145.19
(ii) Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		486.52	227.52
Total outstanding dues of creditors other than micro enterprises and small enterprises		358.80	729.69
(iii) Other financial liabilities	18	90.69	125.84
Other current liabilities	19	77.20	56.65
Provisions	16	137.33	113.18
Total current liabilities		**1,335.36**	**1,398.07**
Total liabilities		**1,645.36**	**1,835.71**
Total equity and liabilities		**5,364.50**	**7,007.26**

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

For and on behalf of the Board of Directors of
HW Wellness Solutions Private Limited
CIN: U51900PN2013PTC149864

Deepak G. Morolia
Partner
Membership Number - 130533

Place: Mumbai
Date: 29th April 2024

Puru Gopesh Gupta
Director
DIN: 05017875

Place: Mumbai
Date: 29th April 2024

Sreejith Moolayil
Director
DIN: 06702399

Place: Mumbai
Date: 29th April 2024

Statement of Profit & Loss for the year ended March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	Year Ended March 31, 2024	Year Ended March 31, 2023
Revenue			
Revenue from operations	20	7,642.25	5,739.61
Other Income	21	193.82	347.13
Total Income		**7,836.07**	**6,086.74**
Expenses			
Cost of material consumed	22	4,346.67	3,658.74
Changes in inventories of finished goods and work-in progress	23	-165.69	-63.29
Employee benefit expenses	24	1,840.39	1,444.70
Finance cost	25	106.17	99.93
Depreciation and amortisation expenses	26	268.93	270.40
Other expenses	27	3,689.16	3,017.10
Total Expenses		**10,085.63**	**8,427.58**
Profit/(Loss) before exceptional items and tax		**-2,249.56**	**-2,340.84**
Exceptional Items			
Profit/(Loss) before tax		**-2,249.56**	**-2,340.84**
Income Tax Expense			
Current Tax		0.00	0.00
Deferred Tax charge/(credit)	6	-659.87	-479.16
Total tax expense		**-659.87**	**-479.16**
Profit/(Loss) for the year		**-1,589.70**	**-1,861.68**
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		-6.56	-7.37
Income tax relating to items that will not be reclassified to profit or (loss)		1.65	1.85
Total Other Comprehensive Income		**-4.91**	**-5.52**
Total Comprehensive Income for the year		**-1,594.60**	**-1,867.20**
Earning per Equity share for (Nominal Value Rs. 10 per Share)			
Basic Earning Per share		-7,079.17	-8,686.02
Diluted Earning Per share		-7,079.17	-8,686.02
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

Deepak G. Morolia
Partner
Membership Number - 130533

Place: Mumbai
Date: 29th April 2024

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: 29th April 2024

Sreejith Moolayil
Director
DIN: 06702399

Place: Mumbai
Date: 29th April 2024

Statement of Cash Flow for the year ended March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Cash flows from operating activities		
Profit/(Loss) for the year	(2,249.56)	(2,340.84)
Adjustments for:		
Depreciation on property, plant and equipment [refer note 2]	82.20	114.37
Depreciation on Right to Use Assets[refer note 3]	186.73	156.03
Dividend on Investment in liquid mutual funds	(17.07)	(88.20)
Interest on fixed deposits	(170.57)	(169.18)
Expenses on employee stock option scheme	142.19	107.35
Interest expenses on financial liabilities at amortised cost	-	0.39
Lease finance cost	42.78	34.04
Other finance cost	11.14	37.38
Provision for dountful debts	157.46	42.94
Laibilities written back	-	(81.53)
Interest income from financial assets at amortised cost	(5.73)	(6.86)
Profit on sale of fixed assets (net)	(0.45)	-
Operating Cash Flow before Working Capital Changes	(1,820.88)	(2,194.12)
Adjustment for (increase)/decrease in operating assets:		
Inventories	(301.41)	(102.54)
Trade Receivables	(403.15)	(287.55)
Other Financial Assets	(4.26)	11.81
Other Current/Non-Current assets	(215.76)	(242.81)
Adjustment for increase/(decrease) in operating Liabilities:		
Trade Payables	(111.89)	424.87
Other Financial Liabilities	41.03	102.21
Other current Liabilities	20.55	70.54
Provisions	36.11	2.93
Cash generated from operations	(2,759.66)	(2,214.66)
Taxes Paid (Net)	6.79	(30.35)
Net Cash(Used in)/Generated from Operating Activities (A)	**(2,752.87)**	**(2,245.01)**
Cash flows from investing activities		
Interest on fixed deposits	252.89	46.33
Dividend on Investment in liquid mutual funds	15.68	88.20
Purchase of property, plant and equipment	(130.31)	(64.30)
Sale of property, plant and equipment	0.86	-
Net proceeds/investments in fixed deposits	2,913.77	(3,527.03)
Net proceeds/investments in mutual funds	8.15	(279.84)
Net cash (used in)/generated by investing activities (B)	**3,061.04**	**(3,736.63)**

Statement of Cash Flow for the year ended March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Cash flows from financing activities		
Proceeds from issuance of share capital	-	0.71
Proceeds from securities premium	-	7,498.38
Proceeds/(Repayment) from Optionally convertible debentures (OCD)	-	(798.23)
Interest paid on Optionally convertible debentures (OCD)	-	(119.50)
Proceeds/(Repayment) of Borrowings-Unsecured Loan(Net)	-	(150.00)
Interest paid on Borrowings-Unsecured Loan(Net)	(11.14)	(4.78)
Proceeds/(Repayment) of Borrowings-CC(Net)	-	(133.48)
Interest paid on Borrowings-CC(Net)	-	(5.02)
Refund of share application money	-	(2.01)
Proceeds/(Repayment) of Lease liabilities	(204.94)	(165.36)
Net cash used in financing activities (C)	**(216.08)**	**6,120.73**
Net increase in cash and cash equivalents (A+B+C)	**92.09**	**139.09**
Cash and cash equivalents at the beginning of the year	171.05	31.97
Cash and cash equivalents at the end of the year(Refer Note No. 10)	**263.14**	**171.06**

As per our Report of even date
For **Haribhakti & Co. LLP**
Chartered Accountants
Firm Registration Number: 103523W/W100048

For and on behalf of the Board of Directors of
HW Wellness Solutions Private Limited
CIN: U51900PN2013PTC149864

Deepak G. Morolia
Partner
Membership Number - 130533

Place: Mumbai
Date: 29th April 2024

Puru Gopesh Gupta
Director
DIN: 05017875

Place: Mumbai
Date: 29th April 2024

Sreejith Moolayil
Director
DIN: 06702399

Place: Mumbai
Date: 29th April 2024

Statement of Changes in Equity for the period ended March 31, 2024

A. Equity Share Capital

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Amount
As at 31st March 2022	**1.53**
Changes in equity share capital	0.72
As at 31st March 2023	**2.25**
Changes in equity share capital	-
As at 31st March 2024	**2.25**

B. Other Equity

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Attributable to owners					
	Reserves and surplus					
	Securities Premium	Retained earnings	Share Based Payment Reserve	Equity Component of Compounding Financial Instrument	Other Comprehensive Income	Total other equity
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

Statement of Changes in Equity for the period ended March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Attributable to owners					
	Reserves and surplus			Equity Component of Compounding Financial Instrument	Other Comprehensive Income	Total other equity
	Securities Premium	Retained earnings	Share Based Payment Reserve			
Balance as at 31st March, 2023	**9,220.30**	**(4,260.08)**	**179.37**	**-**	**29.79**	**5,169.30**
- Profit/(Loss) for the year	-	(1,589.70)	-	-	-	(1,589.70)
- Other Comprehensive Income for the year	-	-	-	-	(4.91)	(4.91)
- Recognition of Share Based Payments	-	-	142.19	-	-	142.19
Balance as at 31st March, 2024	**9,220.30**	**(5,849.78)**	**321.56**	**-**	**24.88**	**3,716.89**

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, 2023, 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

Deepak G. Morolia
Partner
Membership Number - 130533

Place: Mumbai
Date: 29th April 2024

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: 29th April 2024

Sreejith Moolayil
Director
DIN: 06702399

Place: Mumbai
Date: 29th April 2024

Notes to the Financial Statements
for the year ended 31st March, 2024

1 Summary of Material Accounting 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."

B. Summary of Material 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;

Notes to the Financial Statements

for the year ended 31st March, 2024

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 Company 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

Notes to the Financial Statements
for the year ended 31st March, 2024

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.

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.

Notes to the Financial Statements

for the year ended 31st March, 2024

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 useful 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

Notes to the Financial Statements

for the year ended 31st March, 2024

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.

Notes to the Financial Statements

for the year ended 31st March, 2024

- **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 necessary provisions, wherever required.

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

Notes to the Financial Statements

for the year ended 31st March, 2024

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

Notes to the Financial Statements

for the year ended 31st March, 2024

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

Notes to the Financial Statements

for the year ended 31st March, 2024

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.

Notes to the Financial Statements

for the year ended 31st March, 2024

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, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

S No	Particulars	Amount
I]	**Profits & Gains of Business & Profession**	
A]	Profit / (Loss) Before Tax as per P&L Account	-2,256.12
B]	Less:Items considered separately under income from other sources head	187.63
		-2,443.76
C]	Add: Items Disallowable/Considered Separately	
	Depreciation as per companies Act (Other Assets)	82.20
	Depreciation as per companies Act (Lease Assets-Ind AS)	186.73
	Lease Finance Cost (Ind AS)	42.78
	Gratuity u/s 40A(7)	18.25
	Leave Encashment	1.02
	Disallowed under section 43B	57.70
	Amount disallowed under section 36(1)(vii)	58.65
	Disallowance u/s 40(a)(ia)	-
	Disallowance u/s 43B(h)	78.25
	Disallowance interest on late payment to MSME vendors	52.25
	Total Disallowance	577.82
		-1,865.93
D]	**Less:**	
	Depreciation as per Income tax	67.63
	Rent (Ind AS)	204.94
	Interest Income on Lease Assets (Ind AS adjustments)	5.73
	Gratuity payment	-
	Reversal of provision for doubtful debts	32.31
		310.61
	Total Taxable Income from Business and Profession	**-2,176.55**
II]	Income from Other Sources	
	Interest income from Fixed Deposits	187.63
	Total Income	**-1,988.91**
	Less: Advance Tax Paid (TDS Receivable)	**49.83**
	Total Tax Payable/(Refund Due)	**-49.83**

Particulars	As per books	As per IT Act	Amount
Difference in PPE	180.66	314.20	133.54
ROU	387.45	-	-387.45
Lease Laibility	425.43	-	425.43
Gratutity	27.52	-	27.52
Leave encahsment	1.02	-	1.02
Provision for bad and Doubtful debts	58.65	-	58.65
Carry forward losses	-	-	**1,988.91**
Total Timing Diff Current year			2,247.62
Add:- Carry forword losses for 2022-23 (post acqu. loss)			2,221.77
Add:- unabsorbed dep for previous years			70.26
Total			4,539.65
Tax 25.168%			1,142.54
Less :- Opening Deferred tax (as on 1st April 2023)			-481.02
Balance deferred tax to be recognised in 2023-24			661.52
Effective tax rate			-29%

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Hard paste figures

Particulars	As per books	As per IT Act	Amount
Difference in PPE	180.66	314.20	**133.53**
ROU	387.45	-	-387.45
Lease Laibility	425.43	-	425.43
Gratutity	27.52	-	27.52
Leave encahsment	1.02	-	1.02
Provision for bad and Doubtful debts	58.65	-	58.65
Carry forward losses	-	-	**1,988.91**
Total Timing Diff Current year			2,247.62
Add:- Carry forword losses for 2022-23 (post acqu. loss)			2,221.77
Add:- unabsorbed dep for previous years			70.26
Total			4,539.64
Tax 25.168%			1,142.54
Less :- Opening Deferred tax (as on 1st April 2023)			-481.02
Balance deferred tax to be recognised in 2023-24			661.52
Effective tax rate			-29%

2. Property, Plant and Equipment

Particulars	Computers	Plant and equipment	Furniture and fixtures	Office equipment	Vehicle	Leasehold Improvement	Total
Year ended March 31, 2024							
Gross carrying amount							
Opening gross carrying amount	31.68	168.35	79.35	17.02	13.41	14.24	324.05
Additions	8.95	83.02	29.62	2.53	-	12.90	137.01
Disposals	-	-	-	-	1.26	-	1.26
Closing gross carrying amount	**40.63**	**251.37**	**108.97**	**19.55**	**12.14**	**27.13**	**459.80**
Accumulated depreciation							
Opening accumulated depreciation	18.79	107.36	49.97	8.67	7.08	5.94	197.80
Depreciation charge during the year	11.40	40.02	17.53	3.85	1.98	7.41	82.20
Disposals	-	-	-	-	0.86	-	0.86
Closing accumulated depreciation	**30.19**	**147.38**	**67.50**	**12.52**	**8.21**	**13.35**	**279.14**
Net carrying amount	**10.43**	**103.99**	**41.48**	**7.04**	**3.93**	**13.79**	**180.66**

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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
Disposals	-	-	-	-	-	-	-
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**

3. Right of use Assets

Particulars	Amount
Year ended March 31, 2024	
Gross carrying amount	
Opening gross carrying amount	794.69
Additions	56.77
Disposals	-
Closing gross carrying amount	**851.46**
Accumulated depreciation	
Opening accumulated depreciation	277.27
Depreciation charged during the year	186.73
Disposals	
Closing accumulated depreciation	**464.00**
Net carrying amount	**387.45**

Particulars	Amount
Year ended March 31, 2023	
Gross carrying amount	
Opening gross carrying amount	272.39
Additions	522.30
Disposals	-
Closing gross carrying amount	**794.69**

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Amount
Accumulated depreciation	
Opening accumulated depreciation	121.24
Depreciation charged during the year	156.03
Disposals	-
Closing accumulated depreciation	**277.27**
Net carrying amount	**517.42**

4. Other Financial Assets (Non Current)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Security Deposits		
Unsecured, considered good	67.52	60.06
Unsecured, doubtful	2.53	-
Less: Allowance for doubtful deposits	(2.53)	-
	67.52	**60.06**
Fixed Deposits with financial institutions	-	1,554.32
Total	**67.52**	**1,614.38**

5. Current tax Assets (net)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance Tax (including tax deducted at source) [net of provison for tax is Rs.Nil (as at 31st March 2023 is Rs.Nil)	59.10	65.89
Total	**59.10**	**65.89**

6. Deferred Tax Asset/ (Liabilities)

The balance comprises temporary differences attributable to :

Particulars	As at 31st March, 2024	As at 31st March, 2023
Tax losses	1,988.91	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.	33.61	17.11
Liabilities / provisions that are deducted for tax purposes when paid	7.18	15.28
Lease assets	9.56	23.05
Provision for doubtful debts/ loans/ advances that are deducted for tax purposes when written off	14.76	8.13
Unabsorbed Business Losses	1,077.43	417.43
Total deferred tax assets	**1,142.54**	**481.01**

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at 31st March, 2024	As at 31st March, 2023
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	**1,142.54**	**481.01**

Deferred Tax Assets includes Rs. 1077.43 Lakhs (March 31st, 2023 Rs.417.43 Lakhs) on unabsorbed business losses and depreciation, recognised on the basis of projections as approved by the BOD, evidencing sufficient future profits absorbing such losses, upon meeting with desired level of operations and volumes as backed by the Letter of Support from the Holding Company, lending its support in achieving the operational efficiencies and thereby profitability.

Accordingly, the management believes it is probable that sufficient future taxable profits will be available against which such Deferred Tax Assets can be utilised.

7. Inventories

Particulars	As at 31st March, 2024	As at 31st March, 2023
Raw & Packing materials	396.18	260.46
Finished goods		
- In stock	441.98	276.29
Total	**838.16**	**536.75**

In the year ended 31 March 2024, the write-down of inventories to net realisable value amounted to Rs.0.46 Lakh (31 March 2023: Rs.0.23 Lakhs)

8. Investment (Current)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Investment in cash fund	273.56	280.33
Less: Allowance for doubtful deposits/balances	(0.62)	-
Total	**272.94**	**280.33**

As on 31st March 2024

Particulars	No of units	NAV	Amount
Non Trade Investment			
Unquoted			
Investments in mutual funds:			
Bandhan Liquid Fund-Growth-(Direct Plan)	8,006	2,917	233.56
Bandhan Liquid Fund-Growth-(Direct Plan) (Units are not alloted as on 31st March 2024)	-	-	40.00
			273.56

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

As on 31st March 2023

Particulars	No of units	NAV	Amount
Non Trade Investment			
Unquoted			
Investments in mutual funds:			
Bandhan Liquid Fund-Growth-(Direct Plan)	10,312	2,719	280.33
			280.33

9. Trade Receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables considered good - Secured	979.14	-
Trade receivables considered good - Unsecured	-	623.17
Trade Receivables which have significant increase in credit risk	16.56	119.11
Trade Receivables credit impaired	39.80	3.38
	1,035.51	**745.66**
Less: Provision for credit loss	56.36	33.16
Less: Provision for secondary discounts	162.11	141.15
Total	**817.04**	**571.35**

Note: The trade receivables of the company has been insured hence it has been shown as secured in current year.

Trade Receivable

As on 31st March 2024

Sr. No	Particulars	Outstanding as on 31st March, 2024 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	358.20	560.99	59.96	-	-	-	979.14
2	Undisputed Trade Receivables - which have significant increase in credit risk	-	1.33	2.62	12.61	-	-	16.56
3	Undisputed Trade Receivables - Credit Impaired	5.79	9.97	10.77	9.31	3.44	0.51	39.80
4	Disputed Trade Receivable - Considered good	-	-	-	-	-	-	-
5	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
		363.99	**572.29**	**73.35**	**21.93**	**3.44**	**0.51**	**1,035.51**
	Less: Provision for credit loss	5.79	11.30	13.39	21.93	3.44	0.51	56.36
	Less: Provision for secondary discounts	57.00	84.16	20.95	-	-	-	162.11
	Total	**301.20**	**476.83**	**39.01**	**-**	**-**	**-**	**817.04**

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Trade Receivables

As on 31st March 2023

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	3.38
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	**328.62**	**174.17**	**20.03**	**0.44**	**0.02**	**745.66**
	Less: Provision for credit loss	0.97	0.52	30.32	0.90	0.44	0.02	33.16
	Less: Provision for secondary discounts	141.15	-	-	-	-	-	141.15
	Total	**80.26**	**328.10**	**143.85**	**19.13**	**0.00**	**-0.00**	**571.35**

10. Cash and Cash Equivalents

Particulars	As at 31st March, 2024	As at 31st March, 2023
Bank balances in current accounts	263.07	170.98
Less: Allowance for doubtful deposits/balances	(0.65)	-
	262.43	**170.98**
Cash on hand	0.07	0.07
Total	**262.50**	**171.05**

11. Bank balances other than cash and cash equivalents

Particulars	As at 31st March, 2024	As at 31st March, 2023
Fixed deposits with maturity more than 3 months but less than 12 months	574.57	2,095.55
Less: Allowance for doubtful deposits/balances	(1.03)	-
Total	**573.54**	**2,095.55**

Notes to the Financial Statements
for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

12. Other Current Assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advances to vendors	25.50	9.11
Less: Provision for doubtful	1.46	6.00
Advances to vendors (Net of provision)	24.04	3.11
Prepaid expenses	29.09	21.95
Balances with government authorities	707.36	506.27
Others	2.56	15.97
Total	**763.05**	**547.29**

13. Equity Share Capita

Particulars	As at 31st March, 2024	As at 31st March, 2023
Authorised share capital		
48,000,(previous year 48,000) Equity shares of Rs. 10/- each	4.80	4.80
12,000,(previous year 12,000) Equity shares of Rs. 10/- each	1.20	1.20
Total	**6.00**	**6.00**

Issued, subscribed and paid-up as at March 31, 2024	No of shares	Amount
Equity shares of Rs. 10 each	22,456	2.25
Total	**22,456**	**2.25**

Issued, subscribed and paid-up as at March 31, 2023	No of shares	Amount
Equity shares of Rs. 10 each	22,456	2.25
Total	**22,456**	**2.25**

(i) Reconciliation of equity share capital

Particulars	No of shares	Amount
As at 31st March, 2022	15,324	1.53
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 31st March, 2023	**22,456**	**2.25**
Increases during the year		
Right issue	-	-
Conversion of Preference Shares into Equity Shares	-	-
Employees stock options	-	-
As at March 31, 2024	**22,456**	**2.25**

Notes to the Financial Statements
for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31st March, 2024	
	No. of Shares held	% of Holding
Equity Shares of Rs. 10/- each fully paid-up		
Marico Limited	12,121	54%
Puru Gupta	5,000	22%
Sreejith Moolayil	5,000	22%

Name of Shareholder	As at 31st March, 2023	
	No. of Shares held	% of Holding
Equity Shares of Rs. 10/- each fully paid-up		
Marico Limited	12,121	54%
Puru Gupta	5,000	22%
Sreejith Moolayil	5,000	22%

(iii) Shares held by Promoters

Promoter Name	As at 31st March, 2024		
	No. of shares	% of total share	% change during year
Puru Gupta	5,000	22.27%	0.00%
Sreejith Moolayil	5,000	22.27%	0.00%

Promoter Name	As at March 31st, 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%

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.

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 Rs. 10/- and premium of Rs. 1,49,847/- By Virtue of this transfer and fresh issue , Marico Ltd has became Holding company with 54% of Share holding.

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.

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

14. Other Equity

Equity Component of Financial Instrument

Particulars	Amount
Balance as at 31st March, 2022	**337.15**
- Conversion of Preference Shares into Equity Shares	337.15
Balance as at 31st March, 2023	**-**
- Conversion of Preference Shares into Equity Shares	-
Balance as at 31st March, 2024	**-**

(i) Reconciliation of preference share capital

Particulars	No of shares	Face Value
As at 31st March, 2022	**1,660**	**0.17**
Changes during the year		
Conversion of Preference Shares into Equity Shares	1,660	0.17
As at 31st March, 2023	**-**	**-**
Changes during the year	-	-
As at March 31, 2024	**-**	**-**

(ii) 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.

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

Particulars	As at 31st March, 2024	As at 31st March, 2023
Securities premium	9,220.30	9,220.30
Retained earnings	(5,849.78)	(4,260.08)
Share based payment reserve	321.56	179.37
Total	**3,692.07**	**5,139.59**

(i) Securities premium

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance	9,220.30	1,231.21
Add: Exercise of employee stock options	-	130.54
Add: Changes during the year	-	7,858.55
Closing balance	**9,220.30**	**9,220.30**

Notes to the Financial Statements
for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Retained earnings

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance	(4,260.08)	(2,398.40)
Net Profit/Loss during the period	(1,589.70)	(1,861.68)
Closing balance	**(5,849.78)**	**(4,260.08)**

(iii) Other Comprehensive Income

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance	29.79	35.31
Other comprehensive income for the year	(4.91)	(5.52)
Closing balance	**24.88**	**29.79**

(iv) Share Based Payment Reserve

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance	179.37	202.56
Add: Employee share-based payment expense for the year	142.19	107.35
Less: Transferred to Securities Premium	-	130.54
Closing balance	**321.56**	**179.37**

15. Lease Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non-current		
Lease Liabilities	240.61	386.77
Current		
Lease Liabilities	184.82	145.19

16 Provisions - non current

Particulars	As at 31st March, 2024	As at 31st March, 2023
Gratuity (refer note no 41)	59.78	42.08
Leave Encashment (refer note no 41)	9.61	8.79
Total	**69.39**	**50.87**

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Provisions- current

Particulars	As at 31st March, 2024	As at 31st March, 2023
Gratuity (refer note 41)	3.82	3.27
Leave Encashment (refer note 41)	1.88	1.68
Provision for damage and expiry	131.62	108.22
Total	**137.33**	**113.18**

Movement

Particulars	Opening Balance	Addition	Utilisation	Reversal	Closing Balance
Gratuity	45.35	18.25	-	-	63.60
Leave Encashment	10.47	1.02	-	-	11.50
Provision for damage and expiry	108.22	131.62	(108.22)	-	131.62

17 Trade Payables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current		
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises	486.52	227.52
Total outstanding dues of creditors other than micro enterprises and small enterprises	358.80	729.69
Total	**845.32**	**957.21**

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 31st March, 2024	As at 31st March, 2023
(a) The Principal amount remaining unpaid to any supplier as at the end of accounting year included in trade payable	376.86	261.96
(b) Interest due thereon	1.70	2.26
(c) The amount of interest paid along with the amouns of the payment made to the supplier beyond the appointed day	-	-
i. Principal paid beyond the appointment date	3,778.72	1,764.31
ii. Interest paid in terms of section 16 of the Act.	-	-
(d) The amount of interest due and payable for the year.	52.25	26.23
(e) The amount of interest accrued and remaining unpaid at the end of accounting year.	99.49	47.25
(f) 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 Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

As on 31st March, 2024

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)	346.10	140.27	0.14	-	-	486.52
2	Others (undisputed)	263.00	91.23	2.85	1.73	-	358.80
3	Disputed dues MSME	-	-	-	-	-	-
4	Disputed dues others	-	-	-	-	-	-
	Total	**609.10**	**231.50**	**2.99**	**1.73**	**-**	**845.32**

As on 31st March, 2023

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)	238.92	488.97	1.80	-	-	729.69
3	Disputed dues MSME	-	-	-	-	-	-
4	Disputed dues others	-	-	-	-	-	-
	Total	**316.96**	**617.43**	**22.83**	**-**	**-**	**957.21**

18. Other Financial Liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current		
Salaries, bonus and other benefits payable to employees	78.08	119.11
Capital Creditors	12.61	6.73
Total	**90.69**	**125.84**

19. Other current liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance from customers	29.93	-
Statutory Dues	47.27	56.65
Total	**77.20**	**56.65**

Notes to the Financial Statements
for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

20. Revenue from Operations

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Sale of products:		
Finished goods	7,638.51	5,737.53
Other operating revenue:		
Sale of scrap	3.74	2.08
Total Revenue	**7,642.25**	**5,739.61**

Reconciliation of Revenue from sale of products with the contracted price

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Contracted Price	8,411.65	6,710.83
Less: Discounts	789.36	976.60
Add: Shipping outward	16.22	3.30
Sale of Products	**7,638.51**	**5,737.53**

21. Other Income

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Discount Received	-	0.24
Dividend on Investment in liquid mutual funds	17.07	88.20
Interest on fixed deposits	170.57	169.18
Interest income from financial assets at amortised cost	5.73	6.86
Others	-	1.12
Liabilities Written Back	-	81.53
Profit on sale of property, plant and equipment (net)	0.45	-
Total	**193.82**	**347.13**

22. Cost of materials consumed

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Raw and Packing materials at the beginning of the year	260.46	221.20
Add: Raw and Packing material purchases	4,482.39	3,698.00
Less: Raw and Packing materials at the end of the year	396.18	260.46
Total	**4,346.67**	**3,658.74**

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

23. Changes in inventories of finished goods and work-in-progress

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Opening inventories		
Finished goods	276.29	173.64
Finished goods - in transit	-	39.36
	276.29	**213.00**
Closing inventories		
Finished goods	441.98	276.29
Finished goods - in transit		
	441.98	**276.29**
Total	**(165.69)**	**(63.29)**

24. Employee Benefit Expense

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Salaries, wages and bonus	1,593.05	1,267.85
Contribution to provident and other funds	71.67	44.41
Leave Encashment (refer note 41)	1.02	(15.11)
Gratuity (refer note 41)	11.69	10.90
Employee share-based payment expense (refer note 37)	142.19	107.35
Staff welfare expenses	20.77	29.30
Total	**1,840.39**	**1,444.70**

25. Finance Costs

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Interest expenses on financial liabilities at amortised cost	-	0.39
Other borrowing costs	-	32.36
Bank and other financial charges	11.14	0.43
Lease finance cost	42.78	34.04
Bank Interest on CC Limit	-	5.02
Interest on MSME late payments	52.25	26.23
Other interest	-	1.46
Total	**106.17**	**99.93**

26. Depreciation, Amortization and Impairment Expense

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Depreciation on property, plant and equipment (refer note 2)	82.20	114.37
Depreciation on Right to Use Assets (refer note 3)	186.73	156.03
Total	**268.93**	**270.40**

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

27. Other Expenses

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Advertisement and sales promotion	1,627.73	1,501.43
Processing and Other Manufacturing Charges	45.78	21.16
Forwarding and Distribution expenses	1,008.61	814.39
Commission	311.90	225.37
Storage Charges	66.75	43.78
Legal and Professional Charges	40.97	45.35
Repairs and Maintenance	41.17	27.39
Power, fuel and water	71.15	57.45
Travelling, conveyance and vehicle expenses	122.45	84.95
Consumption of stores, spare and consumables	49.86	47.16
Foreign Exchange Loss	0.18	-
Bad debts	101.44	3.79
Provision for doubtful debts	56.02	39.15
Audit fees		
- Statutory Audit fees	10.30	8.00
- Tax Audit fees	1.50	1.50
- Other	-	6.20
Rent, Rates & taxes	57.57	33.46
Miscellaneous expenses	75.78	56.57
Total	**3,689.16**	**3,017.10**

(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.

28. Income taxes

A. Amounts recognised in profit or loss

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Current taxes		
Current year	-	-
Related to prior years	-	-
Deferred taxes	(659.87)	(479.16)
Tax expenses	**(659.87)**	**(479.16)**

B. Income tax recognised in other comprehensive income

Particulars	31 March 2024			31 March 2023		
	Before tax	Tax (expenses)/ credit	Net of tax	Before tax	Tax (expenses)/ credit	Net of tax
Remeasurements of post employment benefit obligation gain/(loss)	(6.56)	1.65	(4.91)	(7.37)	1.85	(5.52)
	(6.56)	**1.65**	**(4.91)**	**(7.37)**	**1.85**	**(5.52)**

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

C. Reconciliation of effective tax rates

Profit before tax	31 March 2024			31 March 2023		
	Disallowance		(2,256.12)	Disallowance		(2,348.21)
Tax using the company's domestic tax rate		25.168%	(567.82)		25.168%	(591.00)
Effect of:						
Permanent Disallowance of Pre acqusition Loss	-	0.000%	-	390.70	-4.187%	98.33
Permanent disallowances of 43B	-	0.000%	-	18.24	-0.195%	4.59
Personal Expense disallowance	-	0.000%	-	9.95	-0.107%	2.50
MSME Interest	52.25	-0.583%	13.15	21.20	-0.227%	5.33
GST and TDS Fine	-	0.000%	-	0.48	-0.005%	0.12
Deferred Tax created on previous year losses after return filing	(563.12)	6.282%	(141.73)	-	0.000%	-
Deferred Tax created on unabsorbed depreciation after return filing	(70.26)	0.784%	(17.68)	-	0.000%	-
Others	208.83	-2.330%	52.56	(3.55)	0.038%	(0.89)
		29.321%	**(661.52)**		**20.484%**	**(481.01)**

D. Recognised deferred tax assets and liabilities

Particulars	Year ended 31 March 2023	Charged / Credit through Profit & Loss	Charged / Credit through OCI	Year ended 31 March 2024
Deferred income tax assets:				
Additional depreciation/amortisation on property plant and equipment, for tax purposes due to lower tax depreciation rates.	17.11	16.50	-	33.61
Liabilities / provisions that are deducted for tax purposes when paid	15.28	(8.09)	-	7.18
Lease assets	23.05	(15.14)	1.65	9.56
Provision for doubtful debts/ loans/ advances that are deducted for tax purposes when written off	8.13	6.63	-	14.76
Carried forward losses and unabsorbed depreciation	417.43	659.99	-	1,077.43
	481.01	**659.88**	**1.65**	**1,142.54**

E. Movement in deferred tax assets and liabilities

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Net deferred income tax asset at the beginning	481.01	-
Credit / (charge) relating to temporary difference (including Other Comprehensive Income)	661.53	481.01
Temporary differences on other comprehensive income	-	-
	1,142.54	**481.01**

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

29. 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 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.

Particulars	**As at 31st March, 2024**	**As at 31st March, 2023**
Total debt	-	-
Less:- Cash and Cash Equivalents	-	-
Net debt	-	-
Total equity	3,719.14	5,171.55
Net debt to equity ratio	**-**	**-**

30. 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% {Nil (Previous Year: Rs.2745.46 Lakhs)} of the company's total revenue from operations.

31. 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%.

Amount recognized as Current and Non- Current Liabilities

Particulars	**As at 31st March, 2024**	**As at 31st March, 2023**
Non Current Lease Liabilities	240.61	386.77
Current Lease Liabilities	184.82	145.19
Total	**425.43**	**531.96**

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Amount recognized in Statement of Profit and Loss during the year on account of IND AS 116

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Lease Finance Cost	42.78	34.04
Depreciation on Right to use Assets	186.73	156.03
Interest income on Lease Assets	5.73	6.86
Rent expenses	204.94	137.80

The movement in Lease liabilities (Non-current and Current) is as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance as at beginning of the year	531.96	156.63
Recognition on transition to Ind AS 116		-
Add: Addition	55.63	506.65
Add: Accretion of interest	42.78	34.04
Less: Payments (including foreclosure)	204.94	165.36
Less: Others (including foreclosure)		-
Balance as at end of the year	**425.43**	**531.96**

The total cash outflow for leases during the financial year was:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Operating cash flows: Interest expenses	42.78	34.04
Financial cash flows: Lease repayment	162.16	131.32

32. Names of related parties

Relationship	Name	Relation
Key management personnel (KMP)	Puru Gupta	Director
	Sreejith Moolayil	Director
	Arun Sipani	Director (resigned w.e.f. May 23rd, 2022)
	Abhishek Goenka	Director (resigned w.e.f. May 23rd, 2022)
	Ketan Jain	Director (resigned w.e.f. July 24th, 2023)
	Arpit Jain	Director (appointed w.e.f. Sep 29th, 2023, resigned w.e.f. Jan 19th, 2024)
	Sanjay Mishra	Director (resigned w.e.f. Dec 12th, 2023)
	Koteshwar Lankadasu	Director (appointed w.e.f. Dec 21st, 2023)
	Amit Basin	Director (appointed w.e.f. Jan 20th, 2024)
	Pawan Agarwal	Director (resigned w.e.f. Mar 18th, 2024)
	Aashish Agarwal	Director (appointed w.e.f. Mar 19th, 2024)
Holding Company	Marico Limited	Holding Company (w.e.f. 23rd May 2022)
Fellow Subsidiary Company (Refer Note a)	APCOS Naturals Pvt Ltd	
Relative of key management personnel (Refer Note a)	Abhijit Sipani	Relative of director
	Shashi Gupta	Relative of director
	Balchandrika Moolayil	Relative of director

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Note

a. Parties with whom transactions have taken place during the year.

b. Related parties have been identified by the management.

Disclosure of Related Party Transactions in accordance with - Related Party Disclosures.

Sr. No	Name of Related Party	Description of Relationship	Nature of Transaction	Transactions during the year	Balance Outstanding as on31st March ,2024
1	Puru Gupta	Director	Remuneration	66.33	-
2	Puru Gupta	Director	Reimbursement of Expenses	18.65	2.98
3	Sreejith Moolayil	Director	Remuneration	66.33	-
4	Sreejith Moolayil	Director	Reimbursement of Expenses	17.78	0.05
5	APCOS Naturals Pvt Ltd	Fellow Subsidiary Company	Purchase of Goods	1.52	-
6	APCOS Naturals Pvt Ltd	Fellow Subsidiary Company	Sale of Goods	1.52	-
7	Marico Limited	Holding Company	Sale of Goods	95.33	25.98

Sr. No	Name of Related Party	Description of Relationship	Nature of Transaction	Transactions during the year	Balance Outstanding as on March 31, 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, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

33. 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.

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
(a) Basic earnings per share		
From discontinued operation		
Net Loss After Tax available for Equity Shareholders	(1,589.70)	(1,861.68)
Weighted average number of equity shares used to compute basic earnings per share	22,456	21,433
Basic earnings per share (in Rs.)	(7,079.17)	(8,686.02)
(b) Diluted earnings per share		
From discontinued operation		
Net Loss After Tax available for Equity Shareholders	(1,589.70)	(1,861.68)
Weighted average number of equity shares used to compute basic earnings per share	22,456	21,433
Diluted earnings per share (in Rs.)	(7,079.17)	(8,686.02)

Note:-The effect of dilutive preference share, Debenture and employee stock options are Anti dilutive, hence not considered.

34. 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.

The gross carrying amount of trade receivables is Rs.1035.51 Lakhs as at 31st March, 2024, Rs.745.66 Lakhs as at 31st March, 2023.

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

The movement in allowance of impairement in respect of trade and other receivables

Particulars	As on 31st March 2024		As on 31st March 2023	
	Net Carrying Amount	Weighted Average loss rate-range	Net Carrying Amount	Weighted Average loss rate-range
Not Due	301.20	1.59%	221.41	0.44%
Less than 6 Months	476.83	1.97%	186.95	0.16%
6 Months - 1 Year	39.01	18.26%	143.85	17.41%
1-2 Year	-	100.00%	19.13	4.48%
2-3 years	-	100.00%	-	100.00%
More than 3 Years	-	100.00%	-	100.00%
	817.04		**571.35**	

Reconciliation of loss allowance provision- trade receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Loss allowance at the beginning of the year	33.16	-
Less: Used for Write Off	33.16	-
Add : Changes in loss allowances	56.36	33.16
Loss allowance at the end of the year	**56.36**	**33.16**

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 83.40 Lakhs as at 31st March, 2024, Rs.78.00 Lakhs as at 31st March, 2023.

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, 2024 is 2.64 (as at 31st March 2023 is 2.81) whereas the liquid ratio of the company as at 31st March, 2024 is 1.44 (as at 31st March 2023 is 2.42).

Maturities of financial liabilities

Contractual maturities of financial liabilities 31st March 2024	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Trade Payables	17	845.32	-	-	-	845.32

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Contractual maturities of financial liabilities 31st March 2024	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Lease Liabilities	15	184.82	240.61	-	-	425.43
Other Financial Liabilities	18	90.69	-	-	-	90.69
Total Non- derivative liabilities		**1,120.83**	**240.61**	**-**	**-**	**1,361.44**

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						
Trade payables	17	957.21	-	-	-	957.21
Lease Liabilities	15	145.19	386.77	-	-	531.96
Other financial liabilities	18	125.85	-	-	-	125.85
Total Non- derivative liabilities		**1,228.25**	**386.77**	**-**	**-**	**1,615.02**

(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.

(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, 2024		As at 31st March, 2023	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	11.20	11.14	32.52	32.20
Effect on profit before tax	(11.20)	(11.14)	(32.52)	(32.20)

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

35. Contingent liabilities

(a) Contingent liabilities

The company had contingent liabilities in respect of :

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Claims against the company not acknowledge as debt		
Disputed tax demands / claims :		
Income tax	-	39.27
Goods and servive tax	8.76	-
Total	**8.76**	**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.

36. Payment to Auditor

Particulars	As at 31st March, 2024	As at 31st March, 2023
Audit Fees		
Statutory Audit	10.30	8.00
Tax Audit	1.50	1.50
Others	-	6.20
Tot al	**11.80**	**15.70**

37. 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.

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

During the year ended 31 March 2024, 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/-

The details of activity under the Scheme 2017 are summarised below:

Particulars	**As at 31st March, 2024**	**As at 31st March, 2023**	**As at 31st March, 2022**	**As at 31st March, 2021**	**As at 1st April, 2020**	**As at 1st April, 2019**	**As at 1st April, 2018**
Options - Outstanding at the beginning of the year	254	785	597	508	428	94	-
Options - Granted during the year	160	10	221	132	80	334	94
Options - Forfeited during the year	42	73	33	43	-	-	-
Options - Exercised during the year	-	468	-	-	-	-	-
Options - Outstanding at the end of the year	372	254	785	597	508	428	94
Options - Exercisable at the end of the year	154	96	460	404	348	28	-
Fair price	1,50,000	1,49,986	1,49,986	44,436	40,800	26,400	20,968
Exercise price	₹ 10	₹ 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.

38. Contractual Commitments

The Company has no contractual Commitments and corporate guarantee during the year under audit.

39. Capital Commitments

Particulars	**As at 31st March, 2024**	**As at 31st March, 2023**
Estimated amount of contract remaining to be executed on capital account and not provided for. [Net of Capital Advance Rs.0.50 Lakhs, (31st March 2022 - Nil)]	13.58	-
Total	**13.58**	**-**

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

40(a). Ratios

Ratio	Items included in numerator and denominator for computing	As at 31st March, 2024	As at 31st March, 2023	Variation beyond 25%	Reasons
(a) Current Ratio,	Current Assets / Current Liabilities	2.64	2.81	No	
(b) Debt-Equity Ratio,	Total Borrowings/Shareholders' Funds (Share Capital + Reserves & surplus)	0.00	0.00	No	
(c) Debt Service Coverage Ratio,	Net Profit after taxes + Non-cash operating expenses + Interest + other /Debt service = Interest & Lease Payments + Principal Repayments	(4.68)	(1.11)	Yes	During FY 24 there is a addition in lease.
(d) Return on Equity Ratio,	Net Profit after tax/ average Shareholders' Funds (opening + closing)/2)	(0.36)	(0.81)	Yes	During FY 24 Employees stock options issued. Current year loss reduced as compared with previous year.
(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	6.08	7.41	No	
(f) Trade Receivables turnover ratio,	Revenue from Operations/ Average Trade Receivable Average Trade Receivable = (Opg Trade Receivable + Clg Trade Receivable)/2	11.01	9.77	No	
(g) Trade payables turnover ratio,	Net Credit Purchases/ Average Trade Payable Average Trade Payable = (Opg Trade Payable + Clg Trade Payable)/2	4.97	4.18	No	
(h) Net capital turnover ratio,	Revenue from Operations/ working Capital (Current Assets- Current Liabilities)	3.49	2.05	Yes	There is a increased in working capital in FY 24.
(i) Net profit ratio,	Net Profit After tax/ Revenue from Operations	-21%	-32%	Yes	There is a increase in revenue as well as gross profit.
(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)	-58%	-45%	Yes	Due to current year losses.
(k) Return on investment.	Net Profit before tax/ Shareholders' Funds (Share Capital + Reserves & surplus)	-60%	-45%	Yes	Due to current year losses.

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

40(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 previous 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.

41. Employee Benefits

(a) Defined contribution plans

During the year the Company has recognized the following amounts in the Statement of Profit and Loss:-

Particulars	As at 31st March, 2024	As at 31st March, 2023
Employers contribution to provident fund	56.65	38.06
Employers contribution to ESIC	14.86	6.17
Employers contribution to MLWF	0.16	0.18
Total	**71.67**	**44.41**

(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:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Defined Benefit Cost : P&L (Income) /Expense	11.69	10.90
Other Comprehensive (Income) / Expense	6.56	7.37
Defined Benefit Obligation	63.60	45.35
Net Liability/(Asset) at the end of the year	63.60	45.35
Discount Rate at Year - end	**7.20%**	**7.45%**

A. Actuarial assumptions

Particulars	As at 31st March, 2024	As at 31st March, 2023
Discount rate (per annum)	7.20%	7.45%
Expected rate of increase in compensation levels (per annum)	5.00%	5.00%
Retirement age (years)	58 Years	58 Years
Mortality table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

B. Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening present value of obligation	45.35	32.32
Interest cost	3.26	2.20
Current service cost	8.43	8.70
Gratuity liability from Business Acquisition	-	-
Past Service Cost	-	-
Benefits paid	-	-5.25
Actuarial loss/ (gain) on obligation	6.56	7.37
Closing present value of obligation	**63.60**	**45.35**

C. Expense recognized in the Statement of Profit and Loss

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current service cost	8.43	8.70
Past Service Cost	-	-
Interest cost	3.26	2.20
Expense recognized in the Statement of Profit and Loss	**11.69**	**10.90**
Net actuarial loss/(gain) to be recognized in OCI	6.56	7.37
Expense recognized in the Statement of Profit and Loss	**18.25**	**18.27**

D. Reconciliation of present value of defined benefit obligation and fair value of assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
Defined Benefit Obligation as of Prior Year end and Service Cost	45.35	32.32
Current service cost	8.43	8.70
Interest Cost	3.26	2.20
Benefit payments directly by employer	-	-5.25
Actuarial (Gain) / Loss - Demographic Assumptions	-	-
Actuarial (Gain) / Loss - Financial Assumptions	1.60	-2.22
Actuarial (Gain) / Loss - Experience	4.96	9.59
Defined Benefit Obligation as of Year end and Service Cost	63.60	45.35
Fair value of plan assets	-	-
Net funded status	**63.60**	**45.35**
Recognized under:		
Long term provision	59.78	42.08
Short term provision	3.82	3.27

E. Employer's best estimate for payment during next year

Particulars	As at 31st March, 2024	As at 31st March, 2023
Gratuity	-	-

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

F. Sensitivity Analysis

Particulars	As at 31st March, 2024	As at 31st March, 2023
Discount rate		
a. Discount rate - 100 basis points	70.71	50.08
a. Discount rate - 100 basis points impact (%)	11.17%	10.42%
b. Discount rate + 100 basis points	57.58	41.32
b. Discount rate + 100 basis points impact (%)	-9.47%	-8.88%
Salary increase rate		
a. Rate - 100 basis points	58.87	42.71
a. Rate - 100 basis points impact (%)	-7.45%	-5.82%
b. Rate + 100 basis points	68.78	48.48
b. Rate + 100 basis points impact (%)	8.14%	6.89%

Annexure G : Maturity Profile of Defined Benefit Obligation

Particulars	As at 31st March, 2024	As at 31st March, 2023
Expected Future Cashflows		
Year 1	3.82	3.27
Year 2	4.06	3.25
Year 3	4.32	3.74
Year 4	4.59	3.44
Year 5	4.89	3.50
Year 6 to 10	22.68	16.45
Above 10 Years	117.48	79.88

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.

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance	10.47	26.54
Expenses in Profit and Loss Statement	1.02	-15.61
Payment made during the year	-	-0.46
Closing balance	**11.50**	**10.47**

42 (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.

(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

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

43(a). 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.

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.

Notes to the Financial Statements

for the year ended 31st March, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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.

43(b). Figures for the previous year have been re-grouped/re-arranged wherever necessary to conform current period's classification.

For **Haribhakti & Co. LLP**
Chartered Accountants
Firm Registration Number: 103523W/W100048

Deepak G. Morolia
Partner
Membership Number - 130533

Place: Mumbai
Date: 29th April 2024

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: 29th April 2024

Sreejith Moolayil
Director
DIN: 06702399

Place: Mumbai
Date: 29th April 2024

SATIYA NUTRACEUTICALS PRIVATE LIMITED

(SNPL)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Aashish Agarwal Mr. Koteshwar L N Mr. Amit Bhasin Mr. Akash Zaveri Mr. Rishubh Satiya
REGISTERED OFFICE	Unit No. B3/ G2, Asmeeta Textile Park, Kalyan Bhiwandi Road, MIDC Village Kongaon, Kalyan (West), Bhiwandi, Thane - 421311
AUDITORS	M/s. Walker Chandiok & Co. LLP
BANKERS	1. HDFC Bank Limited 2. Axis Bank Limited 3. Kotak Mahindra Bank Limited 4. RBL Bank 5. IndusInd Bank Limited 6. Yes Bank Limited 7. ICICI Bank Limited

Independent Auditor's Report

To
The Members of
Satiya Nutraceauticals Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Satiya Nutraceauticals Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. 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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 Standalone 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 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

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

   The Board of Director's report is not made available to us before the date of auditor's report. We have nothing to report in this regard.

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

5. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone 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 Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the Board of Directors 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.

7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

8. 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 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.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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, 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. {; and}

10. 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.

Other Matter

11. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2023 and 31 March 2022 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), on which we issued auditor's reports to the members of the Company dated 15 July 2023 and 29 September 2022 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

13. 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 give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    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 matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

    f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 14(b) above on reporting under section 143(3)(b) of the Act and paragraph 24(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and

    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, as detailed in note 38 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;

        iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 46(c) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

            b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 46 (d) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2024.

vi. As stated in Note 47 to the financial statements and based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below.

Nature of exception noted	**Details of Exception**
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail feature for accounting software (Tally Prime) used for maintenance of accounting records from 1 April 2023 to 8 January 2024 had a feature of recording audit log but due to absence of evidences, we are unable to comment upon whether the audit trail (edit log) facility remained operational for the said period.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature	The accounting software (Uniware e-commerce and Zoho books) used for maintenance of books of account of the Company is operated by third party software service providers. In the absence of the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature of the said software were enabled and operated throughout the year for all relevant transactions recorded in the respective software.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Yashwant M. Jain
Partner
Membership No.: 118782
UDIN: 24118782BKHJLF2979

Place: Mumbai
Date: 25 April 2024

Annexure A referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Satiya Nutraceauticals Private Limited on the standalone financial statements for the year ended 31 March 2024.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, 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.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The Company does not own any immovable property including investment properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) 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 inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made any investment 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 (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, undisputed 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 other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months:

Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due Date	Date of Payment
Employee provident funds	Provident funds dues	3.50	April 2021 to March 2022	15th of the following month	Not paid

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.

(x) (a) 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 to the Company.

(b) During the year, the Company has made preferential allotment or private placement of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised have been utilised by the Company for the purposes for which these funds were raised.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the 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 for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the 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. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to Rs. 1,115 Lakhs and 771 Lakhs respectively..

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone 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) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Yashwant M. Jain
Partner
Membership No.: 118782
UDIN: 24118782BKHJLF2979

Place: Mumbai
Date: 25 April 2024

Annexure B to the Independent Auditor's Report of even date to the members of Satiya Nutraceuticals Private Limited on the standalone financial statements for the year ended 31 March 2024

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Satiya Nutraceuticals Private Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls 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 Financials Controls over Financial reporting issued by the Institute of Chartered Accountants of India (the 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 the Company's business, including adherence to the 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. 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 Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 were established and maintained and if such controls operated effectively in all material respects.

4. 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 includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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.

5. 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

6. A company's internal financial controls 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 controls with reference to financial statements include 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

7. 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

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls 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 Financials Controls over Financial reporting issued by the Institute of Chartered Accountants of India (the ICAI).

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Yashwant M. Jain
Partner
Membership No.: 118782
UDIN: 24118782BKHJLF2979

Place: Mumbai
Date: 25 April 2024

Standalone Balance Sheet as at March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated),

Particulars	Notes	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
ASSETS				
Non-current assets				
Property, plant and equipment	2	148	74	51
Right of use assets	3	274	67	104
Intangible assets	4A	15		
Intangible assets under development	4B	6		
Investment in Subsidiary	5	64	51	9
Financial assets				
Other financial assets	6	54	33	24
Non-current income tax assets (net)	7	72	37	9
Deferred tax assets (net)	8	351		
Total non-current assets		**984**	**262**	**197**
Current assets				
Inventories	9	1103	660	386
Financial Assets				
(i) Investments	10	1743	0	0
(ii) Trade receivables	11	1089	575	349
(iii) Cash and cash equivalents	12	905	542	339
(iv) Other financial assets	13	1875	816	1707
Other current assets	14	465	273	201
Total current assets		**7180**	**2866**	**2982**
Total Assets		**8164**	**3128**	**3179**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15A	1	1	1
Instruments entirely equity in nature	15B	0	0	0
Other equity	16	5620	1499	2303
Total equity		**5621**	**1500**	**2304**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Lease liabilities	17	205	28	37
Provisions	18	19	15	6
Total non-current liabilities		**224**	**43**	**43**
Current liabilities				
Financial liabilities				
(i) Lease liabilities	17	72	39	63
(ii) Trade payables	19			
dues of micro enterprises and small enterprises		406	486	199
dues of creditors other than micro enterprises and small enterprises		1525	835	490
(iii) Other financial liabilities	20	69	25	0
Other current liabilities	21	117	130	42
Provisions	22	130	70	38
Total current liabilities		**2319**	**1585**	**832**
Total liabilities		**2543**	**1628**	**875**
Total equity and liabilities		**8164**	**3128**	**3179**

Summary of material accounting policies information 1

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

As per our Report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Yashwant M. Jain
Partner
Membership No.: 118782

Place: Mumbai
Date: 25 April 2024

For and on behalf of the Board of Directors of
Satiya Nutraceuticals Private Limited
CIN: U74999MH2020PTC337674

Akash Hiren Zaveri
Director
DIN: 07704775

Place : Mumbai
Date: 25 April 2024

Rishubh Jitendra Satiya
Director
DIN: 08698965

Place : Mumbai
Date: 25 April 2024

Standalone Statement of Profit & Loss for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated),

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Income			
Revenue from operations	23	14,501	9,894
Other income	24	278	85
Total income (I)		**14,779**	**9,979**
Expenses			
Cost of material consumed	25	2,856	3,209
Purchase of finished goods	26	1,688	-
Changes in inventories of finished goods	27	(339)	(148)
Employee benefit expenses	28	1,574	923
Finance costs	29	22	7
Depreciation and amortisation expenses	30	136	74
Other expenses	31	10,191	6,855
Total expenses (II)		**16,128**	**10,920**
Loss before tax (III = II - I)		**(1,349)**	**(941)**
Loss before tax		**(1,349)**	**(941)**
Income tax expense			
Deferred tax expenses/(credit)	8	(353)	
Total tax expense (IV)		**(353)**	**-**
Loss for the year (V= III-IV)		**(996)**	**(941)**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
a) remeasurements of the defined benefit liabilities	40	9	(1)
b) income tax relating to items that will not be reclassified to profit or loss	40	(2)	
Total of other comprehensive income /(loss) for the year = (VI)		**7**	**(1)**
Total comprehensive loss for the year		**(989)**	**(942)**
Loss per equity share for (Nominal value ₹ 10 per share)			
Basic loss per share (In ₹)		(8,724)	(8,990)
Diluted loss per share (In ₹)		(8,724)	(8,990)

Summary of material accounting policies information 1

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

As per our Report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N5O0013

For and on behalf of the Board of Directors of
Satiya Nutraceuticals Private Limited
CIN: U74999MH2020PTC337674

Yashwant M. Jain
Partner
Membership No.: 118782

Akash Hiren Zaveri
Director
DIN: 07704775

Rishubh Jitendra Satiya
Director
DIN: 08698965

Place: Mumbai
Date: 25 April 2024

Place : Mumbai
Date: 25 April 2024

Place : Mumbai
Date: 25 April 2024

Standalone Statement of Cash Flows for the year ended 31 March'2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,349)	(941)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation expense	136	74
Interest income	(235)	(74)
Rent Income	(2)	(2)
Finance cost	22	7
Expected credit Loss - PDD	18	-
Employees stock option charge	98	96
Gain on sale of Mutual funds	(9)	-
Interest Income on fixed asset measured at amortised cost	(3)	(2)
Property plant and equipment written off	-	3
Operating Profit/(loss) before working capital changes	**(1,324)**	**(839)**
Movement in working capital		
(Increase) / Decrease in trade receivables	(532)	(226)
(Increase) / Decrease in inventories	(443)	(274)
(Increase) / Decrease in other assets and financial assets	(241)	(88)
Increase / (Decrease) in provisions	73	40
Increase / (Decrease) in trade payables	610	632
Increase/ (decrease) in other current liability	(13)	88
Increase/ (decrease) in other finacial liability	44	25
Cash used from operations	**(1,826)**	**(642)**
Income tax paid (net of refunds)	(35)	(28)
Net cash used in operating activities (A)	**(1,861)**	**(670)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(161)	(63)
Movement in fixed deposit with bank (maturity beyond three months)	(1,041)	895
Interest received in bank	189	79
Rent received	2	2
Purchase of investment	(2,495)	-
Sale value of investment	804	-
Net cash flow used in investing activities (B)	**(2,702)**	**913**

Standalone Statement of Cash Flows for the year ended 31 March'2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	-
Securities premium received	5,000	-
Repayment of Lease Liability	(52)	(33)
Payment of Interest	(22)	(7)
Net cash flow from financing activities (C)	**4,926**	**(40)**
Net decrease in cash and cash equivalents (A+B+C)	**363**	**203**
Cash and cash equivalents at the beginning of the year	542	339
Cash and cash equivalents at the end of the year (Refer note below)	**905**	**542**

Notes :-

For the purpose of the statement of cash flows, cash and cash equivalent comprises the followings:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Balances with banks:		
On current accounts (Refer note 12)	679	50
Cash on hand (Refer note 12)	-	2
in deposit account	226	188
Sweep Account	-	302
	905	**542**

As per our Report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N5O0013

Yashwant M. Jain
Partner
Membership No.: 118782

Place: Mumbai
Date: 25 April 2024

For and on behalf of the Board of Directors of
Satiya Nutraceuticals Private Limited
CIN: U74999MH2020PTC337674

Akash Hiren Zaveri
Director
DIN: 07704775

Place : Mumbai
Date: 25 April 2024

Rishubh Jitendra Satiya
Director
DIN: 08698965

Place : Mumbai
Date: 25 April 2024

Standalone Statement of Changes in Equity for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

A. Equity share capital

Particulars	No. of shares	Amount (in lakhs)
As at April 01, 2022	**10,464**	**1**
Changes in equity share capital	81	(0)
As at March 31, 2023	**10,545**	**1**
Changes in equity share capital	3,454	-
As at March 31, 2024	**13,999**	**1**

B. Instruments entirely equity in nature

a. Compulsorily Convertible Preference Shares

Particulars	No. of shares	Amount (in lakhs)*
As at April 01, 2022	**3491**	**-**
Changes in equity share capital	0	-
As at March 31, 2023	**3491**	**-**
Changes in equity share capital	-1862	-
As at March 31, 2024	**1629**	**-**

* amounts below ₹0.50 lakh have been rounded off

C. Other equity

Particulars	Reserves and surplus			Total other equity
	Securities premium	Retained earnings	Share options outstanding account	
Balance as at April 01, 2022 as per audited IGAAP financial statement	**3,389**	**(1,108)**	**18**	**2,299**
Ind AS adjustments		(10)	14	4
Balance as at April 01, 2022 Restated	**3,389**	**(1,118)**	**32**	**2,303**
Loss for the year transferred from the statement of profit or loss Restated	-	(941)		(941)
Other comprehensive loss for the year (net of income tax)	-	(1)		(1)
Issue of equity shares and Expense for the year			138	138

Standalone Statement of Changes in Equity for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Particulars	Reserves and surplus			Total other equity
	Securities premium	Retained earnings	Share options outstanding account	
Balance as at March 31, 2023 Restated	**3,389**	**(2,060)**	**170**	**1,499**
Loss for the year transferred from the statement of profit or loss		(996)		(996)
Other comprehensive loss for the year (net of income tax)		7		7
Total comprehensive income/(loss)	**-**	**(989)**	**-**	**(989)**
Issue of equity shares	5,000	-	111	5,111
Premium on ESOP Grant	161		(161)	-
ESOP Expense on account of Cancellation		19	(19)	-
Balance as at March 31, 2024	**8,550**	**(3,031)**	**101**	**5,620**

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 options outstanding account

The Company has established various equity settled share based payment plans for certain category of employees of the company

Summary of material accounting policies information

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

As per our Report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Yashwant M. Jain
Partner
Membership No.: 118782

Place: Mumbai
Date: 25 April 2024

For and on behalf of the Board of Directors of
Satiya Nutraceuticals Private Limited
CIN: U74999MH2020PTC337674

Akash Hiren Zaveri
Director
DIN: 07704775

Place : Mumbai
Date: 25 April 2024

Rishubh Jitendra Satiya
Director
DIN: 08698965

Place : Mumbai
Date: 25 April 2024

Material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

Company Corporate Information

Satiya Nutraceuticals Private Limited ('the Company') was incorporated on 13 February 2020 under Companies Act, 2013. The Company is dealing in health and wellness products under the brand name 'Plix'. The registered office of the Company is situated at Building No B3/ 2G, Asmeeta Textile Park Kongaon, Kalyan-Bhiwandi Road, Bhiwandi Thane 421311, Maharashtra, India.

The financial statements comprise the financial statements of the Company. (the Company referred to as "the Company").

1. Material accounting policies

The Material accounting policies applied by the Company in the preparation of its financial statements are listed below:

(a) Basis of preparation

The Standalone financial statements (the "financial statement") have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended, and the presentation and disclosure requirements of Division II of Schedule III to the Act and the guidelines issued by the Securities Exchange Board of India to the extent applicable. The accounting policies have been consistently applied for all the periods presented in the Standalone financial statements

The Standalone finanical statements up to year ended 31 March 2023 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with paragraph 7 of the Companies (Accounts) Rule, 2014 ("Indian GAAP", "previous GAAP"). These financial statements for the year ended 31 March 2024 are the first set of financial statements prepared in accordance with Ind AS. The date of transition to Ind AS is 01st April 2022 (hereinafter referred to as the 'transition date').

The Standalone financial statements for the year ended 31 March 2024 and the opening Balancesheet as at 01 April 2023 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet and Statement of Profit and Loss (including Comprehensive Income) are provided in Note 44 and Note 45

The Standalone financial statements of the Company are presented in Indian Rupees (₹/₹) which is also its functional currently and all amounts disclosed in the financial statements and notes have been rounded off to the nearest zero decimals in lakhs as per the requirement of Schedule III to the Act, unless otherwise stated.

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.

The company has prepared the Standalone financial statements on the basis that it will continue to operate as a going concern.

(b) Current and 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.

(c) Critical accounting estimates and judgements

In preparing these financial statements, the management has made judgements, 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:

- Fair value measurement of financial instruments
- Provision of Inventory
- Estimate of use of wallet balance by customers
- Recognition of deferred tax assets
- Judgement required for ascertainment of contracts in the nature of lease, lease term, incremental borrowing cost and the fair value of lease as per Ind AS 116

Material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

- Measurement of useful life and residual values of property, plant and equipment and components thereof
- Defined benefit obligation

(d) Revenue recognition

Sale of products

Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at a point in time i.e., at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. 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.

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.

(e) Property, plant and equipment (including Capital work-in-progress)

Property, plant and equipment is recognized 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 acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Standalone 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 recognized in the Statement of Profit and Loss.

Capital work-in-progress comprises cost of Property Plant and Equipment that are not yet ready for their intended use at the year end.

Depreciation and amortization

Depreciation on property, plant and equipment is provided under the Written down value method over the useful life of the assets as specified under Part C of Schedule II of Companies Act, 2013. Depreciation is calculated pro-rata from / to the date of addition / deletion.

Depreciation on assets acquired under a finance lease is spread over the lease period or useful life of acquired asset whichever is shorter.

(f) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized 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 Companied at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company 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.

(g) Other income

Interest income is recognized on a time proportion basis considering the amount outstanding and the rates applicable.

(h) Inventories

Inventories are valued at lower of cost and net realizable value; cost is determined using first in first out (FIFO) method. Cost of raw materials and stores and spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

(i) Foreign currency transactions and translation

The reporting currency of the Company is Indian Rupee.

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.

Conversion

Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

(j) Leases

The Company's lease asset classes consist of leases for 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 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 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 commencement of lease plus any direct cost less any lease incentives.

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

iii) the Company has the right to direct the use of the asset.

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 at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. Right-of-use assets 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.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or change in the lease term) or a change in the assessment of an option to purchase the underlying asset.

(k) Financial assets and liabilities

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.

(l) Financial Assets

i. Classification of financial assets

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 amortized cost.

Classification of debt assets will be driven by the Company's business model for managing the

Material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

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 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.

Amortized 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 amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized 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 recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized 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 amortized 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 recognized 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 recognized in profit or loss as other income when the Company's right to receive the dividend is established.

Security deposit

Security deposits given to lessors are initially recognized as assets at their fair value upon disbursement, determined by the amount remitted to the lessor. And, subsequently recorded at amortized cost at the end of every financial reporting year. The difference between the transaction and discounted value of the security deposits paid is recognized as right-of- use assets and is amortized over the shorter of the lease term and the useful life of the underlying assets.

Further, interest is accreted on the present value of the security deposits paid for lease rent.

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.

Material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

iv. Derecognition of financial assets:

A financial asset is derecognized 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 derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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 derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset continues to be recognized to the extent of continuing involvement in the financial asset.

(m) Financial liabilities

i. Initial recognition and subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

ii. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

(n) Employee benefits

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. the Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan

Gratuity

The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

b) Net interest expense or income

Material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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 or losses arising from changes in actuarial assumptions are recognized in the Statement of Profit and Loss under other comprehensive income.

(o) Provisions and contingencies

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 recognized 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 recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is 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 recognize a contingent asset unless the recovery is virtually certain.

(p) Taxes on income

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 recognized 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 recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(q) Share-based compensation or payments

Employee stock option plan

The fair value of options granted under the Company's employee stock option scheme is recognized as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price)

Material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g., the requirement for employees to save or holding shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

(r) Borrowing costs

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. Other borrowing costs are expensed in the period in which they are incurred.

(s) Segment reporting

The activities of the Company comprise of only one business segment i.e., "trading of cosmetic and allied products". The Company operates in only one geographical segment i.e. India. Hence, the Company's financial statements are reflective of the information required by Ind AS 108, "Segment Reporting" notified under the Act.

(t) Cash and cash equivalents

Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(u) Earnings per share

Basic earnings per share are computed by dividing net profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing net profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

(v) Rounding off:

All amounts disclosed in the financial statement and notes have been rounded off to the nearest lakhs, 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.

(w) Recent Indian Accounting Standards (Ind AS):

The Company adopted Disclosure of Accounting (amendment to Ind AS 1) from 01st April, 2023. Although the amendment did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statement.

The amendment requires the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statement.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

2. Property, plant and equipment

Particulars	Owned Assets				Total
	Plant and Equipment	Furniture and Fixtures	Computers & Laptops	Office equipment	
Gross carrying value (Deemed Cost)*					
As at 1 April 2022	**-**	**19**	**38**	**11**	**68**
Additions	1	16	35	11	63
Disposals/Adjustments	-	-	(16)	-	(16)
As at March 31, 2023	**1**	**35**	**57**	**22**	**115**
Additions	11	28	54	45	138
Disposals/Adjustments	-	-	-	-	-
As at March 31, 2024	**12**	**63**	**111**	**67**	**253**
Accumulated depreciation					
As at 1 April 2022	**-**	**2**	**12**	**3**	**17**
Depreciation charge during the year	-	6	25	6	37
Disposals/Adjustments	-	-	(13)	-	(13)
As at March 31, 2023	**-**	**8**	**24**	**9**	**41**
Depreciation charge during the year	1	9	36	18	64
Disposals/Adjustments	-	-	-	-	-
As at March 31, 2024	**1**	**17**	**60**	**27**	**105**
Net Carrying Value					
Carrying value (as at 01st April 2022)	**-**	**17**	**26**	**8**	**51**
Carrying value (as at March 31, 2023)	**1**	**27**	**33**	**13**	**74**
Carrying value (as at March 31, 2024)	**11**	**46**	**51**	**40**	**148**

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

Note: The Company has not revalued its property, plant and equipment (including right-of-use assets) both during the current or previous year.

3. Right of use assets

Particulars	Building	Total
As at 1st April 2022	**104**	**104**
Additions	**-**	**-**
Deductions	-	-
As at 31st March 2023	104	104
Additions	**275**	**275**
Deductions	-	-
As at 31st March 2024	**379**	**379**
Accumulated depreciation		-
Opening accumulated depreciation	-	-
As at 1st April 2022	**-**	**-**
Amortisation charge	37	37
As at 31st March 2023	**37**	**37**
Amortisation charge	68	68

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

Particulars	Building	Total
As at 31st March 2024	**105**	**105**
Net carrying value		
As at 1st April 2022	**104**	**104**
As at 31st March 2023	**67**	**67**
As at 31st March 2024	**274**	**274**

4A. Intangible assets

Particulars	Computer software	Total
Gross carrying value (Deemed Cost)*		
As at April 01, 2022	**-**	**-**
Additions	-	-
Disposals/Adjustments		-
As at March 31, 2023	**-**	**-**
Additions	18	18
Disposals/Adjustments	-	-
As at March 31, 2024	**18**	**18**
Accumulated amortisation		-
As at April 01, 2022	**-**	**-**
Depreciation charge during the year	-	-
Disposals/Adjustments	-	-
As at March 31, 2023	**-**	**-**
Depreciation charge during the year	3	3
Disposals/Adjustments	-	-
As at March 31, 2024	**3**	**3**
Net Carrying Value		-
Carrying value (as at 01 April 2022)		**-**
Carrying value (as at March 31, 2023)	**-**	**-**
Carrying value (as at March 31, 2024)	**15**	**15**

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

4B. Intangible assets under development

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Project in Progress	6	-	-

March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
Project in Progress	6	-	-	-	6
Total	**6**	**-**	**-**	**-**	**6**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

5. Investment in Subsidiary

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of shares	Amount	No. of shares/Units	Amount	No. of shares/Units	Amount
Investment in wholly owned subsidiary (Unquoted)						
- 10,000 (Previous year 10,000) shares of ₹ 10 each fully paid up in Juizo advisory private limited	10,000	64	10,000	51	10,000	9
Total Investments	**10,000**	**64**	**10,000**	**51**	**10,000**	**9**
Aggregate amount of quoted investments		-		-		-
Aggregate Market Value of quoted investments		-		-		-
Aggregate amount of unquoted investments		64		51		9
Aggregate amount of impairment in value of investments		-		-		-

6. Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Financial assets at amortized cost			
Security deposits-considered good	54	33	24
Total	**54**	**33**	**24**

7. Non-current income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Non-current income tax assets (net)		-	-
Income Tax Asset	72	37	9
Total	**72**	**37**	**9**

Notes:

The following table provides the details of income tax assets and liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
TDS balance with income tax authorities	72	37	9
Income tax liabilities	-	-	-
Net Income Tax Asset	**72**	**37**	**9**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

8. Deferred tax balances

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Deferred tax assets	351	-	-
Deferred tax liabilities	-	-	-
Total deferred tax assets (net)	**351**	**-**	**-**

The following is the analysis of the movement in deferred tax assets/(liabilities) presented in Standalone financial statements:

2023-2024

Particulars	As at March 31, 2023	(Charge)/ Credit to Profit or loss	(Charge)/ Credit to Other Comprehensive Income	As at March 31, 2024
Deferred tax liabilities :				
Deferred tax asset				
(a) Defined benefit obligations		5	(2)	3
(b) Loss allowance on trade receivables		5	-	5
(c) Provision for 43B(h) and 43B		3	-	3
(d) Property, plant & equipment		11	-	11
(e) Provisions for Inventory		8	-	8
(f) Unabsorbed losses		311	-	311
(g) Unabsorbed deprecation		10		10
	-	**353**	**(2)**	**351**
Deferred tax assets (net)	**-**	**353**	**(2)**	**351**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax		
Deferred tax charge / (credit) on profits for the year	(353)	-
Total	**(353)**	**-**

Recognised in other comprehensive income

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax		
Tax related to items that will not be reclassified to Profit and Loss	(2)	-
Total	**(2)**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Loss before tax as per statement of profit and loss (a)	**-1,349**	**-941**
Enacted income tax rate in India (b)	25.168	25.168
Income tax credit calculated (c)= a * b	(340)	(237)
Permanent difference	(13)	-
Deferred tax assets not recognised	-	246
Total	**(353)**	**9**

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.

9. Inventories

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Raw materials & Packing materials (including in transit)	382	278	152
Finished goods	721	382	234
Total	**1,103**	**660**	**386**

10. Investments

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
7.20% Bajaj Finance Ltd Jul 2024 (31 March 2024: 70 Units, 31 March 2023: 0 Units, 01 April 2022: 0 Units)	735	-	-
5.70% HDB Financial Serv. Oct 2024 (31 March 2024: 50 Units, 31 March 2023: 0 Units, 01 April 2022: 0 Units)	507	-	-
8.25% M&M Fin. Serv. Ltd. Mar 2025 (31 March 2024: 500 Units, 31 March 2023: 0 Units, 01 April 2022: 0 Units)	501	-	-
Total	**1743**	**-**	**-**

11. Trade receivables

Sr. No	Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
1	**Trade receivables**			
	Considered good - unsecured	817	575	349
	Receivables from related parties	272		
	Having significant increase in credit risk	18		
		1,107	**575**	**349**
	Less: provision for receivables having significant increase in credit risk	(18)		
	Total	**1,089**	**575**	**349**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Trade receivables ageing schedule as at March 31, 2024

Sr. No	Particulars	Outstanding as on March 31, 2024 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
1	Undisputed trade receivables - considered good	261	805	5		-	-	1,071
2	Undisputed trade receivables - which have significant increase in credit risk	-	-	16	2			18
3	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
4	Disputed trade receivable - considered good	-	-	-	-	-	-	-
5	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	**261**	**805**	**21**	**2**	**-**	**-**	**1,089**

Trade receivables ageing schedule as at March 31, 2023

Sr. No	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
1	Undisputed trade receivables - considered good		569	6		-	-	575
2	Undisputed trade receivables - which have significant increase in credit risk	-	-	-				-
3	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
4	Disputed trade receivable - considered good	-	-	-	-	-	-	-
5	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	**-**	**569**	**6**	**-**	**-**	**-**	**575**

Trade receivables ageing schedule as at March 31, 2022

Sr. No	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
1	Undisputed trade receivables - considered good	-	349			-	-	349
2	Undisputed trade receivables - which have significant increase in credit risk	-	-			-	-	-
3	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Sr. No	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
4	Disputed trade receivable - considered good	-	-	-	-	-	-	-
5	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	**-**	**349**	**-**	**-**	**-**	**-**	**349**

12. Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Bank balances in current accounts	679	50	25
Cash on hand	-	2	2
Balance with banks in sweep account	226	188	96
Bank deposits with maturity less than 3 months*	-	302	216
Total	**905**	**542**	**339**

Note: It is to be noted that Fixed deposit number 50300560335336 with original investment amount of ₹ 1.5 Crore and maturity amount 1.76 Crore has been liened against OD. OD is unutilised as on 31 March 2024

* Since the amount is less than 0.5lakh hence the same has been rounded off to zero

13. Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
TDS Receivable from Suppliers	9	14	15
Wallets Balaces	30	10	-
Fixed deposits with maturity more than 3 months but less than 12 months	1820	780	1676
Accrued Interest on Bank Deposits	16	12	16
Total	**1875**	**816**	**1707**

14. Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Balances with Govt. authorities (GST ITC)	214	216	160
Advance to Employees	7	-	4
Prepaid expenses	104	22	6
Advance to Vendors	137	32	19
Advance ESIC and Other assets	3	3	12
Total	**465**	**273**	**201**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

15A. Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Authorised share capital			
20,000 (March 31, 2023 : 20,000) Equity shares of ₹ 10/- each	2	2	2
Total	**2**	**2**	**2**

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Issued, subscribed and paid-up equity shares			
13,999 (March 31, 2023 : 10,545, 01st April 2022: 10464) Equity shares of ₹ 10/- each	1	1	1
Total	**1**	**1**	**1**

(i) Reconciliation of issued, subscribed and fully paid up share capita Equity shares

Particulars	Number of shares	Amount
As at March 31, 2022	**10,464**	**1**
Changes during the year	81	-
As at March 31, 2023	**10,545**	**1**
Changes during the year	3,454	-
As at March 31, 2024	**13,999**	**1**

(ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹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, 2024, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2023: 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

Name of Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 10/- each fully paid-up						
Marico Ltd	8022	57.30%	0	0.00%	0	0.00%

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

(iv) Details of shares held by promotors

As at March 31, 2024

Name of Shareholder	Number of shares	% of total share	% change during year
Equity Shares of ₹ 10/- each fully paid-up			
Rishubh Satiya	2,862	20.44%	-26.97%
Akash Zaveri	2,862	20.44%	-26.97%

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			
Rishubh Satiya	5,000	47.42%	-0.37%
Akash Zaveri	5,000	47.42%	-0.37%

As at April 01, 2022

Name of Shareholder	Number of shares	% of total share	% change during year
Equity Shares of Re. 10/- each fully paid-up			
Rishubh Satiya	5,000	47.78%	0%
Akash Zaveri	5,000	47.78%	0%

(v) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Share Capital						
Marico Ltd	8,022	57.30%	-	-	-	-
Rishubh Satiya	2,862	20.44%	5,000	47.42%	5,000	47.78%
Akash Zaveri	2,862	20.44%	5,000	47.42%	5,000	47.78%

(vi) On and from June 20, 2023, the ESOP Pool Size was reduced to 188 options. 22 granted options were cancelled during the year. 11 further new options were granted during the F.Y. 2023-24. Total 168 options were exercised / shares were allotted during the F.Y. 2023-24.

(vii) During the FY 22-23, 23 further options were granted to eligible employees. Total 81 options were exercised/ shares were allotted during the FY 22-23.

(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.

(ix) 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.

(x) The company has raised additional funds by issuing 1,168 equity shares of ₹ 10 each at a premium of ₹ 3,51,114 each and issued 256 0.1% compulsory convertible preference shares (CCPS) of ₹ 10 each at a premium of ₹ 3,51,114 each aggregating to ₹ 5,000 lakhs.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

15B. Instruments entirely equity in nature

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Authorised share capital			
30,000 March 31, 2024 (March 31, 2023 : 30,000) 0.1% Compulsorily convertible preference shares of ₹ 10/- each	3	3	3
Total	**3**	**3**	**3**

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Issued, subscribed and paid-up Preference share	0*	0*	0*
1,629 March 31, 2024 (March 31, 2023 : 3,491, 01st April 2022: 3491) 0.1% Compulsorily convertible preference shares of ₹ 10/- each			
Total	**-**	**-**	**-**

(i) Reconciliation of Instruments entirely equity in nature Instruments entirely equity in nature

Particulars	Number of shares (Nos)	Amount (In lakhs)
As at 01 April, 2022	**3,491**	**0***
Changes during the year	-	-
As at March 31, 2023	**3,491**	**0***
Changes during the year	-1,862	0*
As at March 31, 2024	**1,629**	**0***

(ii) Details of preference shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
0.1% Compulsory convertible preference shares of ₹ 10 each						
RP-SG Capital Ventures Opportunity Fund CCPS	256	15.72%	-	-	-	-
Guild India Consumer I LLC	-	-	2,101	60.18%	2,101	60.18%
RP-SG Ventures Investment Trust	1,373	84.28%	1,373	39.33%	1,373	39.33%

(iii) Rights, preferences and restrictions attached to preference shares

The Company has only one class of preference shares having par value of ₹10 per share. Each holder of preference 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 preferential amounts.

* amounts below ₹ 0.50 lakhs have been rounded off

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

16. Other equity

Reserves and surplus

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Securities premium (refer note (i) below)	8,550	3,389	3,389
Retained earnings (refer note (ii) below)	(3,031)	(2,060)	(1,118)
Share options outstanding account (refer note (iii) below)	101	170	32
Total	**5,620**	**1,499**	**2,303**

Nature and purpose of reserves

i 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.

ii 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.

iii Share options outstanding account

The Company has established various equity settled share based payment plans for certain category of employees of the company.

17. Lease liability

a The company has adopted Ind AS 116 'Leases' from 01 Apr 2022.

b Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the practical expedients permitted by the standard:

- applying the single discount rate to a portfolio of leases with reasonably similar characteristics.

- accounting for operating leases with a remaining lease term of less than 12 months as at 01 Apr 2022

c The weighted average lessee incremental borrowing rate applied to the lease liabilities on 01 Apr 2022 is 10% p.a

d Lease payment not recognised as lease liability

Particulars	As at March 31, 2024	As at March 31, 2023
Expenses relating to short term leases (included in other expenses)	90	47
Total	**90**	**47**

e Total cash outflow for leases for the period ended 31 Mar 2024 was ₹ 74 Lakhs (31 Mar 2023: ₹ 40 lakhs)

The company elected to apply Indian Accounting Standards 116 (Ind AS 116) on leases with effect from 1st April, 2022 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

Amount recognized as current and non-current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Non-current			
Lease Liabilities-non current	205	28	37
Total	**205**	**28**	**37**
Current			
Lease liabilities-current	72	39	63
Total	**72**	**39**	**63**

Amount recognized in statement of profit and loss during the year on account of Ind-AS 116

Particulars	As at March 31, 2024	As at March 31, 2023
Lease finance cost	22	7
Depreciation on right of use assets	68	37
Other Item included in statement of Profit and Loss during the year:-		
- Short term and low value lease payment	90	47
Total	**180**	**91**

The following is the movement in lease liabilities for the year ended:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	67	100
Addition during the year	262	-
Finance cost accrued during the year	22	7
Payment of lease liabilities	-74	-40
Total	**277**	**67**

Cash flow from leases	As at March 31, 2024	As at March 31, 2023
Cash payments for the principal and interest portion of lease liability within financing activities	74	40

18. Provisions

Employee benefit obligation

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Gratuity (refer note (i) below)	19	15	6
Total	**19**	**15**	**6**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

(a). Defined contribution plans

The company has certain defined contribution plans such as provident fund. During the year the Company has recognized the following amounts in the statement of profit and loss:-

Particulars	As at March 31, 2024	As at March 31, 2023
Employers contribution to provident fund	48	24
Total	**48**	**24**

(I) Defined benefit plan

The company has certain defined contribution plans such as provident fund. During the year the Company has recognized the following amounts in the statement of profit and loss:-

(i) Gratuity (Unfunded):

Gratuity: The company operates a gratuity plan through the ""Satiya Nutraceuticals Private Limited Employees Gratuity Trust"". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act,1972. The same is payable at the time of separation from the company or retírement, whichever is earier. The benefits vest after five years of continuous service.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporing date using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government bonds as at the date of actuarial valuaticon. Actuarial gains and losses (net of tax) are recognised immediately in the Other Comprehensive incume (OCI)

This is a funded benefit plan for qualifying employees. The Company makes contributions to LIC policy to cover the liability. This scheme provdies for a lump sum payment to vested employees at retirement, death while in employement or on termination of employment. Vesting occurs upon completion of five years of service.

These plans typically expose the Company to acturial risks such as; Investment risk, inherent interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominatcd in Indian Rupee) is calculated using a discount rate which is determincd by reference to market yields at the end of the reporting period on government bonds. Currently for the plan in india, it has a relatively balanced mix of investments in government securities, and other debt intruments.
Interest rate risk	The defined benefit obligation calculation uses a discount rate based on government bonds. If bond yield fall, the defined benefit oblgation wil tend to increase.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimaue of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the pan participants will increase the plan's liability.
Salary risk	Higher than expected increase in salary will increase the defined benefit obligation.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

A. Actuarial assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	7.25%	7.50%
Expected rate of increase in compensation levels (per annum)	8.00%	7.00%
Retirement age (years)	58	58
Mortality table	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table
Withdrawal Rate	35.00% p.a at younger ages reducing to 15.00% p.a% at older ages	10.00% p.a at younger ages reducing to 2.00% p.a% at older ages

B. Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening present value of obligation	14	5
Interest cost	1	-
Current service cost	13	8
Gratuity liability from business acquisition	-	-
Past service cost	-	-
Benefits paid	-	-
Actuarial loss/ (gain) on obligation	(9)	1
Closing present value of obligation	**19**	**14**

C. Changes in fair value of plan assets:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Actuarial loss/ (gain) on plan assets	-	-
Closing fair value of plan assets	**-**	**-**

D. Expense recognized in the statement of profit and loss

Particulars	As at March 31, 2024	As at March 31, 2023
Current service cost	13	8
Past service cost	-	-
Interest cost	1	-
Expected return on plan assets	-	-
Expense recognized in the statement of profit and loss	**14**	**8**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

E. Expense recognized in Other comprehensive income

Particulars	As at March 31, 2024	As at March 31, 2023
Actuarial loss/ (gain) on obligation for the period	(9)	1
Return on plan assets excluding interest income	-	-
Net actuarial loss/(gain) to be recognized in OCI	(9)	1

F. Assets and liabilities recognized in Balance Sheet

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	19	14
Fair value of plan assets	-	-
Net funded status	**19**	**14**
Net assets and liabilities recognized in Balance Sheet	**19**	**14**

G. Expected contribution to the fund next year

Particulars	As at March 31, 2024	As at March 31, 2023
Gratuity	-	-

H. Quantitative sensitivity analysis for significant assumptions is as shown below:

Impact of Defined benefit obligation	As at March 31, 2024	As at March 31, 2023
Discount Rate Sensitivity		
Increase by 0.5%	19	14
% Change	-2%	-6%
Decrease by 0.5%	20	16
% Change	3%	6%
Salary Growth Rate Sensitivity		
Increase by 0.5%	20	15
% Change	2%	5%
Decrease by 0.5%	19	14
% Change	-2%	-4%
Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	18	14
% Change	-8%	-1%
W.R. x 90%	21	15
% Change	8%	1%

The sensitivity analysis above has been determined based on the method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawal are not material and hence impact of change is not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

I. Maturity Profile of Defined Benefit Obligation in future years

Expected Future Cashflows (Undiscounted)

Particulars	₹	%
Year 1 Cashflow	0	0.80%
Year 2 Cashflow	2	8.50%
Year 3 Cashflow	3	11.80%
Year 4 Cashflow	4	13.50%
Year 5 Cashflow	4	13.70%
Year 6 to Year 10 Cashflow	11	35.80%

The Weighted Average Duration (Years) as at valuation date is 3.61 Years

19. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Trade payables:			
Total outstanding dues of micro enterprises and small enterprises	406	486	199
Total outstanding dues of creditors other than micro enterprises and small enterprises	674	370	282
Subtotal	**1,080**	**856**	**481**
Accrued Expenses	851	465	208
Total	**1,931**	**1,321**	**689**

Note:

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:

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
I . The Principal amount remaining unpaid to any supplier as at the end of accounting Period included in trade payable	406	486	198
II. Interest due thereon	-	-	1
Trade Payables due to micro and small enterprises	406	486	199
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 year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-	1
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-	1
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 of MSMED Act, 2006.	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

As at March 31, 2024

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)	-	384	22	-	-	-	406
b. Others (undisputed)	-	591	83	-	-	-	674
c. Disputed dues MSME	-	-	-	-	-	-	-
d. Disputed dues others	-	-	-	-	-	-	-
Accrued Expenses	851	-	-	-	-	-	851
Total	**851**	**975**	**105**	**-**	**-**	**-**	**1,931**

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)	-	399	85	-	-	-	484
b. Others (undisputed)	-	304	68	-	-	-	372
c. Disputed dues MSME	-	-	-	-	-	-	-
d. Disputed dues others	-	-	-	-	-	-	-
Accrued Expenses	465	-	-	-	-	-	465
Total	**465**	**703**	**153**	**-**	**-**	**-**	**1,321**

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)	-	-	199	-	-	-	199
b. Others (undisputed)	-	-	280	2	-	-	282
c. Disputed dues MSME	-	-	-	-	-	-	-
d. Disputed dues others	-	-	-	-	-	-	-
Accrued Expenses	208	-	-	-	-	-	208
Total	**208**	**-**	**479**	**2**	**-**	**-**	**689**

20. Other financial liability

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Creditors for capital goods	6	6	-
Employee related payables	63	19	-
Total	**69**	**25**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

21. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Statutory Dues Payable	57	64	42
Reimbursement of expenses payable	-	-	-
Deferred revenue	53	61	-
Advance from Debtors	7	-	-
Other Payables	-	5	-
Total	**117**	**130**	**42**

22. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Provision for Sales return	116	64	35
Compensated absences	14	6	3
Total	**130**	**70**	**38**

23. Revenue from operations

Particulars	As at March 31, 2024	As at March 31, 2023
Sale of products	14,435	9,882
Sale of service	66	12
Total revenue	**14,501**	**9,894**

Revenue disaggregation by category is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Weight management		5,428
Personal care		2,275
Others		2,191
Total	**-**	**9,894**

Revenue disaggregation by geography is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Domestic Sale	14,486	9,894
Export Sale	15	
Total	**14,501**	**9,894**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue as per contracted price	14,617	9,958
Less: Sales return	(116)	(64)
Total revenue from contract with customers	**14,501**	**9,894**

24. Other income

Particulars	As at March 31, 2024	As at March 31, 2023
Interest Income		
Interest income on fixed depsoit	135	74
Interest received on income tax refund	1	-
Interest Income on financial assets measured at amortised cost	3	2
Interest income on bonds	100	-
Gain on sale of mutual fund	9	-
Royalty Income	1	-
Rental Income	2	2
Miscellaneous Income	27	7
Total	**278**	**85**

25. Cost of materials consumed

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials & Packing materials		
Raw materials & Packing materials at the beginning of the year	278	152
Purchases during the year	2,957	3,335
Raw materials & Packing materials at the end of the year	379	278
Cost of Raw materials & Packing materials consumed	**2,856**	**3,209**
Total	**2,856**	**3,209**

26. Purchases of finished goods

Particulars	As at March 31, 2024	As at March 31, 2023
Purchase of finished goods	1,688	-
Total	**1,688**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

27. Change in inventories of finished goods

Particulars	As at March 31, 2024	As at March 31, 2023
Opening inventories		
Finished goods	382	234
	382	**234**
Closing inventories		
Finished goods	721	382
	721	**382**
Total	**(339)**	**(148)**

28. Employee benefit expenses

Particulars	As at March 31, 2024	As at March 31, 2023
Salaries, wages and bonus	1,296	790
Contribution to provident and other funds (Refer note 18)	48	24
Contribution to Gratuity (Refer note 18)	19	9
Share based payment expenses (Refer note 42)	98	96
Staff welfare expenses	113	4
Total	**1,574**	**923**

29. Finance costs

Particulars	As at March 31, 2024	As at March 31, 2023
Interest expenses on lease liabilities	22	7
Interest on MSME payments	-	-
Total	**22**	**7**

30. Depreciation, amortization and impairment expense

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation on property, plant and equipment [refer note 2]	64	37
Amortisation on intangible assets [refer note 4A]	4	-
Amortisation on right of use assets [refer note 3]	68	37
Total	**136**	**74**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

31. Other expenses

Particulars	As at March 31, 2024	As at March 31, 2023
Rent (Refer note no. 17)	90	47
Repairs and maintenance - Others	1	3
Shipping Charges	1,035	844
Channel Comission Expenses	711	424
Job Work & Labour Charges	126	14
Payment Gateway	16	17
Transport Charges	186	114
Advertising and sales promotion expenses	6,671	4,813
Legal & Professional Fees	793	237
Rates & Taxes	25	23
Office Expenses	95	91
Audit Fees (Refer Note no. 39)	27	14
Insurance	10	4
Brokrage & Commission	3	2
Research & Development	72	22
Expected Credit Loss	18	-
Software Charges and website maintenance	311	175
Royalty fees	-	2
Property plant and equipment written off	-	3
Miscellaneous expenses	1	6
Total	**10,191**	**6,855**

(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.

32. Capital management

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.

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Net debt			
Total equity	5,621	1,500	2,304
Net debt to equity ratio	**-**	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

Net Debt Reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Cash and cash equivalents	905	542	339
Lease liability	(277)	(67)	(100)
Net Debt	**628**	**475**	**239**

33. Segment information

In accordance with Ind AS 108, Segment reporting, the Chief Executive Officer and Managing Director is the Company's Chief Operating Decision Maker ("CODM"). The Company business activity falls within a single reportable business segment and geographical segment namely sale of Nutraceuticals and Personal care products hence does not have any Reportable segment as per Indian Accounting Standard 108 "operating segments" in standalone financials statements.

34. Fair value measurements

Financial assets and liabilities

The carrying value of financial instruments by categories is as follows:

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	Fair Value	Amortised cost	Fair Value	Amortised cost	Fair Value	Amortised cost
Financial Assets - Non-current						
Other financial assets		54		33		24
Financial Assets - Current						
(i) Trade receivables		1,089		575		349
(ii) Cash and cash equivalents		905		542		339
(iii) Investments		1,743				
(iv) Other financial assets		1,875		816		1,707
Financial liabilities - Non-current						
Lease liabilities		205		28		37
Financial liabilities - Current						
(i) Lease liabilities		72		39		63
(ii) Trade payables		1,931		1,321		689
(iii) Other financial liabilities		69		25		-

All the above amounts are net of provisions for impairments.

1. Fair Value Hierarchy

The fair value of financial instruments as referred to in above note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

2. Fair value of financial assets and liabilities measured at amortised cost for which fair values are disclosed

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Financial Assets - Non-current						
Other financial assets	54	54	33	33	24	24
Financial Assets - Current			-			
(i) Trade receivables	1,089	1,089	575	575	349	349
(ii) Cash and cash equivalents	905	905	542	542	339	339
(iii) Investments	1,743	1,743	-	-	-	-
(iv) Other financial assets	1,875	1,875	816	816	1,707	1,707
Financial liabilities - Non-current						
Lease liabilities	205	205	28	28	37	37
Financial liabilities - Current						
(i) Lease liabilities	72	72	39	39	63	63
(ii) Trade payables	1,931	1,931	1,321	1,321	689	689
(iii) Other financial liabilities	69	69	25	25	-	-

During the years mentioned above, there has been no transfers amoung the hierarchy.

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year for year ended 31st March 2024

Other financial assets and liabilities

The management assessed that for amortised cost instruments, fair value approximates largely to the carrying amount.

35. Related party disclosure

A. Names of related parties and description of relationship in the case of control relationship and in other cases where transactions have taken place

Related parties where control exists

Marico Limited - Holding Company (51.20% Holding)*

Key management personnel

Akash Hiren Zaveri -Director

Rishubh Jitendra Satiya -Director

Apoorv Gautam -Director (upto 26-07-2023)

Koteshwar Narasimha Lankadasu (w.e.f 22-01-2024)

Amit Bhasin (w.e.f 26-07-2023)

Pawan Bhagwan Das Agrawal (w.e.f 26-07-2023 upto 14-03-2024)

Arpit Jain (w.e.f 26-07-2023 upto 19-01-2024)

Aashish Agarwal (w.e.f 15-03-2024)

Key management personnel's relatives

Poonam Akash Zaveri - Relative of Director

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

Tamanna Zaveri - Relative of Director

Anusha Sanghvi - Relative of Director

M/s Pep Technologies Private Limited

Honasa Consumer Ltd

Bright Lifecare Pvt. Ltd.

Entity in which KMPs and their relatives have significant influence

J K Graphics LLP (Interested director -Rishubh Jitendra Satiya)

Satiya Nutraceuticals Proprietorship (Interested director -Rishubh Jitendra Satiya)

Guild Advisors LLP (upto 26-07-2023)

* on a full diluted basis

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	Nature of Transaction	Transactions for the year ended March 31, 2024	Transactions for the year ended March 31, 2023
1	Akash Hiren Zaveri	Director Remuneration	55	55
2	Rishubh Jitendra Satiya	Director Remuneration	55	55
3	Tamanna Hiren Zaveri	Salary	7	7
4	J K Graphics LLP	R & D Expenses	1	0
5	J K Graphics LLP	Purchases	99	137
6	J K Graphics LLP	Rent	0	7
8	Anusha Sanghvi	Salary	10	5
9	Marico Ltd	Sales	11	-
10	Eatclub Brands Private Limited	Food and Beverages Expenses	0	-
11	M/s Pep Technologies Private Limited	R & D Expenses	0	-
12	Honasa Consumer Ltd	R & D Expenses	0	-
13	Bright Lifecare Pvt. Ltd.	Sales	6	-
14	Bright Lifecare Pvt. Ltd.	Commission Expenses	2	-
15	Bright Lifecare Pvt. Ltd.	Shipping Expenses	1	-
17	Marico Ltd	Equity Shares Issued	0	-
18	Marico Ltd	Security Premium	4101	-
19	J K Graphics LLP	Transport & Labour Charges	-	1
20	Guild Advisors LLP	Legal & Professional Fees	-	24
21	J K Graphics LLP	Packaging expenses	-	15
22	J K Graphics LLP	Office expenses	-	1
23	Akash Hiren Zaveri	Reimbursement of expenses paid	-	0
24	Rishubh Jitendra Satiya	Reimbursement of expenses paid	-	2
25	Juizo Advisory Private Limited	Sales	2027	
26	Juizo Advisory Private Limited	Rent Income	2	
27	Juizo Advisory Private Limited	Royalty Income	1	
28	Juizo Advisory Private Limited	Investment by Holding (Deemed Capital)	13	30

*Since the transactions during the year with the RPT is less than 0.5L hence the same has been rounded off to zero.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

C. Balances at year end:

Sr. No	Particulars	Nature of balances	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
1	J K Graphics LLP	Trade Payables	-	10	4
3	Satiya Nutraceuticals (Proprietorship)	Trade Receivables	4	4	4
4	Bright Lifecare Pvt. Ltd.	Trade Receivables	2	-	-
5	Akash Hiren Zaveri	Trade Payables	-	-	-
6	Juizo Advisory Private Limited	Trade Receivables	269	232	150
7	Juizo Advisory Private Limited	Investment in subsidiary	63	50	20
8	Poonam Satiya	Trade Payables	0	0	0

36. 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.

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Basic earnings per share		
Net Loss After Tax available for Equity Shareholders	(996)	(941)
Weighted average number of equity shares used to compute basic earnings per share	11,417	10,467
Basic earnings per share (in ₹)	(8,724)	(8,990)
Face Value per Share (rs.)	10	10
(b) Diluted earnings per share		
Net Loss After Tax available for Equity Shareholders	(996)	(941)
Weighted average number of equity shares used to compute basic earnings per share	11,417	10,467
Diluted earnings per share (in ₹)	(8,724)	(8,990)
Face Value per Share (rs.)	10	10

Note:

Since potential number of equity shares to be issued on exercise of Employee Stock options will have anti-dilutive effect i.e. their conversion to ordinary shares would decrease loss per share, hence 168 stock options have not been considered in calculating diluted earnings per share for the year ended 31 March 2024

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

37. Financial risk management

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk, market risk (including interest rate 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 group. Credit risk arises on liquid assets, financial assets, derivative assets, trade and other receivables.

In respect of its investments the group 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.

The gross carrying amount of trade receivables are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Trade receivables	1089	575	349

Reconciliation of loss allowance provision- trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Loss allowance at the beginning of the year			-
Less: Used for write off			
Add : Changes in loss allowances	18		
Loss allowance at the end of the year	**18**	**-**	**-**

Security deposits are interest free deposits given by the company for properties taken on lease. The gross carrying amount of Security deposit is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Security Deposits	54	33	24

(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.

Current Ratio as at March 31, 2024	3.10	Liquid Ratio as at March 31, 2024	2.62
Current Ratio as at March 31, 2023	1.81	Liquid Ratio as at March 31, 2023	1.39

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Maturities of financial liabilities

Contractual maturities of financial liabilities as on March 31, 2024	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Trade payables	19	1,931				1,931
Lease liabilities	17	96	105	75	45	321
Other financial liabilities	20	69				69
Total Non- derivative liabilities		**2,096**	**105**	**75**	**45**	**2,321**

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						
Trade payables	19	1,321				1,321
Lease liabilities	17	45	24	-	-	69
Other financial liabilities	20	25				25
Total Non- derivative liabilities		**1,391**	**24**	**-**	**-**	**1,415**

Contractual maturities of financial liabilities as on April 01, 2022	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Trade payables	19	689				689
Lease liabilities	17	41	45	28	-	114
Other financial liabilities	20	-				-
Total Non- derivative liabilities		**730**	**45**	**28**	**-**	**803**

38. Contingent liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Income tax demand	4	-	

39. Payment to auditor

Particulars	As at March 31, 2024	As at March 31, 2023
Audit fees		
Statutory audit fees	15	14
Special purpose audit fees	11	-
Out of pocket expenses	1	-
Total	**27**	**14**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

40. Other Comprehensive Income

Particulars	As at March 31, 2024	As at March 31, 2023
Items that will not be reclassified to profit or loss		
Actuarial Gain/(loss) on defined benefit obligations	9	-1
Income tax on Acturial Gain	-2	-
Total	**7**	**(1)**

41. Contractual commitments

The Company has no contractual commitments and corporate guarantee during the year under audit.

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, 2024	As at March 31, 2023	As at April 01, 2022
Property, plant and equipment	-	-	-
Capital expenditure not recognised as liabilities	**-**	**-**	**-**

42. Employee Stock Option Plan

i Scheme details

The Board, at its meeting held on 29 March 2021 had approved the Employee Stock Option Scheme 2021 ("ESOP Policy"). Further, the Shareholders' of the Company also approved the ESOP Policy at the Extra-Ordinary General Meeting held on 30 March, 2021 with a Pool size of 1550 Options. The Policy was further revised vide Special Resolutions dated September 19, 2022 and June 20, 2023.

ESOP scheme	Number of options granted	Grant date	Vesting date	Exercise price	Fair Value at grant date*
Employee Stock Option Scheme 2021	186	3-Jan-22	3-Jan-22	10	87,489
Employee Stock Option Scheme 2021	78#	10-Apr-21	10-Apr-21	10	87,489
Employee Stock Option Scheme 2021	23	17-Jan-23	17-Jan-23	10	3,23,188
Employee Stock Option Scheme 2021	11	7-Feb-24	7-Feb-24	10	1,65,711

Offered to an employee part of subsidiary Juizo Advisory Private Limited (right full form)

The total vesting period of ESOP is over the period of 4 years. 25% vest after the end of one year and balance 75% are vested equally over the period of 36 months.

* The fair value for each vesting are largely same as presented above

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

ii Movement in shares options during the current year

The following reconciles the shares options outstanding at the beginning and the end of the year:

ESOP Plan	As at March 31, 2024 Numbers of options	As at March 31, 2023 Numbers of options
Balance at beginning of year	206	264
Granted during the year	11	23
Forfeited during the year	22	-
Exercised during the year	168	81
Expired during the year		-
Surrendered during the year		-
Balance at the end of the year	**27**	**206**
Exercisable at the end of the year	**1**	**-**

iii Fair value of options

The black scholes valuation model has been used for computing the weighted average fair value considering the following inputs

Particulars	ESOP Scheme
Dividend Yield %	0%
Volatility %	12.52%
Risk free Rate %	7.08%
Exercise price	10
Expected life in years	1.88

43. Ratios

Accounting Ratios

Ratio	Items included in numerator and denominator for computing	As at March 31, 2024	As at March 31, 2023	Variance (%age)	Remarks
(a) Current ratio	Current assets / Current liabilities	3.10	1.81	71.23%	There is an significant increased in investment and cash & bank balance during the FY 24 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)	-	-	-	*
(c) Debt service coverage ratio	(Net profit after taxes + non-cash operating expenses + interest + other) / Debt service = Interest & lease payments + principal repayments	-	-	-	*

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Ratio	Items included in numerator and denominator for computing	As at March 31, 2024	As at March 31, 2023	Variance (%age)	Remarks
(d) Return on equity Ratio	Net profit after tax / Average shareholders' funds [(opening + closing)/2]	-	-	-	*
(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]	4.77	5.85	-18.50%	Better management of inventory has lead to maintaning the constant inventory even though there is increase in purchases due to increase in turnover
(f) Trade receivables turnover ratio	Revenue from operations / Average trade receivables [(opening trade receivables + closing trade receivables)/2]	17.42	21.39	-18.55%	Timely receipts of dues
(g) Trade payables turnover ratio	Net credit purchases / Average trade payables [(opening trade payables + closing trade payables)/2]	2.86	3.32	-13.91%	Timely repayment of dues
(h) Net capital turnover ratio	Revenue from operations / Working capital (Current assets - current liabilities)	2.98	7.71	-61.33%	There is an significant increased in working capital in FY 24 due to funds infused by Marico Ltd. Resulted into decrease in Net capital turnover ratio.
(i) Net profit ratio	Net profit after tax / Revenue from operations	-	-	-	*
(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)]	-	-	-	*
(k) Return on investment	Net profit before tax / Shareholders' funds (share capital + reserves & surplus)	-	-	-	*

*Considering loss, coverage has been restricted to zero

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

44. First time adoption of Ind AS

A) Transition to Ind AS

The accounting policies set out in note 1 has been applied in preparing the financial statements for the period ended 31 March 2024 and the comparative information presented in these financial statements are for the year ended 31 March 2023 and in the preparation of an opening Ind AS Balance sheet as at 1 April 2022 (the company's date of transition to Ind AS). In preparing its opening Ind AS Balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with Accounting Standard specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and other relevant provisions of the Act ("Indian GAAP").

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in tables and notes as disclosed below in point (B).

i. Optional exemptions availed

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

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 and intangible assets at their previous GAAP carrying value.

Right to use assets

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 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. 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

ii. Mandatory exceptions

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements should be consistent with estimates made for the same date in accordance with the previous GAAP, unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair value measurement of financial instruments
- Determination of financial assets and liabilities
- Judgement required for ascertainment of contracts in the nature of lease, lease term, incremental borrowing cost and the fair value of lease as per Ind AS 116.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

Derecognition of financial assets and liabilities

Ind AS 101 requires entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

45. (i) Reconciliation of Other equity as at 31 March 2022 and 31 March 2023

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as per audited IGAAP Standalone financial statements:	1,489	2,299
Interest Income on security deposit	2	-
Interest expense on unwinding of discount on financial liabilities	(7)	-
Depreciation on Right of use assets	(37)	-
Rent expenses reserve	47	-
Actuarial loss on employee benefit obligations	1	-
Other comprehensive loss for the year	(1)	-
Reversal of lease equalisation reserve	4	4
Balance as at 31st March'2023	**1,499**	**2,303**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

(ii) Reconciliation of Statement of Profit and Loss between the previous GAAP and IND AS as at 31 March 2023

Particulars	Previous GAAP as at 31 March 2023	IND AS Adjustment	IND AS as at 31 March 2023
I. Income			
(a) Revenue from operations	9,894	-	9,894
(b) Other income	83	2	85
Total Income	**9,977**	**2**	**9,979**
II. Expenses			
(a) Cost of materials consumed	3,066	143	3,209
(b) Changes in inventories of finished goods	(148)	-	(148)
(c) Employee benefits expenses	923		923
(d) Finance costs	-	7	7
(e) Depreciation and amortisation expenses	37	37	74
(f) Other expenses	7,045	(190)	6,855
Total Expenses	**10,923**	**(3)**	**10,920**
III. Income before tax	**(946)**	**5**	**(941)**
IV. Prior period expense	**(15)**	**15**	**-**
V. Tax expense			-
(a) Current tax		-	-
(b) Deferred tax charge		-	-
Total tax expense	**-**	**-**	**-**
VI. Net profit for the period	**(961)**	**20**	**(941)**
VII. Other comprehensive income			
Actuarial gain/(loss) on defined benefit obligations	-	(1)	(1)
Total other comprehensive income	-	(1)	(1)
VIII. Total comprehensive Income for the period	**(961)**	**19**	**(942)**

Notes to reclassification:

1. Reclassification of expense recognized for employee stock option from a separate disclosure as prior period expense on the face of profit and loss account to employee benefit expense of ₹ 15 Lakhs
2. Reclassification of Actuarial loss from employee benefit expense to Other comprehensive income of ₹ 1 Lakh
3. Reclassification of packing material expense into cost of material consumed amounting to ₹ 143 Lakhs since the same has been inventorised from FY 2023-24

(iii) Reconciliation of Balance sheet between the previous GAAP and IND AS as at 31 March 2023

Particulars	As at 31 March 2023	Ind AS adjustments	Restated 31 March 2023
Assets			
Non-current assets			
Property plant and equipment	74	-	74
Right of use asset	-	67	67
Intangible assets	-		-
Investments	51	-	51
Financial assets			-
(i) Other financial assets	-	33	33

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

Particulars	As at 31 March 2023	Ind AS adjustments	Restated 31 March 2023
Other non current assets	35	(35)	0
Non-current income tax assets (net)	-	37	37
Total non-current assets	**160**	**102**	**262**
Current assets			
Inventories	660	-	660
Financial assets			
(i) Trade receivables	575	-	575
(ii) Cash and cash equivalents	1,322	(780)	542
(iii) Other financial assets	-	816	816
Short-term loans and advances	306	(306)	-
Other current assets	39	234	273
Total current assets	**2,902**	**(36)**	**2,866**
Total assets	**3,062**	**66**	**3,128**
EQUITY AND LIABILITIES			
Shareholders' funds			
Equity share capital	1	-	1
Other Equity	1,489	10	1,499
Total Equity	**1,490**	**10**	**1,500**
Non-current liabilities			
Long-term liabilities	10	(10)	-
Financial liabilities			
(i) Lease liabilities	-	28	28
Provisions	15	-	15
Total non - current liabilities	**24**	**18**	**43**
Current liabilities			
Financial liabilities			
(i) Trade payables	1,321	-	1,321
(ii) Lease liabilities	-	38	38
(iii) Other financial liabilities	-	25	25
Other current liabilities	155	(25)	130
Provisions	71	-	71
Total current liabilities	**1,547**	**38**	**1,585**
Total equity and liabilities	**3,062**	**66**	**3,128**

Notes to reclassification:

1. Reclassification of Other non-current assets comprises of rent deposits of ₹35 Lakhs to other non-current financial assets and right-of-use assets amounting to ₹ 33 Lakhs and ₹ 2 Lakhs respectively.

2. Reclassification of short term loans and advances (which comprises of GST receivables, Prepaid expense, Advance to creditors, TDS receivables) of ₹ 306 Lakhs to Non-current income tax assets (net),and other current assets amounting to ₹ 37 lakhs, ₹ 269 respectively.

3. Reclassification of Cash and bank balances (which comprises of bank deposits with maturity more than 3 months) to other financial assets to ₹ 780 Lakhs.

4. Reclassification of other current liabilities (which comprises of Employee related payables and creditor for capital goods) to other current financial liabilities amounting to ₹ 25 Lakhs.

5. Reclassification of other current assets (which comprises of accrued interest on bank deposits, wallet balances, TDS receivable from suppliers) to Other financials assets amounting to ₹ 35 Lakhs

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

(iv) Reconciliation of Balance sheet between the previous GAAP and IND AS as at 1 April 2022

Particulars	As at 1 April 2022	Ind AS adjustments	Restated 1 April 2022
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	51	-	51
(b) Right-of-use assets	-	104	104
(c) Goodwill	-	-	-
Investments	9		9
(d) Financial assets			-
(i) Other financial assets	-	24	24
(e) Other non current assets	28	(28)	(0)
(f) Non-current income tax assets (net)	-	9	9
Total non-current assets	**88**	**109**	**197**
(2) Current assets			
(a) Inventories	386	-	386
(b) Financial assets			-
(i) Trade receivables	349	-	349
(ii) Cash and cash equivalents	2,015	(1,676)	339
(iii) Other financial assets	-	1,707	1,707
(c) Short-term loans and advances	199	(199)	(0)
(d) Other current assets	44	157	201
Total current assets	**2,993**	**(11)**	**2,982**
Total assets	**3,081**	**98**	**3,179**
Equity and liabilities			
Equity			
(a) Equity share capital	1	-	1
(b) Other equity	2,299	4	2,303
Total Equity	**2,300**	**4**	**2,304**
Liabilities			
(1) Non-current liabilities			
(a) Long-term liabilities	4	(4)	-
(b) Financial liabilities			-
(i) Lease liabilities	-	37	37
(c) Provisions	6	-	6
Total non - current liabilities	**10**	**33**	**43**
(2) Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	-	61	61
(ii) Trade payables	689	-	689
(iii) Other financial liabilities	-	-	-
(b) Other current liabilities	44	-	44
(c) Provisions	38	-	38
Total current liabilities	**771**	**61**	**832**
Total Equity and liabilities	**3,081**	**98**	**3,179**

Notes to reclassification

1. Reclassification of Other non-current assets comprises of rent deposits of ₹28 Lakhs to other non-current financial assets and right-of-use assets amounting to ₹ 24 Lakhs and ₹ 4 Lakhs respectively.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

2. Reclassification of short term loans and advances (which comprises of GST receivables, Prepaid expense, Advance to creditors, TDS receivables) of ₹ 199 Lakhs to other current assets and Non current tax asset amounting to ₹ 190 Lakhs and ₹ 9 Lakhs

3. Reclassification of Cash and bank balances (which comprises of bank deposits with maturity more than 3 months) to other financial assets amounting to ₹ 1676 Lakhs.

5. Reclassification of other current assets (which comprises of accrued interest on bank deposits, wallet balances, TDS receivable from suppliers) to Other financials assets amounting to ₹ 31 Lakhs

(v) Reconciliation of Cash flow between the previous GAAP and IND AS as at March 31, 2023

Particulars	**As per Previous GAAP**	**IND_AS Adjustments**	**Amount as per Ind_AS**
Net Cash (Used in) Operating activities	(710)	(40)	(670)
Net Cash (Used in) Investing activities	913	-	913
Net Cash (Used in) financing activities	-	40	(40)
Net (decrease) in cash and cash equivalents	**203**	**-**	**203**
Cash and cash equivalents at the beginning of the year	339	-	339
Cash and cash equivalents at the end of the year	542	-	542

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

j) The Company has not used any borrowings from banks and financial institutions.

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 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 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company, in respect of financial year commencing on 1 April 2023, has used an accounting software tally for Tally for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail feature was available throughout the year for all relevant transactions recorded in the software from 1 April 2023 up to 8 January 2024 by using a a third party utility and for the remaining period the Company has migrated to a new accounting software Tally Prime (Edit log) 4.0. and was not disabled or tampered with at any point during the financial year.

Further, for Zoho books and Uniware e-commerce the accounting software is operated by a third-party software service provider. The 'Indepen adent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organisation) is not available for the year ending March 2024

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 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.

As per our Report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N5O0013

Yashwant M. Jain
Partner
Membership No.: 118782

Place: Mumbai
Date: 25 April 2024

For and on behalf of the Board of Directors of
Satiya Nutraceuticals Private Limited
CIN: U74999MH2020PTC337674

Akash Hiren Zaveri
Director
DIN: 07704775

Place : Mumbai
Date: 25 April 2024

Rishubh Jitendra Satiya
Director
DIN: 08698965

Place : Mumbai
Date: 25 April 2024

SATIYA NUTRACEUTICALS PRIVATE LIMITED

(SNPL)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Aashish Agarwal Mr. Koteshwar L N Mr. Amit Bhasin Mr. Akash Zaveri Mr. Rishubh Satiya
REGISTERED OFFICE	Unit No. B3/ G2, Asmeeta Textile Park, Kalyan Bhiwandi Road, MIDC Village Kongaon, Kalyan (West), Bhiwandi, Thane - 421311
AUDITORS	M/s. Walker Chandiok & Co. LLP
BANKERS	1. HDFC Bank Limited 2. Axis Bank Limited 3. Kotak Mahindra Bank Limited 4. RBL Bank 5. IndusInd Bank Limited 6. Yes Bank Limited 7. ICICI Bank Limited

Independent Auditor's Report

To
The Members of
Satiya Nutraceautials Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Satiya Nutraceauticals Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. 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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 Standalone 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 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

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

   The Board of Director's report is not made available to us before the date of auditor's report. We have nothing to report in this regard.

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

5. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone 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 Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the Board of Directors 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.

7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

8. 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 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.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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, 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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

10. 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.

Other Matter

11. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2023 and 31 March 2022 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), on which we issued auditor's reports to the members of the Company dated 15 July 2023 and 29 September 2022 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

13. 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 give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    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 matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

    f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 14(b) above on reporting under section 143(3)(b) of the Act and paragraph 24(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and

    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, as detailed in note 38 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;

        iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 46(c) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

            b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 46 (d) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2024.

vi. As stated in Note 47 to the financial statements and based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below.

Nature of exception noted	Details of Exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail feature for accounting software (Tally Prime) used for maintenance of accounting records from 1 April 2023 to 8 January 2024 had a feature of recording audit log but due to absence of evidences, we are unable to comment upon whether the audit trail (edit log) facility remained operational for the said period.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature	The accounting software (Uniware e-commerce and Zoho books) used for maintenance of books of account of the Company is operated by third party software service providers. In the absence of the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature of the said software were enabled and operated throughout the year for all relevant transactions recorded in the respective software.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Yashwant M. Jain
Partner
Membership No.: 118782
UDIN: 24118782BKHJLF2979

Place: Mumbai
Date: 25 April 2024

Annexure A referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Satiya Nutraceauticals Private Limited on the standalone financial statements for the year ended 31 March 2024.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, 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.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The Company does not own any immovable property including investment properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) 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 inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made any investment 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 (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, undisputed 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 other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months:

Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due Date	Date of Payment
Employee provident funds	Provident funds dues	3.50	April 2021 to March 2022	15th of the following month	Not paid

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.

(x) (a) 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 to the Company.

(b) During the year, the Company has made preferential allotment or private placement of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised have been utilised by the Company for the purposes for which these funds were raised.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the 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 for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the 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. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to Rs. 1,115 Lakhs and 771 Lakhs respectively..

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone 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) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Yashwant M. Jain
Partner
Membership No.: 118782
UDIN: 24118782BKHJLF2979

Place: Mumbai
Date: 25 April 2024

Annexure B to the Independent Auditor's Report of even date to the members of Satiya Nutraceuticals Private Limited on the standalone financial statements for the year ended 31 March 2024

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Satiya Nutraceuticals Private Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls 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 Financials Controls over Financial reporting issued by the Institute of Chartered Accountants of India (the 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 the Company's business, including adherence to the 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. 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 Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 were established and maintained and if such controls operated effectively in all material respects.

4. 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 includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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.

5. 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

6. A company's internal financial controls 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 controls with reference to financial statements include 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

7. 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

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls 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 Financials Controls over Financial reporting issued by the Institute of Chartered Accountants of India (the ICAI).

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Yashwant M. Jain
Partner
Membership No.: 118782
UDIN: 24118782BKHJLF2979

Place: Mumbai
Date: 25 April 2024

Standalone Balance Sheet as at March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated),

Particulars	Notes	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
ASSETS				
Non-current assets				
Property, plant and equipment	2	148	74	51
Right of use assets	3	274	67	104
Intangible assets	4A	15		
Intangible assets under development	4B	6		
Investment in Subsidiary	5	64	51	9
Financial assets				
Other financial assets	6	54	33	24
Non-current income tax assets (net)	7	72	37	9
Deferred tax assets (net)	8	351		
Total non-current assets		**984**	**262**	**197**
Current assets				
Inventories	9	1103	660	386
Financial Assets				
(i) Investments	10	1743	0	0
(ii) Trade receivables	11	1089	575	349
(iii) Cash and cash equivalents	12	905	542	339
(iv) Other financial assets	13	1875	816	1707
Other current assets	14	465	273	201
Total current assets		**7180**	**2866**	**2982**
Total Assets		**8164**	**3128**	**3179**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15A	1	1	1
Instruments entirely equity in nature	15B	0	0	0
Other equity	16	5620	1499	2303
Total equity		**5621**	**1500**	**2304**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Lease liabilities	17	205	28	37
Provisions	18	19	15	6
Total non-current liabilities		**224**	**43**	**43**
Current liabilities				
Financial liabilities				
(i) Lease liabilities	17	72	39	63
(ii) Trade payables	19			
dues of micro enterprises and small enterprises		406	486	199
dues of creditors other than micro enterprises and small enterprises		1525	835	490
(iii) Other financial liabilities	20	69	25	0
Other current liabilities	21	117	130	42
Provisions	22	130	70	38
Total current liabilities		**2319**	**1585**	**832**
Total liabilities		**2543**	**1628**	**875**
Total equity and liabilities		**8164**	**3128**	**3179**

Summary of material accounting policies information 1

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

As per our Report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Yashwant M. Jain
Partner
Membership No.: 118782

Place: Mumbai
Date: 25 April 2024

For and on behalf of the Board of Directors of
Satiya Nutraceuticals Private Limited
CIN: U74999MH2020PTC337674

Akash Hiren Zaveri
Director
DIN: 07704775

Place : Mumbai
Date: 25 April 2024

Rishubh Jitendra Satiya
Director
DIN: 08698965

Place : Mumbai
Date: 25 April 2024

Standalone Statement of Profit & Loss for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated),

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Income			
Revenue from operations	23	14,501	9,894
Other income	24	278	85
Total income (I)		**14,779**	**9,979**
Expenses			
Cost of material consumed	25	2,856	3,209
Purchase of finished goods	26	1,688	-
Changes in inventories of finished goods	27	(339)	(148)
Employee benefit expenses	28	1,574	923
Finance costs	29	22	7
Depreciation and amortisation expenses	30	136	74
Other expenses	31	10,191	6,855
Total expenses (II)		**16,128**	**10,920**
Loss before tax (III = II - I)		**(1,349)**	**(941)**
Loss before tax		**(1,349)**	**(941)**
Income tax expense			
Deferred tax expenses/(credit)	8	(353)	
Total tax expense (IV)		**(353)**	**-**
Loss for the year (V= III-IV)		**(996)**	**(941)**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
a) remeasurements of the defined benefit liabilities	40	9	(1)
b) income tax relating to items that will not be reclassified to profit or loss	40	(2)	
Total of other comprehensive income /(loss) for the year = (VI)		**7**	**(1)**
Total comprehensive loss for the year		**(989)**	**(942)**
Loss per equity share for (Nominal value ₹ 10 per share)			
Basic loss per share (In ₹)		(8,724)	(8,990)
Diluted loss per share (In ₹)		(8,724)	(8,990)

Summary of material accounting policies information 1

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

As per our Report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N5O0013

Yashwant M. Jain
Partner
Membership No.: 118782

Place: Mumbai
Date: 25 April 2024

For and on behalf of the Board of Directors of
Satiya Nutraceuticals Private Limited
CIN: U74999MH2020PTC337674

Akash Hiren Zaveri
Director
DIN: 07704775

Place : Mumbai
Date: 25 April 2024

Rishubh Jitendra Satiya
Director
DIN: 08698965

Place : Mumbai
Date: 25 April 2024

Standalone Statement of Cash Flows for the year ended 31 March'2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,349)	(941)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation expense	136	74
Interest income	(235)	(74)
Rent Income	(2)	(2)
Finance cost	22	7
Expected credit Loss - PDD	18	-
Employees stock option charge	98	96
Gain on sale of Mutual funds	(9)	-
Interest Income on fixed asset measured at amortised cost	(3)	(2)
Property plant and equipment written off	-	3
Operating Profit/(loss) before working capital changes	**(1,324)**	**(839)**
Movement in working capital		
(Increase) / Decrease in trade receivables	(532)	(226)
(Increase) / Decrease in inventories	(443)	(274)
(Increase) / Decrease in other assets and financial assets	(241)	(88)
Increase / (Decrease) in provisions	73	40
Increase / (Decrease) in trade payables	610	632
Increase/ (decrease) in other current liability	(13)	88
Increase/ (decrease) in other finacial liability	44	25
Cash used from operations	**(1,826)**	**(642)**
Income tax paid (net of refunds)	(35)	(28)
Net cash used in operating activities (A)	**(1,861)**	**(670)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(161)	(63)
Movement in fixed deposit with bank (maturity beyond three months)	(1,041)	895
Interest received in bank	189	79
Rent received	2	2
Purchase of investment	(2,495)	-
Sale value of investment	804	-
Net cash flow used in investing activities (B)	**(2,702)**	**913**

Standalone Statement of Cash Flows for the year ended 31 March'2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	-
Securities premium received	5,000	-
Repayment of Lease Liability	(52)	(33)
Payment of Interest	(22)	(7)
Net cash flow from financing activities (C)	**4,926**	**(40)**
Net decrease in cash and cash equivalents (A+B+C)	**363**	**203**
Cash and cash equivalents at the beginning of the year	542	339
Cash and cash equivalents at the end of the year (Refer note below)	**905**	**542**

Notes :-

For the purpose of the statement of cash flows, cash and cash equivalent comprises the followings:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Balances with banks:		
On current accounts (Refer note 12)	679	50
Cash on hand (Refer note 12)	-	2
in deposit account	226	188
Sweep Account	-	302
	905	**542**

As per our Report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N5O0013

Yashwant M. Jain
Partner
Membership No.: 118782

Place: Mumbai
Date: 25 April 2024

For and on behalf of the Board of Directors of
Satiya Nutraceuticals Private Limited
CIN: U74999MH2020PTC337674

Akash Hiren Zaveri
Director
DIN: 07704775

Place : Mumbai
Date: 25 April 2024

Rishubh Jitendra Satiya
Director
DIN: 08698965

Place : Mumbai
Date: 25 April 2024

Standalone Statement of Changes in Equity for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

A. Equity share capital

Particulars	No. of shares	Amount (in lakhs)
As at April 01, 2022	**10,464**	**1**
Changes in equity share capital	81	(0)
As at March 31, 2023	**10,545**	**1**
Changes in equity share capital	3,454	-
As at March 31, 2024	**13,999**	**1**

B. Instruments entirely equity in nature

a. Compulsorily Convertible Preference Shares

Particulars	No. of shares	Amount (in lakhs)*
As at April 01, 2022	**3491**	**-**
Changes in equity share capital	0	-
As at March 31, 2023	**3491**	**-**
Changes in equity share capital	-1862	-
As at March 31, 2024	**1629**	**-**

* amounts below ₹0.50 lakh have been rounded off

C. Other equity

Particulars	Reserves and surplus			Total other equity
	Securities premium	Retained earnings	Share options outstanding account	
Balance as at April 01, 2022 as per audited IGAAP financial statement	**3,389**	**(1,108)**	**18**	**2,299**
Ind AS adjustments		(10)	14	4
Balance as at April 01, 2022 Restated	**3,389**	**(1,118)**	**32**	**2,303**
Loss for the year transferred from the statement of profit or loss Restated	-	(941)		(941)
Other comprehensive loss for the year (net of income tax)	-	(1)		(1)
Issue of equity shares and Expense for the year			138	138

Standalone Statement of Changes in Equity for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Particulars	Reserves and surplus			Total other equity
	Securities premium	Retained earnings	Share options outstanding account	
Balance as at March 31, 2023 Restated	**3,389**	**(2,060)**	**170**	**1,499**
Loss for the year transferred from the statement of profit or loss		(996)		(996)
Other comprehensive loss for the year (net of income tax)		7		7
Total comprehensive income/(loss)	**-**	**(989)**	**-**	**(989)**
Issue of equity shares	5,000	-	111	5,111
Premium on ESOP Grant	161		(161)	-
ESOP Expense on account of Cancellation		19	(19)	-
Balance as at March 31, 2024	**8,550**	**(3,031)**	**101**	**5,620**

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 options outstanding account

The Company has established various equity settled share based payment plans for certain category of employees of the company

Summary of material accounting policies information

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

As per our Report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N5O0013

Yashwant M. Jain
Partner
Membership No.: 118782

Place: Mumbai
Date: 25 April 2024

For and on behalf of the Board of Directors of
Satiya Nutraceuticals Private Limited
CIN: U74999MH2020PTC337674

Akash Hiren Zaveri
Director
DIN: 07704775

Place : Mumbai
Date: 25 April 2024

Rishubh Jitendra Satiya
Director
DIN: 08698965

Place : Mumbai
Date: 25 April 2024

Material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

Company Corporate Information

Satiya Nutraceuticals Private Limited ('the Company') was incorporated on 13 February 2020 under Companies Act, 2013. The Company is dealing in health and wellness products under the brand name 'Plix'. The registered office of the Company is situated at Building No B3/ 2G, Asmeeta Textile Park Kongaon, Kalyan-Bhiwandi Road, Bhiwandi Thane 421311, Maharashtra, India.

The financial statements comprise the financial statements of the Company. (the Company referred to as "the Company").

1. Material accounting policies

The Material accounting policies applied by the Company in the preparation of its financial statements are listed below:

(a) Basis of preparation

The Standalone financial statements (the "financial statement") have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended, and the presentation and disclosure requirements of Division II of Schedule III to the Act and the guidelines issued by the Securities Exchange Board of India to the extent applicable. The accounting policies have been consistently applied for all the periods presented in the Standalone financial statements

The Standalone finanical statements up to year ended 31 March 2023 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with paragraph 7 of the Companies (Accounts) Rule, 2014 ("Indian GAAP", "previous GAAP"). These financial statements for the year ended 31 March 2024 are the first set of financial statements prepared in accordance with Ind AS. The date of transition to Ind AS is 01st April 2022 (hereinafter referred to as the 'transition date').

The Standalone financial statements for the year ended 31 March 2024 and the opening Balancesheet as at 01 April 2023 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet and Statement of Profit and Loss (including Comprehensive Income) are provided in Note 44 and Note 45

The Standalone financial statements of the Company are presented in Indian Rupees (₹/₹) which is also its functional currently and all amounts disclosed in the financial statements and notes have been rounded off to the nearest zero decimals in lakhs as per the requirement of Schedule III to the Act, unless otherwise stated.

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.

The company has prepared the Standalone financial statements on the basis that it will continue to operate as a going concern.

(b) Current and 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.

(c) Critical accounting estimates and judgements

In preparing these financial statements, the management has made judgements, 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:

- Fair value measurement of financial instruments
- Provision of Inventory
- Estimate of use of wallet balance by customers
- Recognition of deferred tax assets
- Judgement required for ascertainment of contracts in the nature of lease, lease term, incremental borrowing cost and the fair value of lease as per Ind AS 116

Material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

- Measurement of useful life and residual values of property, plant and equipment and components thereof

- Defined benefit obligation

(d) Revenue recognition

Sale of products

Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at a point in time i.e., at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. 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.

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.

(e) Property, plant and equipment (including Capital work-in-progress)

Property, plant and equipment is recognized 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 acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Standalone 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 recognized in the Statement of Profit and Loss.

Capital work-in-progress comprises cost of Property Plant and Equipment that are not yet ready for their intended use at the year end.

Depreciation and amortization

Depreciation on property, plant and equipment is provided under the Written down value method over the useful life of the assets as specified under Part C of Schedule II of Companies Act, 2013. Depreciation is calculated pro-rata from / to the date of addition / deletion.

Depreciation on assets acquired under a finance lease is spread over the lease period or useful life of acquired asset whichever is shorter.

(f) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized 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 Companied at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company 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.

(g) Other income

Interest income is recognized on a time proportion basis considering the amount outstanding and the rates applicable.

(h) Inventories

Inventories are valued at lower of cost and net realizable value; cost is determined using first in first out (FIFO) method. Cost of raw materials and stores and spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

(i) Foreign currency transactions and translation

The reporting currency of the Company is Indian Rupee.

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.

Conversion

Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

(j) Leases

The Company's lease asset classes consist of leases for 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 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 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 commencement of lease plus any direct cost less any lease incentives.

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

iii) the Company has the right to direct the use of the asset.

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 at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. Right-of-use assets 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.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or change in the lease term) or a change in the assessment of an option to purchase the underlying asset.

(k) Financial assets and liabilities

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.

(l) Financial Assets

i. Classification of financial assets

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 amortized cost.

Classification of debt assets will be driven by the Company's business model for managing the

Material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

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 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.

Amortized 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 amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized 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 recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized 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 amortized 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 recognized 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 recognized in profit or loss as other income when the Company's right to receive the dividend is established.

Security deposit

Security deposits given to lessors are initially recognized as assets at their fair value upon disbursement, determined by the amount remitted to the lessor. And, subsequently recorded at amortized cost at the end of every financial reporting year. The difference between the transaction and discounted value of the security deposits paid is recognized as right-of- use assets and is amortized over the shorter of the lease term and the useful life of the underlying assets.

Further, interest is accreted on the present value of the security deposits paid for lease rent.

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.

Material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

iv. Derecognition of financial assets:

A financial asset is derecognized 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 derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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 derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset continues to be recognized to the extent of continuing involvement in the financial asset.

(m) Financial liabilities

i. Initial recognition and subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

ii. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

(n) Employee benefits

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. the Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan

Gratuity

The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

b) Net interest expense or income

Material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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 or losses arising from changes in actuarial assumptions are recognized in the Statement of Profit and Loss under other comprehensive income.

(o) Provisions and contingencies

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 recognized 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 recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is 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 recognize a contingent asset unless the recovery is virtually certain.

(p) Taxes on income

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 recognized 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 recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(q) Share-based compensation or payments

Employee stock option plan

The fair value of options granted under the Company's employee stock option scheme is recognized as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price)

Material accounting policies and other explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g., the requirement for employees to save or holding shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

(r) Borrowing costs

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. Other borrowing costs are expensed in the period in which they are incurred.

(s) Segment reporting

The activities of the Company comprise of only one business segment i.e., "trading of cosmetic and allied products". The Company operates in only one geographical segment i.e. India. Hence, the Company's financial statements are reflective of the information required by Ind AS 108, "Segment Reporting" notified under the Act.

(t) Cash and cash equivalents

Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(u) Earnings per share

Basic earnings per share are computed by dividing net profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing net profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

(v) Rounding off:

All amounts disclosed in the financial statement and notes have been rounded off to the nearest lakhs, 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.

(w) Recent Indian Accounting Standards (Ind AS):

The Company adopted Disclosure of Accounting (amendment to Ind AS 1) from 01st April, 2023. Although the amendment did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statement.

The amendment requires the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statement.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

2. Property, plant and equipment

Particulars	Owned Assets				Total
	Plant and Equipment	Furniture and Fixtures	Computers & Laptops	Office equipment	
Gross carrying value (Deemed Cost)*					
As at 1 April 2022	**-**	**19**	**38**	**11**	**68**
Additions	1	16	35	11	63
Disposals/Adjustments	-	-	(16)	-	(16)
As at March 31, 2023	**1**	**35**	**57**	**22**	**115**
Additions	11	28	54	45	138
Disposals/Adjustments	-	-	-	-	-
As at March 31, 2024	**12**	**63**	**111**	**67**	**253**
Accumulated depreciation					
As at 1 April 2022	**-**	**2**	**12**	**3**	**17**
Depreciation charge during the year	-	6	25	6	37
Disposals/Adjustments	-	-	(13)	-	(13)
As at March 31, 2023	**-**	**8**	**24**	**9**	**41**
Depreciation charge during the year	1	9	36	18	64
Disposals/Adjustments	-	-	-	-	-
As at March 31, 2024	**1**	**17**	**60**	**27**	**105**
Net Carrying Value					
Carrying value (as at 01st April 2022)	**-**	**17**	**26**	**8**	**51**
Carrying value (as at March 31, 2023)	**1**	**27**	**33**	**13**	**74**
Carrying value (as at March 31, 2024)	**11**	**46**	**51**	**40**	**148**

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

Note: The Company has not revalued its property, plant and equipment (including right-of-use assets) both during the current or previous year.

3. Right of use assets

Particulars	Building	Total
As at 1st April 2022	**104**	**104**
Additions	**-**	**-**
Deductions	-	-
As at 31st March 2023	104	104
Additions	**275**	**275**
Deductions	-	-
As at 31st March 2024	**379**	**379**
Accumulated depreciation		-
Opening accumulated depreciation	-	-
As at 1st April 2022	**-**	**-**
Amortisation charge	37	37
As at 31st March 2023	**37**	**37**
Amortisation charge	68	68

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

Particulars	Building	Total
As at 31st March 2024	**105**	**105**
Net carrying value		
As at 1st April 2022	**104**	**104**
As at 31st March 2023	**67**	**67**
As at 31st March 2024	**274**	**274**

4A. Intangible assets

Particulars	Computer software	Total
Gross carrying value (Deemed Cost)*		
As at April 01, 2022	**-**	**-**
Additions	-	-
Disposals/Adjustments		-
As at March 31, 2023	**-**	**-**
Additions	18	18
Disposals/Adjustments	-	-
As at March 31, 2024	**18**	**18**
Accumulated amortisation		-
As at April 01, 2022	**-**	**-**
Depreciation charge during the year	-	-
Disposals/Adjustments	-	-
As at March 31, 2023	**-**	**-**
Depreciation charge during the year	3	3
Disposals/Adjustments	-	-
As at March 31, 2024	**3**	**3**
Net Carrying Value		-
Carrying value (as at 01 April 2022)		**-**
Carrying value (as at March 31, 2023)	**-**	**-**
Carrying value (as at March 31, 2024)	**15**	**15**

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

4B. Intangible assets under development

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Project in Progress	6	-	-

March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 - 2 Year	2 - 3 Year	> 3 Years	
Project in Progress	6	-	-	-	6
Total	**6**	**-**	**-**	**-**	**6**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

5. Investment in Subsidiary

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of shares	Amount	No. of shares/Units	Amount	No. of shares/Units	Amount
Investment in wholly owned subsidiary (Unquoted)						
- 10,000 (Previous year 10,000) shares of ₹ 10 each fully paid up in Juizo advisory private limited	10,000	64	10,000	51	10,000	9
Total Investments	**10,000**	**64**	**10,000**	**51**	**10,000**	**9**
Aggregate amount of quoted investments		-		-		-
Aggregate Market Value of quoted investments		-		-		-
Aggregate amount of unquoted investments		64		51		9
Aggregate amount of impairment in value of investments		-		-		-

6. Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Financial assets at amortized cost			
Security deposits-considered good	54	33	24
Total	**54**	**33**	**24**

7. Non-current income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Non-current income tax assets (net)		-	-
Income Tax Asset	72	37	9
Total	**72**	**37**	**9**

Notes:

The following table provides the details of income tax assets and liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
TDS balance with income tax authorities	72	37	9
Income tax liabilities	-	-	-
Net Income Tax Asset	**72**	**37**	**9**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

8. Deferred tax balances

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Deferred tax assets	351	-	-
Deferred tax liabilities	-	-	-
Total deferred tax assets (net)	**351**	**-**	**-**

The following is the analysis of the movement in deferred tax assets/(liabilities) presented in Standalone financial statements:

2023-2024

Particulars	As at March 31, 2023	(Charge)/ Credit to Profit or loss	(Charge)/ Credit to Other Comprehensive Income	As at March 31, 2024
Deferred tax liabilities :				
Deferred tax asset				
(a) Defined benefit obligations		5	(2)	3
(b) Loss allowance on trade receivables		5	-	5
(c) Provision for 43B(h) and 43B		3	-	3
(d) Property, plant & equipment		11	-	11
(e) Provisions for Inventory		8	-	8
(f) Unabsorbed losses		311	-	311
(g) Unabsorbed deprecation		10		10
	-	**353**	**(2)**	**351**
Deferred tax assets (net)	**-**	**353**	**(2)**	**351**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax		
Deferred tax charge / (credit) on profits for the year	(353)	-
Total	**(353)**	**-**

Recognised in other comprehensive income

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax		
Tax related to items that will not be reclassified to Profit and Loss	(2)	-
Total	**(2)**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Loss before tax as per statement of profit and loss (a)	**-1,349**	**-941**
Enacted income tax rate in India (b)	25.168	25.168
Income tax credit calculated (c)= a * b	(340)	(237)
Permanent difference	(13)	-
Deferred tax assets not recognised	-	246
Total	**(353)**	**9**

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.

9. Inventories

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Raw materials & Packing materials (including in transit)	382	278	152
Finished goods	721	382	234
Total	**1,103**	**660**	**386**

10. Investments

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
7.20% Bajaj Finance Ltd Jul 2024 (31 March 2024: 70 Units, 31 March 2023: 0 Units, 01 April 2022: 0 Units)	735	-	-
5.70% HDB Financial Serv. Oct 2024 (31 March 2024: 50 Units, 31 March 2023: 0 Units, 01 April 2022: 0 Units)	507	-	-
8.25% M&M Fin. Serv. Ltd. Mar 2025 (31 March 2024: 500 Units, 31 March 2023: 0 Units, 01 April 2022: 0 Units)	501	-	-
Total	**1743**	**-**	**-**

11. Trade receivables

Sr. No	Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
1	**Trade receivables**			
	Considered good - unsecured	817	575	349
	Receivables from related parties	272		
	Having significant increase in credit risk	18		
		1,107	**575**	**349**
	Less: provision for receivables having significant increase in credit risk	(18)		
	Total	**1,089**	**575**	**349**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

Trade receivables ageing schedule as at March 31, 2024

Sr. No	Particulars	Outstanding as on March 31, 2024 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
1	Undisputed trade receivables - considered good	261	805	5		-	-	1,071
2	Undisputed trade receivables - which have significant increase in credit risk	-	-	16	2			18
3	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
4	Disputed trade receivable - considered good	-	-	-	-	-	-	-
5	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	**261**	**805**	**21**	**2**	**-**	**-**	**1,089**

Trade receivables ageing schedule as at March 31, 2023

Sr. No	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
1	Undisputed trade receivables - considered good		569	6		-	-	575
2	Undisputed trade receivables - which have significant increase in credit risk	-	-	-				-
3	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
4	Disputed trade receivable - considered good	-	-	-	-	-	-	-
5	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	**-**	**569**	**6**	**-**	**-**	**-**	**575**

Trade receivables ageing schedule as at March 31, 2022

Sr. No	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
1	Undisputed trade receivables - considered good	-	349			-	-	349
2	Undisputed trade receivables - which have significant increase in credit risk	-	-			-	-	-
3	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

Sr. No	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
4	Disputed trade receivable - considered good	-	-	-	-	-	-	-
5	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	**-**	**349**	**-**	**-**	**-**	**-**	**349**

12. Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Bank balances in current accounts	679	50	25
Cash on hand	-	2	2
Balance with banks in sweep account	226	188	96
Bank deposits with maturity less than 3 months*	-	302	216
Total	**905**	**542**	**339**

Note: It is to be noted that Fixed deposit number 50300560335336 with original investment amount of ₹ 1.5 Crore and maturity amount 1.76 Crore has been liened against OD. OD is unutilised as on 31 March 2024

* Since the amount is less than 0.5lakh hence the same has been rounded off to zero

13. Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
TDS Receivable from Suppliers	9	14	15
Wallets Balaces	30	10	-
Fixed deposits with maturity more than 3 months but less than 12 months	1820	780	1676
Accrued Interest on Bank Deposits	16	12	16
Total	**1875**	**816**	**1707**

14. Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Balances with Govt. authorities (GST ITC)	214	216	160
Advance to Employees	7	-	4
Prepaid expenses	104	22	6
Advance to Vendors	137	32	19
Advance ESIC and Other assets	3	3	12
Total	**465**	**273**	**201**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

15A. Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Authorised share capital			
20,000 (March 31, 2023 : 20,000) Equity shares of ₹ 10/- each	2	2	2
Total	**2**	**2**	**2**

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Issued, subscribed and paid-up equity shares			
13,999 (March 31, 2023 : 10,545, 01st April 2022: 10464) Equity shares of ₹ 10/- each	1	1	1
Total	**1**	**1**	**1**

(i) Reconciliation of issued, subscribed and fully paid up share capita Equity shares

Particulars	Number of shares	Amount
As at March 31, 2022	**10,464**	**1**
Changes during the year	81	-
As at March 31, 2023	**10,545**	**1**
Changes during the year	3,454	-
As at March 31, 2024	**13,999**	**1**

(ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹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, 2024, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2023: 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

Name of Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 10/- each fully paid-up						
Marico Ltd	8022	57.30%	0	0.00%	0	0.00%

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

(iv) Details of shares held by promotors

As at March 31, 2024

Name of Shareholder	Number of shares	% of total share	% change during year
Equity Shares of ₹ 10/- each fully paid-up			
Rishubh Satiya	2,862	20.44%	-26.97%
Akash Zaveri	2,862	20.44%	-26.97%

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			
Rishubh Satiya	5,000	47.42%	-0.37%
Akash Zaveri	5,000	47.42%	-0.37%

As at April 01, 2022

Name of Shareholder	Number of shares	% of total share	% change during year
Equity Shares of Re. 10/- each fully paid-up			
Rishubh Satiya	5,000	47.78%	0%
Akash Zaveri	5,000	47.78%	0%

(v) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Share Capital						
Marico Ltd	8,022	57.30%	-	-	-	-
Rishubh Satiya	2,862	20.44%	5,000	47.42%	5,000	47.78%
Akash Zaveri	2,862	20.44%	5,000	47.42%	5,000	47.78%

(vi) On and from June 20, 2023, the ESOP Pool Size was reduced to 188 options. 22 granted options were cancelled during the year. 11 further new options were granted during the F.Y. 2023-24. Total 168 options were exercised / shares were allotted during the F.Y. 2023-24.

(vii) During the FY 22-23, 23 further options were granted to eligible employees. Total 81 options were exercised/ shares were allotted during the FY 22-23.

(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.

(ix) 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.

(x) The company has raised additional funds by issuing 1,168 equity shares of ₹ 10 each at a premium of ₹ 3,51,114 each and issued 256 0.1% compulsory convertible preference shares (CCPS) of ₹ 10 each at a premium of ₹ 3,51,114 each aggregating to ₹ 5,000 lakhs.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

15B. Instruments entirely equity in nature

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Authorised share capital			
30,000 March 31, 2024 (March 31, 2023 : 30,000) 0.1% Compulsorily convertible preference shares of ₹ 10/- each	3	3	3
Total	**3**	**3**	**3**

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Issued, subscribed and paid-up Preference share	0*	0*	0*
1,629 March 31, 2024 (March 31, 2023 : 3,491, 01st April 2022: 3491) 0.1% Compulsorily convertible preference shares of ₹ 10/- each			
Total	**-**	**-**	**-**

(i) Reconciliation of Instruments entirely equity in nature Instruments entirely equity in nature

Particulars	Number of shares (Nos)	Amount (In lakhs)
As at 01 April, 2022	**3,491**	**0***
Changes during the year	-	-
As at March 31, 2023	**3,491**	**0***
Changes during the year	-1,862	0*
As at March 31, 2024	**1,629**	**0***

(ii) Details of preference shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
0.1% Compulsory convertible preference shares of ₹ 10 each						
RP-SG Capital Ventures Opportunity Fund CCPS	256	15.72%	-	-	-	-
Guild India Consumer I LLC	-	-	2,101	60.18%	2,101	60.18%
RP-SG Ventures Investment Trust	1,373	84.28%	1,373	39.33%	1,373	39.33%

(iii) Rights, preferences and restrictions attached to preference shares

The Company has only one class of preference shares having par value of ₹10 per share. Each holder of preference 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 preferential amounts.

* amounts below ₹ 0.50 lakhs have been rounded off

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

16. Other equity

Reserves and surplus

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Securities premium (refer note (i) below)	8,550	3,389	3,389
Retained earnings (refer note (ii) below)	(3,031)	(2,060)	(1,118)
Share options outstanding account (refer note (iii) below)	101	170	32
Total	**5,620**	**1,499**	**2,303**

Nature and purpose of reserves

i 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.

ii 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.

iii Share options outstanding account

The Company has established various equity settled share based payment plans for certain category of employees of the company.

17. Lease liability

a The company has adopted Ind AS 116 'Leases' from 01 Apr 2022.

b Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the practical expedients permitted by the standard:

- applying the single discount rate to a portfolio of leases with reasonably similar characteristics.

- accounting for operating leases with a remaining lease term of less than 12 months as at 01 Apr 2022

c The weighted average lessee incremental borrowing rate applied to the lease liabilities on 01 Apr 2022 is 10% p.a

d Lease payment not recognised as lease liability

Particulars	As at March 31, 2024	As at March 31, 2023
Expenses relating to short term leases (included in other expenses)	90	47
Total	**90**	**47**

e Total cash outflow for leases for the period ended 31 Mar 2024 was ₹ 74 Lakhs (31 Mar 2023: ₹ 40 lakhs)

The company elected to apply Indian Accounting Standards 116 (Ind AS 116) on leases with effect from 1st April, 2022 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

Amount recognized as current and non-current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Non-current			
Lease Liabilities-non current	205	28	37
Total	**205**	**28**	**37**
Current			
Lease liabilities-current	72	39	63
Total	**72**	**39**	**63**

Amount recognized in statement of profit and loss during the year on account of Ind-AS 116

Particulars	As at March 31, 2024	As at March 31, 2023
Lease finance cost	22	7
Depreciation on right of use assets	68	37
Other Item included in statement of Profit and Loss during the year:-		
- Short term and low value lease payment	90	47
Total	**180**	**91**

The following is the movement in lease liabilities for the year ended:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	67	100
Addition during the year	262	-
Finance cost accrued during the year	22	7
Payment of lease liabilities	-74	-40
Total	**277**	**67**

Cash flow from leases	As at March 31, 2024	As at March 31, 2023
Cash payments for the principal and interest portion of lease liability within financing activities	74	40

18. Provisions

Employee benefit obligation

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Gratuity (refer note (i) below)	19	15	6
Total	**19**	**15**	**6**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

(a). Defined contribution plans

The company has certain defined contribution plans such as provident fund. During the year the Company has recognized the following amounts in the statement of profit and loss:-

Particulars	As at March 31, 2024	As at March 31, 2023
Employers contribution to provident fund	48	24
Total	**48**	**24**

(I) Defined benefit plan

The company has certain defined contribution plans such as provident fund. During the year the Company has recognized the following amounts in the statement of profit and loss:-

(i) Gratuity (Unfunded):

Gratuity: The company operates a gratuity plan through the ""Satiya Nutraceuticals Private Limited Employees Gratuity Trust"". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act,1972. The same is payable at the time of separation from the company or retirement, whichever is earier. The benefits vest after five years of continuous service.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporing date using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government bonds as at the date of actuarial valuaticon. Actuarial gains and losses (net of tax) are recognised immediately in the Other Comprehensive incume (OCI)

This is a funded benefit plan for qualifying employees. The Company makes contributions to LIC policy to cover the liability. This scheme provdies for a lump sum payment to vested employees at retirement, death while in employement or on termination of employment. Vesting occurs upon completion of five years of service.

These plans typically expose the Company to acturial risks such as; Investment risk, inherent interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominatcd in Indian Rupee) is calculated using a discount rate which is determincd by reference to market yields at the end of the reporting period on government bonds. Currently for the plan in india, it has a relatively balanced mix of investments in government securities, and other debt intruments.
Interest rate risk	The defined benefit obligation calculation uses a discount rate based on government bonds. If bond yield fall, the defined benefit oblgation wil tend to increase.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimaue of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the pan participants will increase the plan's liability.
Salary risk	Higher than expected increase in salary will increase the defined benefit obligation.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

A. Actuarial assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	7.25%	7.50%
Expected rate of increase in compensation levels (per annum)	8.00%	7.00%
Retirement age (years)	58	58
Mortality table	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table
Withdrawal Rate	35.00% p.a at younger ages reducing to 15.00% p.a% at older ages	10.00% p.a at younger ages reducing to 2.00% p.a% at older ages

B. Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening present value of obligation	14	5
Interest cost	1	-
Current service cost	13	8
Gratuity liability from business acquisition	-	-
Past service cost	-	-
Benefits paid	-	-
Actuarial loss/ (gain) on obligation	(9)	1
Closing present value of obligation	**19**	**14**

C. Changes in fair value of plan assets:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Actuarial loss/ (gain) on plan assets	-	-
Closing fair value of plan assets	**-**	**-**

D. Expense recognized in the statement of profit and loss

Particulars	As at March 31, 2024	As at March 31, 2023
Current service cost	13	8
Past service cost	-	-
Interest cost	1	-
Expected return on plan assets	-	-
Expense recognized in the statement of profit and loss	**14**	**8**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

E. Expense recognized in Other comprehensive income

Particulars	As at March 31, 2024	As at March 31, 2023
Actuarial loss/ (gain) on obligation for the period	(9)	1
Return on plan assets excluding interest income	-	-
Net actuarial loss/(gain) to be recognized in OCI	(9)	1

F. Assets and liabilities recognized in Balance Sheet

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	19	14
Fair value of plan assets	-	-
Net funded status	**19**	**14**
Net assets and liabilities recognized in Balance Sheet	**19**	**14**

G. Expected contribution to the fund next year

Particulars	As at March 31, 2024	As at March 31, 2023
Gratuity	-	-

H. Quantitative sensitivity analysis for significant assumptions is as shown below:

Impact of Defined benefit obligation	As at March 31, 2024	As at March 31, 2023
Discount Rate Sensitivity		
Increase by 0.5%	19	14
% Change	-2%	-6%
Decrease by 0.5%	20	16
% Change	3%	6%
Salary Growth Rate Sensitivity		
Increase by 0.5%	20	15
% Change	2%	5%
Decrease by 0.5%	19	14
% Change	-2%	-4%
Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	18	14
% Change	-8%	-1%
W.R. x 90%	21	15
% Change	8%	1%

The sensitivity analysis above has been determined based on the method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawal are not material and hence impact of change is not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

I. Maturity Profile of Defined Benefit Obligation in future years

Expected Future Cashflows (Undiscounted)

Particulars	₹	%
Year 1 Cashflow	0	0.80%
Year 2 Cashflow	2	8.50%
Year 3 Cashflow	3	11.80%
Year 4 Cashflow	4	13.50%
Year 5 Cashflow	4	13.70%
Year 6 to Year 10 Cashflow	11	35.80%

The Weighted Average Duration (Years) as at valuation date is 3.61 Years

19. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Trade payables:			
Total outstanding dues of micro enterprises and small enterprises	406	486	199
Total outstanding dues of creditors other than micro enterprises and small enterprises	674	370	282
Subtotal	**1,080**	**856**	**481**
Accrued Expenses	851	465	208
Total	**1,931**	**1,321**	**689**

Note:

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:

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
I. The Principal amount remaining unpaid to any supplier as at the end of accounting Period included in trade payable	406	486	198
II. Interest due thereon	-	-	1
Trade Payables due to micro and small enterprises	406	486	199
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 year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-	1
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-	1
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 of MSMED Act, 2006.	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

As at March 31, 2024

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)	-	384	22	-	-	-	406
b. Others (undisputed)	-	591	83	-	-	-	674
c. Disputed dues MSME	-	-	-	-	-	-	-
d. Disputed dues others	-	-	-	-	-	-	-
Accrued Expenses	851	-	-	-	-	-	851
Total	**851**	**975**	**105**	**-**	**-**	**-**	**1,931**

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)	-	399	85	-	-	-	484
b. Others (undisputed)	-	304	68	-	-	-	372
c. Disputed dues MSME	-	-	-	-	-	-	-
d. Disputed dues others	-	-	-	-	-	-	-
Accrued Expenses	465	-	-	-	-	-	465
Total	**465**	**703**	**153**	**-**	**-**	**-**	**1,321**

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)	-	-	199	-	-	-	199
b. Others (undisputed)	-	-	280	2	-	-	282
c. Disputed dues MSME	-	-	-	-	-	-	-
d. Disputed dues others	-	-	-	-	-	-	-
Accrued Expenses	208	-	-	-	-	-	208
Total	**208**	**-**	**479**	**2**	**-**	**-**	**689**

20. Other financial liability

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Creditors for capital goods	6	6	-
Employee related payables	63	19	-
Total	**69**	**25**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

21. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Statutory Dues Payable	57	64	42
Reimbursement of expenses payable	-	-	-
Deferred revenue	53	61	-
Advance from Debtors	7	-	-
Other Payables	-	5	-
Total	**117**	**130**	**42**

22. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Provision for Sales return	116	64	35
Compensated absences	14	6	3
Total	**130**	**70**	**38**

23. Revenue from operations

Particulars	As at March 31, 2024	As at March 31, 2023
Sale of products	14,435	9,882
Sale of service	66	12
Total revenue	**14,501**	**9,894**

Revenue disaggregation by category is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Weight management		5,428
Personal care		2,275
Others		2,191
Total	**-**	**9,894**

Revenue disaggregation by geography is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Domestic Sale	14,486	9,894
Export Sale	15	
Total	**14,501**	**9,894**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue as per contracted price	14,617	9,958
Less: Sales return	(116)	(64)
Total revenue from contract with customers	**14,501**	**9,894**

24. Other income

Particulars	As at March 31, 2024	As at March 31, 2023
Interest Income		
Interest income on fixed depsoit	135	74
Interest received on income tax refund	1	-
Interest Income on financial assets measured at amortised cost	3	2
Interest income on bonds	100	-
Gain on sale of mutual fund	9	-
Royalty Income	1	-
Rental Income	2	2
Miscellaneous Income	27	7
Total	**278**	**85**

25. Cost of materials consumed

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials & Packing materials		
Raw materials & Packing materials at the beginning of the year	278	152
Purchases during the year	2,957	3,335
Raw materials & Packing materials at the end of the year	379	278
Cost of Raw materials & Packing materials consumed	**2,856**	**3,209**
Total	**2,856**	**3,209**

26. Purchases of finished goods

Particulars	As at March 31, 2024	As at March 31, 2023
Purchase of finished goods	1,688	-
Total	**1,688**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

27. Change in inventories of finished goods

Particulars	As at March 31, 2024	As at March 31, 2023
Opening inventories		
Finished goods	382	234
	382	**234**
Closing inventories		
Finished goods	721	382
	721	**382**
Total	**(339)**	**(148)**

28. Employee benefit expenses

Particulars	As at March 31, 2024	As at March 31, 2023
Salaries, wages and bonus	1,296	790
Contribution to provident and other funds (Refer note 18)	48	24
Contribution to Gratuity (Refer note 18)	19	9
Share based payment expenses (Refer note 42)	98	96
Staff welfare expenses	113	4
Total	**1,574**	**923**

29. Finance costs

Particulars	As at March 31, 2024	As at March 31, 2023
Interest expenses on lease liabilities	22	7
Interest on MSME payments	-	-
Total	**22**	**7**

30. Depreciation, amortization and impairment expense

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation on property, plant and equipment [refer note 2]	64	37
Amortisation on intangible assets [refer note 4A]	4	-
Amortisation on right of use assets [refer note 3]	68	37
Total	**136**	**74**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

31. Other expenses

Particulars	As at March 31, 2024	As at March 31, 2023
Rent (Refer note no. 17)	90	47
Repairs and maintenance - Others	1	3
Shipping Charges	1,035	844
Channel Comission Expenses	711	424
Job Work & Labour Charges	126	14
Payment Gateway	16	17
Transport Charges	186	114
Advertising and sales promotion expenses	6,671	4,813
Legal & Professional Fees	793	237
Rates & Taxes	25	23
Office Expenses	95	91
Audit Fees (Refer Note no. 39)	27	14
Insurance	10	4
Brokrage & Commission	3	2
Research & Development	72	22
Expected Credit Loss	18	-
Software Charges and website maintenance	311	175
Royalty fees	-	2
Property plant and equipment written off	-	3
Miscellaneous expenses	1	6
Total	**10,191**	**6,855**

(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.

32. Capital management

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.

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Net debt			
Total equity	5,621	1,500	2,304
Net debt to equity ratio	**-**	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

Net Debt Reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Cash and cash equivalents	905	542	339
Lease liability	(277)	(67)	(100)
Net Debt	**628**	**475**	**239**

33. Segment information

In accordance with Ind AS 108, Segment reporting, the Chief Executive Officer and Managing Director is the Company's Chief Operating Decision Maker ("CODM"). The Company business activity falls within a single reportable business segment and geographical segment namely sale of Nutraceuticals and Personal care products hence does not have any Reportable segment as per Indian Accounting Standard 108 "operating segments" in standalone financials statements.

34. Fair value measurements

Financial assets and liabilities

The carrying value of financial instruments by categories is as follows:

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	Fair Value	Amortised cost	Fair Value	Amortised cost	Fair Value	Amortised cost
Financial Assets - Non-current						
Other financial assets		54		33		24
Financial Assets - Current						
(i) Trade receivables		1,089		575		349
(ii) Cash and cash equivalents		905		542		339
(iii) Investments		1,743				
(iv) Other financial assets		1,875		816		1,707
Financial liabilities - Non-current						
Lease liabilities		205		28		37
Financial liabilities - Current						
(i) Lease liabilities		72		39		63
(ii) Trade payables		1,931		1,321		689
(iii) Other financial liabilities		69		25		-

All the above amounts are net of provisions for impairments.

1. Fair Value Hierarchy

The fair value of financial instruments as referred to in above note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

2. Fair value of financial assets and liabilities measured at amortised cost for which fair values are disclosed

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Financial Assets - Non-current						
Other financial assets	54	54	33	33	24	24
Financial Assets - Current			-			
(i) Trade receivables	1,089	1,089	575	575	349	349
(ii) Cash and cash equivalents	905	905	542	542	339	339
(iii) Investments	1,743	1,743	-	-	-	-
(iv) Other financial assets	1,875	1,875	816	816	1,707	1,707
Financial liabilities - Non-current						
Lease liabilities	205	205	28	28	37	37
Financial liabilities - Current						
(i) Lease liabilities	72	72	39	39	63	63
(ii) Trade payables	1,931	1,931	1,321	1,321	689	689
(iii) Other financial liabilities	69	69	25	25	-	-

During the years mentioned above, there has been no transfers amoung the hierarchy.

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year for year ended 31st March 2024

Other financial assets and liabilities

The management assessed that for amortised cost instruments, fair value approximates largely to the carrying amount.

35. Related party disclosure

A. Names of related parties and description of relationship in the case of control relationship and in other cases where transactions have taken place

Related parties where control exists

Marico Limited - Holding Company (51.20% Holding)*

Key management personnel

Akash Hiren Zaveri -Director

Rishubh Jitendra Satiya -Director

Apoorv Gautam -Director (upto 26-07-2023)

Koteshwar Narasimha Lankadasu (w.e.f 22-01-2024)

Amit Bhasin (w.e.f 26-07-2023)

Pawan Bhagwan Das Agrawal (w.e.f 26-07-2023 upto 14-03-2024)

Arpit Jain (w.e.f 26-07-2023 upto 19-01-2024)

Aashish Agarwal (w.e.f 15-03-2024)

Key management personnel's relatives

Poonam Akash Zaveri - Relative of Director

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

Tamanna Zaveri - Relative of Director

Anusha Sanghvi - Relative of Director

M/s Pep Technologies Private Limited

Honasa Consumer Ltd

Bright Lifecare Pvt. Ltd.

Entity in which KMPs and their relatives have significant influence

J K Graphics LLP (Interested director -Rishubh Jitendra Satiya)

Satiya Nutraceuticals Proprietorship (Interested director -Rishubh Jitendra Satiya)

Guild Advisors LLP (upto 26-07-2023)

* on a full diluted basis

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	Nature of Transaction	Transactions for the year ended March 31, 2024	Transactions for the year ended March 31, 2023
1	Akash Hiren Zaveri	Director Remuneration	55	55
2	Rishubh Jitendra Satiya	Director Remuneration	55	55
3	Tamanna Hiren Zaveri	Salary	7	7
4	J K Graphics LLP	R & D Expenses	1	0
5	J K Graphics LLP	Purchases	99	137
6	J K Graphics LLP	Rent	0	7
8	Anusha Sanghvi	Salary	10	5
9	Marico Ltd	Sales	11	-
10	Eatclub Brands Private Limited	Food and Beverages Expenses	0	-
11	M/s Pep Technologies Private Limited	R & D Expenses	0	-
12	Honasa Consumer Ltd	R & D Expenses	0	-
13	Bright Lifecare Pvt. Ltd.	Sales	6	-
14	Bright Lifecare Pvt. Ltd.	Commission Expenses	2	-
15	Bright Lifecare Pvt. Ltd.	Shipping Expenses	1	-
17	Marico Ltd	Equity Shares Issued	0	-
18	Marico Ltd	Security Premium	4101	-
19	J K Graphics LLP	Transport & Labour Charges	-	1
20	Guild Advisors LLP	Legal & Professional Fees	-	24
21	J K Graphics LLP	Packaging expenses	-	15
22	J K Graphics LLP	Office expenses	-	1
23	Akash Hiren Zaveri	Reimbursement of expenses paid	-	0
24	Rishubh Jitendra Satiya	Reimbursement of expenses paid	-	2
25	Juizo Advisory Private Limited	Sales	2027	
26	Juizo Advisory Private Limited	Rent Income	2	
27	Juizo Advisory Private Limited	Royalty Income	1	
28	Juizo Advisory Private Limited	Investment by Holding (Deemed Capital)	13	30

*Since the transactions during the year with the RPT is less than 0.5L hence the same has been rounded off to zero.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

C. Balances at year end:

Sr. No	Particulars	Nature of balances	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
1	J K Graphics LLP	Trade Payables	-	10	4
3	Satiya Nutraceuticals (Proprietorship)	Trade Receivables	4	4	4
4	Bright Lifecare Pvt. Ltd.	Trade Receivables	2	-	-
5	Akash Hiren Zaveri	Trade Payables	-	-	-
6	Juizo Advisory Private Limited	Trade Receivables	269	232	150
7	Juizo Advisory Private Limited	Investment in subsidiary	63	50	20
8	Poonam Satiya	Trade Payables	0	0	0

36. 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.

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Basic earnings per share		
Net Loss After Tax available for Equity Shareholders	(996)	(941)
Weighted average number of equity shares used to compute basic earnings per share	11,417	10,467
Basic earnings per share (in ₹)	(8,724)	(8,990)
Face Value per Share (rs.)	10	10
(b) Diluted earnings per share		
Net Loss After Tax available for Equity Shareholders	(996)	(941)
Weighted average number of equity shares used to compute basic earnings per share	11,417	10,467
Diluted earnings per share (in ₹)	(8,724)	(8,990)
Face Value per Share (rs.)	10	10

Note:

Since potential number of equity shares to be issued on exercise of Employee Stock options will have anti-dilutive effect i.e. their conversion to ordinary shares would decrease loss per share, hence 168 stock options have not been considered in calculating diluted earnings per share for the year ended 31 March 2024

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

37. Financial risk management

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk, market risk (including interest rate 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 group. Credit risk arises on liquid assets, financial assets, derivative assets, trade and other receivables.

In respect of its investments the group 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.

The gross carrying amount of trade receivables are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Trade receivables	1089	575	349

Reconciliation of loss allowance provision- trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Loss allowance at the beginning of the year			-
Less: Used for write off			
Add : Changes in loss allowances	18		
Loss allowance at the end of the year	**18**	**-**	**-**

Security deposits are interest free deposits given by the company for properties taken on lease. The gross carrying amount of Security deposit is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Security Deposits	54	33	24

(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.

Current Ratio as at March 31, 2024	3.10	Liquid Ratio as at March 31, 2024	2.62
Current Ratio as at March 31, 2023	1.81	Liquid Ratio as at March 31, 2023	1.39

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Maturities of financial liabilities

Contractual maturities of financial liabilities as on March 31, 2024	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Trade payables	19	1,931				1,931
Lease liabilities	17	96	105	75	45	321
Other financial liabilities	20	69				69
Total Non- derivative liabilities		**2,096**	**105**	**75**	**45**	**2,321**

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						
Trade payables	19	1,321				1,321
Lease liabilities	17	45	24	-	-	69
Other financial liabilities	20	25				25
Total Non- derivative liabilities		**1,391**	**24**	**-**	**-**	**1,415**

Contractual maturities of financial liabilities as on April 01, 2022	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Trade payables	19	689				689
Lease liabilities	17	41	45	28	-	114
Other financial liabilities	20	-				-
Total Non- derivative liabilities		**730**	**45**	**28**	**-**	**803**

38. Contingent liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Income tax demand	4	-	

39. Payment to auditor

Particulars	As at March 31, 2024	As at March 31, 2023
Audit fees		
Statutory audit fees	15	14
Special purpose audit fees	11	-
Out of pocket expenses	1	-
Total	**27**	**14**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

40. Other Comprehensive Income

Particulars	As at March 31, 2024	As at March 31, 2023
Items that will not be reclassified to profit or loss		
Actuarial Gain/(loss) on defined benefit obligations	9	-1
Income tax on Acturial Gain	-2	-
Total	**7**	**(1)**

41. Contractual commitments

The Company has no contractual commitments and corporate guarantee during the year under audit.

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, 2024	As at March 31, 2023	As at April 01, 2022
Property, plant and equipment	-	-	-
Capital expenditure not recognised as liabilities	**-**	**-**	**-**

42. Employee Stock Option Plan

i Scheme details

The Board, at its meeting held on 29 March 2021 had approved the Employee Stock Option Scheme 2021 ("ESOP Policy"). Further, the Shareholders' of the Company also approved the ESOP Policy at the Extra-Ordinary General Meeting held on 30 March, 2021 with a Pool size of 1550 Options. The Policy was further revised vide Special Resolutions dated September 19, 2022 and June 20, 2023.

ESOP scheme	Number of options granted	Grant date	Vesting date	Exercise price	Fair Value at grant date*
Employee Stock Option Scheme 2021	186	3-Jan-22	3-Jan-22	10	87,489
Employee Stock Option Scheme 2021	78#	10-Apr-21	10-Apr-21	10	87,489
Employee Stock Option Scheme 2021	23	17-Jan-23	17-Jan-23	10	3,23,188
Employee Stock Option Scheme 2021	11	7-Feb-24	7-Feb-24	10	1,65,711

Offered to an employee part of subsidiary Juizo Advisory Private Limited (right full form)

The total vesting period of ESOP is over the period of 4 years. 25% vest after the end of one year and balance 75% are vested equally over the period of 36 months.

* The fair value for each vesting are largely same as presented above

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

ii Movement in shares options during the current year

The following reconciles the shares options outstanding at the beginning and the end of the year:

ESOP Plan	As at March 31, 2024 Numbers of options	As at March 31, 2023 Numbers of options
Balance at beginning of year	206	264
Granted during the year	11	23
Forfeited during the year	22	-
Exercised during the year	168	81
Expired during the year		-
Surrendered during the year		-
Balance at the end of the year	**27**	**206**
Exercisable at the end of the year	**1**	**-**

iii Fair value of options

The black scholes valuation model has been used for computing the weighted average fair value considering the following inputs

Particulars	ESOP Scheme
Dividend Yield %	0%
Volatility %	12.52%
Risk free Rate %	7.08%
Exercise price	10
Expected life in years	1.88

43. Ratios

Accounting Ratios

Ratio	Items included in numerator and denominator for computing	As at March 31, 2024	As at March 31, 2023	Variance (%age)	Remarks
(a) Current ratio	Current assets / Current liabilities	3.10	1.81	71.23%	There is an significant increased in investment and cash & bank balance during the FY 24 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)	-	-	-	*
(c) Debt service coverage ratio	(Net profit after taxes + non-cash operating expenses + interest + other) / Debt service = Interest & lease payments + principal repayments	-	-	-	*

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

Ratio	Items included in numerator and denominator for computing	As at March 31, 2024	As at March 31, 2023	Variance (%age)	Remarks
(d) Return on equity Ratio	Net profit after tax / Average shareholders' funds [(opening + closing)/2]	-	-	-	*
(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]	4.77	5.85	-18.50%	Better management of inventory has lead to maintaning the constant inventory even though there is increase in purchases due to increase in turnover
(f) Trade receivables turnover ratio	Revenue from operations / Average trade receivables [(opening trade receivables + closing trade receivables)/2]	17.42	21.39	-18.55%	Timely receipts of dues
(g) Trade payables turnover ratio	Net credit purchases / Average trade payables [(opening trade payables + closing trade payables)/2]	2.86	3.32	-13.91%	Timely repayment of dues
(h) Net capital turnover ratio	Revenue from operations / Working capital (Current assets - current liabilities)	2.98	7.71	-61.33%	There is an significant increased in working capital in FY 24 due to funds infused by Marico Ltd. Resulted into decrease in Net capital turnover ratio.
(i) Net profit ratio	Net profit after tax / Revenue from operations	-	-	-	*
(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)]	-	-	-	*
(k) Return on investment	Net profit before tax / Shareholders' funds (share capital + reserves & surplus)	-	-	-	*

*Considering loss, coverage has been restricted to zero

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

44. First time adoption of Ind AS

A) Transition to Ind AS

The accounting policies set out in note 1 has been applied in preparing the financial statements for the period ended 31 March 2024 and the comparative information presented in these financial statements are for the year ended 31 March 2023 and in the preparation of an opening Ind AS Balance sheet as at 1 April 2022 (the company's date of transition to Ind AS). In preparing its opening Ind AS Balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with Accounting Standard specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and other relevant provisions of the Act ("Indian GAAP").

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in tables and notes as disclosed below in point (B).

i. Optional exemptions availed

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

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 and intangible assets at their previous GAAP carrying value.

Right to use assets

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 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. 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

ii. Mandatory exceptions

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements should be consistent with estimates made for the same date in accordance with the previous GAAP, unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair value measurement of financial instruments
- Determination of financial assets and liabilities
- Judgement required for ascertainment of contracts in the nature of lease, lease term, incremental borrowing cost and the fair value of lease as per Ind AS 116.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

Derecognition of financial assets and liabilities

Ind AS 101 requires entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

45. (i) Reconciliation of Other equity as at 31 March 2022 and 31 March 2023

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as per audited IGAAP Standalone financial statements:	1,489	2,299
Interest Income on security deposit	2	-
Interest expense on unwinding of discount on financial liabilities	(7)	-
Depreciation on Right of use assets	(37)	-
Rent expenses reserve	47	-
Actuarial loss on employee benefit obligations	1	-
Other comprehensive loss for the year	(1)	-
Reversal of lease equalisation reserve	4	4
Balance as at 31st March'2023	**1,499**	**2,303**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

(ii) Reconciliation of Statement of Profit and Loss between the previous GAAP and IND AS as at 31 March 2023

Particulars	Previous GAAP as at 31 March 2023	IND AS Adjustment	IND AS as at 31 March 2023
I. Income			
(a) Revenue from operations	9,894	-	9,894
(b) Other income	83	2	85
Total Income	**9,977**	**2**	**9,979**
II. Expenses			
(a) Cost of materials consumed	3,066	143	3,209
(b) Changes in inventories of finished goods	(148)	-	(148)
(c) Employee benefits expenses	923		923
(d) Finance costs	-	7	7
(e) Depreciation and amortisation expenses	37	37	74
(f) Other expenses	7,045	(190)	6,855
Total Expenses	**10,923**	**(3)**	**10,920**
III. Income before tax	**(946)**	**5**	**(941)**
IV. Prior period expense	**(15)**	**15**	**-**
V. Tax expense			-
(a) Current tax		-	-
(b) Deferred tax charge		-	-
Total tax expense	**-**	**-**	**-**
VI. Net profit for the period	**(961)**	**20**	**(941)**
VII. Other comprehensive income			
Actuarial gain/(loss) on defined benefit obligations	-	(1)	(1)
Total other comprehensive income	-	(1)	(1)
VIII. Total comprehensive Income for the period	**(961)**	**19**	**(942)**

Notes to reclassification:

1. Reclassification of expense recognized for employee stock option from a separate disclosure as prior period expense on the face of profit and loss account to employee benefit expense of ₹ 15 Lakhs

2. Reclassification of Actuarial loss from employee benefit expense to Other comprehensive income of ₹ 1 Lakh

3. Reclassification of packing material expense into cost of material consumed amounting to ₹ 143 Lakhs since the same has been inventorised from FY 2023-24

(iii) Reconciliation of Balance sheet between the previous GAAP and IND AS as at 31 March 2023

Particulars	As at 31 March 2023	Ind AS adjustments	Restated 31 March 2023
Assets			
Non-current assets			
Property plant and equipment	74	-	74
Right of use asset	-	67	67
Intangible assets	-		-
Investments	51	-	51
Financial assets			-
(i) Other financial assets	-	33	33

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

Particulars	As at 31 March 2023	Ind AS adjustments	Restated 31 March 2023
Other non current assets	35	(35)	0
Non-current income tax assets (net)	-	37	37
Total non-current assets	**160**	**102**	**262**
Current assets			
Inventories	660	-	660
Financial assets			
(i) Trade receivables	575	-	575
(ii) Cash and cash equivalents	1,322	(780)	542
(iii) Other financial assets	-	816	816
Short-term loans and advances	306	(306)	-
Other current assets	39	234	273
Total current assets	**2,902**	**(36)**	**2,866**
Total assets	**3,062**	**66**	**3,128**
EQUITY AND LIABILITIES			
Shareholders' funds			
Equity share capital	1	-	1
Other Equity	1,489	10	1,499
Total Equity	**1,490**	**10**	**1,500**
Non-current liabilities			
Long-term liabilities	10	(10)	-
Financial liabilities			
(i) Lease liabilities	-	28	28
Provisions	15	-	15
Total non - current liabilities	**24**	**18**	**43**
Current liabilities			
Financial liabilities			
(i) Trade payables	1,321	-	1,321
(ii) Lease liabilities	-	38	38
(iii) Other financial liabilities	-	25	25
Other current liabilities	155	(25)	130
Provisions	71	-	71
Total current liabilities	**1,547**	**38**	**1,585**
Total equity and liabilities	**3,062**	**66**	**3,128**

Notes to reclassification:

1. Reclassification of Other non-current assets comprises of rent deposits of ₹35 Lakhs to other non-current financial assets and right-of-use assets amounting to ₹ 33 Lakhs and ₹ 2 Lakhs respectively.

2. Reclassification of short term loans and advances (which comprises of GST receivables, Prepaid expense, Advance to creditors, TDS receivables) of ₹ 306 Lakhs to Non-current income tax assets (net),and other current assets amounting to ₹ 37 lakhs, ₹ 269 respectively.

3. Reclassification of Cash and bank balances (which comprises of bank deposits with maturity more than 3 months) to other financial assets to ₹ 780 Lakhs.

4. Reclassification of other current liabilities (which comprises of Employee related payables and creditor for capital goods) to other current financial liabilities amounting to ₹ 25 Lakhs.

5. Reclassification of other current assets (which comprises of accrued interest on bank deposits, wallet balances, TDS receivable from suppliers) to Other financials assets amounting to ₹ 35 Lakhs

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

(iv) Reconciliation of Balance sheet between the previous GAAP and IND AS as at 1 April 2022

Particulars	As at 1 April 2022	Ind AS adjustments	Restated 1 April 2022
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	51	-	51
(b) Right-of-use assets	-	104	104
(c) Goodwill	-	-	-
Investments	9		9
(d) Financial assets			-
(i) Other financial assets	-	24	24
(e) Other non current assets	28	(28)	(0)
(f) Non-current income tax assets (net)	-	9	9
Total non-current assets	**88**	**109**	**197**
(2) Current assets			
(a) Inventories	386	-	386
(b) Financial assets			-
(i) Trade receivables	349	-	349
(ii) Cash and cash equivalents	2,015	(1,676)	339
(iii) Other financial assets	-	1,707	1,707
(c) Short-term loans and advances	199	(199)	(0)
(d) Other current assets	44	157	201
Total current assets	**2,993**	**(11)**	**2,982**
Total assets	**3,081**	**98**	**3,179**
Equity and liabilities			
Equity			
(a) Equity share capital	1	-	1
(b) Other equity	2,299	4	2,303
Total Equity	**2,300**	**4**	**2,304**
Liabilities			
(1) Non-current liabilities			
(a) Long-term liabilities	4	(4)	-
(b) Financial liabilities			-
(i) Lease liabilities	-	37	37
(c) Provisions	6	-	6
Total non - current liabilities	**10**	**33**	**43**
(2) Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	-	61	61
(ii) Trade payables	689	-	689
(iii) Other financial liabilities	-	-	-
(b) Other current liabilities	44	-	44
(c) Provisions	38	-	38
Total current liabilities	**771**	**61**	**832**
Total Equity and liabilities	**3,081**	**98**	**3,179**

Notes to reclassification

1. Reclassification of Other non-current assets comprises of rent deposits of ₹28 Lakhs to other non-current financial assets and right-of-use assets amounting to ₹ 24 Lakhs and ₹ 4 Lakhs respectively.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

2. Reclassification of short term loans and advances (which comprises of GST receivables, Prepaid expense, Advance to creditors, TDS receivables) of ₹ 199 Lakhs to other current assets and Non current tax asset amounting to ₹ 190 Lakhs and ₹ 9 Lakhs

3. Reclassification of Cash and bank balances (which comprises of bank deposits with maturity more than 3 months) to other financial assets amounting to ₹ 1676 Lakhs.

5. Reclassification of other current assets (which comprises of accrued interest on bank deposits, wallet balances, TDS receivable from suppliers) to Other financials assets amounting to ₹ 31 Lakhs

(v) Reconciliation of Cash flow between the previous GAAP and IND AS as at March 31, 2023

Particulars	As per Previous GAAP	IND_AS Adjustments	Amount as per Ind_AS
Net Cash (Used in) Operating activities	(710)	(40)	(670)
Net Cash (Used in) Investing activities	913	-	913
Net Cash (Used in) financing activities	-	40	(40)
Net (decrease) in cash and cash equivalents	**203**	**-**	**203**
Cash and cash equivalents at the beginning of the year	339	-	339
Cash and cash equivalents at the end of the year	542	-	542

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in ₹ lakhs, except for share data and if otherwise stated)

j) The Company has not used any borrowings from banks and financial institutions.

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 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 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company, in respect of financial year commencing on 1 April 2023, has used an accounting software tally for Tally for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail feature was available throughout the year for all relevant transactions recorded in the software from 1 April 2023 up to 8 January 2024 by using a a third party utility and for the remaining period the Company has migrated to a new accounting software Tally Prime (Edit log) 4.0. and was not disabled or tampered with at any point during the financial year.

Further, for Zoho books and Uniware e-commerce the accounting software is operated by a third-party software service provider. The 'Indepen adent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organisation) is not available for the year ending March 2024

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 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.

As per our Report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N5O0013

Yashwant M. Jain
Partner
Membership No.: 118782

Place: Mumbai
Date: 25 April 2024

For and on behalf of the Board of Directors of
Satiya Nutraceuticals Private Limited
CIN: U74999MH2020PTC337674

Akash Hiren Zaveri
Director
DIN: 07704775

Place : Mumbai
Date: 25 April 2024

Rishubh Jitendra Satiya
Director
DIN: 08698965

Place : Mumbai
Date: 25 April 2024

JUIZO ADVISORY PRIVATE LIMITED(JAPL)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Aashish Agarwal Mr. Koteshwar L N Mr. Amit Bhasin Mr. Akash Zaveri Mr. Rishubh Satiya
REGISTERED OFFICE	E Wing, 14th Floor, Unit no 5, A Block, Trade Link Senapati Bapat Marg, Kamala Mills Compound, Lower Parel, Mumbai - 400012
AUDITORS	M/s. Walker Chandiok & Co. LLP
BANKERS	1. HDFC Bank Limited & 2. ICICI Bank Limited

Independent Auditor's Report

To
The Members of
Juizo Advisory Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Juizo Advisory Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. 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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 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

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's 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 the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

   The Board of Director's report is not made available to us before the date of auditor's report. We have nothing to report in this regard.

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

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these 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 Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, the Board of Directors 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.

7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 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.

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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, 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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

10. 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.

Other Matter

11. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2023 and 31 March 2022 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), on which we issued auditor's reports to the members of the Company dated 15 July 2023 and 29 September 2022 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

13. 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 give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    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 matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)}.

    c) The financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

    f) The modifications relating to the maintenance of accounts and paragraph 14(b) above on reporting under section 143(3)(b) of the Act and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and

    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 litigation which would impact its financial position as at 31 March 2024

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;

        iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 32 (c) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

            b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 32 (d) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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; and

            c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

        v. The Company has not declared or paid any dividend during the year ended 31 March 2024.

        vi. As stated in Note 33 to the financial statements and based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below.

Nature of exception noted	Details of Exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail feature for accounting software (Tally Prime) used for maintenance of accounting records from 1 April 2023 to 8 January 2024 had a feature of recording audit log but due to absence of evidences, we are unable to comment upon whether the audit trail (edit log) facility remained operational for the said period.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature	The accounting software (Uniware e-commerce and Zoho books) used for maintenance of books of account of the Company is operated by third party software service providers. In the absence of the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organisation), we are unable to comment on whether audit trail feature of the said software were enabled and operated throughout the year for all relevant transactions recorded in the respective software.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Yashwant M. Jain
Partner
Membership No.: 118782
UDIN: 24118782BKHJLD8123

Place: Mumbai
Date: 25 April 2024

Annexure A

referred to in paragraph 1 of the Independent Auditor's Report of even date to the members of Juizo Advisory Private Limited on the financial statements for the year ended 31 March 2024.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) The Company does not have any property, plant and equipment, intangible assets, right-of-use assets or investment property and accordingly, reporting under clause 3(i) of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made any investment 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 (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, undisputed 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 other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) According to the information and explanations given to us, the Company does not have any loans or other borrowings from any lender. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.

(x) (a) 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 to the Company.

(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 (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the 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 for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv) According to the information and explanations given to us, the Company is not required to and consequently, does not have an internal audit system as per the provisions of section 138 of the Act. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the 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. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in 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) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Yashwant M. Jain
Partner
Membership No.: 118782
UDIN: 24118782BKHJLD8123

Place: Mumbai
Date: 25 April 2024

Annexure B

to the Independent Auditor's Report of even date to the members of Juizo Advisory Private Limited on the financial statements for the year ended 31 March 2024

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Juizo Advisory Private Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls 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 Financials Controls over Financial reporting issued by the Institute of Chartered Accountants of India (the 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 the Company's business, including adherence to the 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. 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 Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 were established and maintained and if such controls operated effectively in all material respects.

4. 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 includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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.

5. 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

6. A company's internal financial controls 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 controls with reference to financial statements include 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

7. 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

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls 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 Financials Controls over Financial reporting issued by the Institute of Chartered Accountants of India (the ICAI).

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Yashwant M. Jain
Partner
Membership No.: 118782
UDIN: 24118782BKHJLD8123

Place: Mumbai
Date: 25 April 2024

Standalone Balance Sheet as at March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
ASSETS				
Non-current assets				
Non-current income tax assets (net)	3	92	88	26
Total non-current assets		**92**	**88**	**26**
Current assets				
Inventories	4	85	135	94
Financial Assets				
(i) Trade receivables	5	26	19	23
(ii) Cash and cash equivalents	6	15	10	26
(iii) Other financial assets	7	4	6	3
Other current assets	8	171	54	17
Total current assets		**301**	**224**	**163**
Total Assets		**393**	**312**	**189**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	9	1	1	1
Other equity	10	106	74	16
Total equity		**107**	**75**	**17**
LIABILITIES				
Current liabilities				
Financial liabilities				
(i) Trade payables	11			
dues of micro enterprises and small enterprises		-	-	164
dues of creditors other than micro enterprises and small enterprises		270	234	7
(ii) Other financial liabilities	12	-		
Other current liabilities	13	12	-	1
Provisions	14	4	3	-
Total current liabilities		**286**	**237**	**172**
Total liabilities		**286**	**237**	**172**
Total equity and liabilities		**393**	**312**	**189**

Summary of material accounting policies information 1

The accompanying notes are an integral part of these financial statements

As per our Report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N5O0013

For and on behalf of the Board of Directors of
Juizo Advisory Private Limited
CIN: U93000MH2019PTC327385

Yashwant M. Jain
Partner
Membership No.: 118782

Akash Hiren Zaveri
Director
DIN: 07704775

Rishubh Jitendra Satiya
Director
DIN: 08698965

Place: Mumbai
Date: 25 April 2024

Place : Mumbai
Date: 25 April 2024

Place : Mumbai
Date: 25 April 2024

Standalone Statement of Profit & Loss for the year ended March 31, 2024

(Amount in ₹ lakhs, except for share data and if otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Revenue			
Revenue from operations	15	3,058	2,422
Other income	16	36	3
Total income (I)		**3,094**	**2,425**
Expenses			
Purchase of stock-in-trade	17	2,027	1,673
Changes in inventories of Stock in trade	18	50	(41)
Employee benefit expenses	19	46	62
Other expenses	20	947	691
Total expenses (II)		**3,070**	**2,385**
Profit before tax (III = I - II)		**24**	**40**
Income tax expense			
Current tax	2	6	9
Tax of earlier years	2	(1)	3
Total tax expense (IV)		**5**	**12**
Profit for the year (V= III-IV)		**19**	**28**
Other comprehensive income			
i) Items that will not be subsequently reclassified to profit or loss			
a.) remeasurements of the defined benefit liabilities			-
b.) income tax relating to items that will not be reclassified to profit or loss			
Total of other comprehensive income for the year = (VI)		**-**	**-**
Total comprehensive income for the year (net of tax)		**19**	**28**
Earnings per equity share for (Nominal value ₹ 10 per share)			
Basic earnings per share (In ₹)	25	190	280
Diluted earnings per share (In ₹)	25	190	280

Summary of material accounting policies information 1

The accompanying notes are an integral part of these financial statements

As per our Report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N5O0013

Yashwant M. Jain
Partner
Membership No.: 118782

Place: Mumbai
Date: 25 April 2024

For and on behalf of the Board of Directors of
Juizo Advisory Private Limited
CIN: U93000MH2019PTC327385

Akash Hiren Zaveri
Director
DIN: 07704775

Place : Mumbai
Date: 25 April 2024

Rishubh Jitendra Satiya
Director
DIN: 08698965

Place : Mumbai
Date: 25 April 2024

Standalone Statement of Changes in Equity for the year ended March 31, 2023

(Amount in ₹ lakhs, except for share data and if otherwise stated)

A. Equity share capital

Particulars	Nos of shares	Amount (in lakhs)
As at 01st April, 2022	**10,000**	**1**
Changes in equity share capital	-	-
Deemed Contribution by Parent Company		
As at March 31, 2023	**10,000**	**1**
Changes in equity share capital	-	-
As at March 31, 2024	**10,000**	**1**

B. Other equity

Particulars	Reserves and surplus		Total other equity
	Retained earnings	Deemed Contribution by Parent Company	
Balance as at April 01, 2022 as per audited IGAAP financial statement	**8**	**20**	**28**
Ind AS adjustments	(12)	-	(12)
Balance as at 01st April, 2022 - Restated	**(4)**	**20**	**16**
Profit for the year transferred from the statement of profit or loss	28		28
Deemed Contribution by Parent Company	-	30	30
Total comprehensive income	28	30	58
Balance as at March 31, 2023	**24**	**50**	**74**
Profit for the year transferred from the statement of profit or loss	19		19
Deemed Contribution by Parent Company	-	13	13
Total comprehensive income/(loss)	19	13	32
Balance as at March 31, 2024	**43**	**63**	**106**

Nature and purpose of reserves

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 options outstanding account

The Company has established various equity settled share based payment plans for certain category of employees of the company

Summary of material accounting policies information

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

As per our Report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Yashwant M. Jain
Partner
Membership No.: 118782

Place: Mumbai
Date: 25 April 2024

For and on behalf of the Board of Directors of
Juizo Advisory Private Limited
CIN: U93000MH2019PTC327385

Akash Hiren Zaveri
Director
DIN: 07704775

Place : Mumbai
Date: 25 April 2024

Rishubh Jitendra Satiya
Director
DIN: 08698965

Place : Mumbai
Date: 25 April 2024

Material Accounting Policies and other Explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

Company Corporate Information

Juizo Advisory Private Limited ('the Subsidiary Company') was incorporated on 28 June 2019 under Companies Act, 2013. The Company is dealing in retail sale of health, wellness and personal care products. The registered office of the Company is situated at E wing, 14th Floor, Unit no. 5, Block trade link, Senapati bapat marg, Kamala mills compound, Lower parel, Mumbai 400012.

1. Material accounting policies

The Material accounting policies applied by the Company in the preparation of its financial statements are listed below:

(a) Basis of preparation

The Standalone financial statements (the "financial statement") have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended, and the presentation and disclosure requirements of Division II of Schedule III to the Act and the guidelines issued by the Securities Exchange Board of India to the extent applicable. The accounting policies have been consistently applied for all the periods presented in the Standalone financial statements

The Standalone finanical statements up to year ended 31 March 2023 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with paragraph 7 of the Companies (Accounts) Rule, 2014 ("Indian GAAP", "previous GAAP"). These financial statements for the year ended 31 March 2024 are the first set of financial statements prepared in accordance with Ind AS. The date of transition to Ind AS is 01st April 2022 (hereinafter referred to as the 'transition date').

The Standalone financial statements for the year ended 31 March 2024 and the opening Balancesheet as at 01 April 2023 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet and Statement of Profit and Loss (including Comprehensive Income) are provided in Note 30 and Note 31

The Standalone financial statements of the Company are presented in Indian Rupees (₹/₹) which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest zero decimals in lakhs as per the requirement of Schedule III to the Act, unless otherwise stated.

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.

The company has prepared the Standalone financial statements on the basis that it will continue to operate as a going concern.

(b) Current and 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.

(c) Critical accounting estimates and judgements

In preparing these financial statements, the management has made judgements, 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:

- Fair value measurement of financial instruments
- Provision of Inventory
- Estimate of use of wallet balance by customers
- Recognition of deferred tax assets
- Judgement required for ascertainment of contracts in the nature of lease, lease term, incremental borrowing cost and the fair value of lease as per Ind AS 116
- Measurement of useful life and residual values of property, plant and equipment and components thereof
- Defined benefit obligation

Material Accounting Policies and other Explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

(d) Revenue recognition

Sale of products

Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at a point in time i.e., at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. 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.

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.

(e) Other income

Interest income is recognized on a time proportion basis considering the amount outstanding and the rates applicable.

(f) Inventories

Inventories are valued at lower of cost and net realizable value; cost is determined using first in first out (FIFO) method.

Cost of finished goods include all costs of purchases cost and other costs incurred in bringing the inventories to their present location and condition.

The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

(g) Foreign currency transactions and translation

The reporting currency of the Company is Indian Rupee.

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.

Conversion

Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

(h) Leases

The Company's lease asset classes consist of leases for Buildings. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating leases are classified as an expense in the statement of profit and loss on the straight line basis over the lease term.

(i) Financial assets and liabilities

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.

(j) Financial Assets

i. Classification of financial assets

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 amortized 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

Material Accounting Policies and other Explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

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 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.

Amortized 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 amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized 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 recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized 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 amortized 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 recognized 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 recognized 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 derecognized 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 derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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 derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset continues to be recognized to the extent of continuing involvement in the financial asset.

(k) Financial liabilities

i. Initial recognition and subsequent measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are

Material Accounting Policies and other Explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

ii. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

(l) Employee benefits

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. the Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excesses recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan

Gratuity

The liabilities with respect to Gratuity Plan are determined by actuarial valuation on projected unit credit method on the balance sheet date, based upon which the Company contributes to the Gratuity Scheme. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds is provided for as assets/ (liability) in the books. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under Employee benefit expense in statement of profit or loss:

a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

b) Net interest expense or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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 or losses arising from changes in actuarial assumptions are recognized in the Statement of Profit and Loss under other comprehensive income.

(m) Provisions and contingencies

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 recognized 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 recognized for future operating losses.

Material Accounting Policies and other Explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

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.

(n) Taxes on income

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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize 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 realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(o) Share-based compensation or payments

Employee stock option plan

The fair value of options granted under the Company's employee stock option scheme is recognized as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g., the requirement for employees to save or Subsidiary shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

(p) Borrowing costs

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. Other borrowing costs are expensed in the period in which they are incurred.

(q) Segment reporting

The activities of the Company comprise of only one business segment i.e., "trading of cosmetic and allied products". The Company operates in only one geographical segment i.e. India. Hence, the Company's financial statements are reflective of the information required by Ind AS 108, "Segment Reporting" notified under the Act.

(r) Cash and cash equivalents

Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

Material Accounting Policies and other Explanatory information to the Standalone Financial Statements as at and for the period ended 31 March 2024

(s) Earnings per share

Basic earnings per share are computed by dividing net profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing net profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

(t) Rounding off:

All amounts disclosed in the financial statement and notes have been rounded off to the nearest lakhs, 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.

(u) Recent Indian Accounting Standards (Ind AS):

The Company adopted Disclosure of Accounting (amendment to Ind AS 1) from 01st April, 2023. Although the amendment did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statement.

The amendment requires the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statement.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in INR lakhs, except for share data and if otherwise stated)

2. Non-current income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax		
Current income tax charge for the year	6	9
Tax of earlier years	(1)	3
Total deferred tax assets (net)	**5**	**12**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Profit/Loss before tax as per statement of profit and loss (a)	**24**	**40**
Enacted income tax rate in India (b)	25.168	25.168
Income tax credit calculated (c)= a *b	**6**	**10**
Tax pertaining to earlier years	(1)	3
Others	-	(1)
Total	**5**	**12**

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.

3. Non-current income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Non-current income tax assets (net)		-	-
Income Tax Asset (net of provision)	92	88	26
Total	**92**	**88**	**26**

Notes:

The following table provides the details of income tax assets and liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
TDS balance with income tax authorities	98	97	29
Income tax provision	(6)	(9)	(3)
Net Income Tax Asset	**92**	**88**	**26**

4. Inventories

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Stock in Trade	85	135	94
Total	**85**	**135**	**94**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

5. Trade receivables

Sr. No	Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
1	**Trade receivables**			
	Considered good - unsecured	26	19	23
	Total	**26**	**19**	**23**

1. No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person except as disclosed in note no 24.

2. The fair value of trade receivable approximates their carrying value in the balance sheet.

3. For explanations on the Company's credit risk management processes, Refer note 26

Trade receivables ageing schedule as at March 31, 2024

Sr. No	Particulars	Outstanding as on March 31, 2024 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
1	Undisputed trade receivables - considered good		26			-	-	26
2	Undisputed trade receivables - which have significant increase in credit risk	-	-	-			-	-
3	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
4	Disputed trade receivable - considered good	-	-	-	-	-	-	-
5	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	**-**	**26**	**-**	**-**	**-**	**-**	**26**

Trade receivables ageing schedule as at March 31, 2023

Sr. No	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
1	Undisputed trade receivables - considered good		19			-	-	19
2	Undisputed trade receivables - which have significant increase in credit risk	-	-	-			-	-
3	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
4	Disputed trade receivable - considered good	-	-	-	-	-	-	-
5	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	**-**	**19**	**-**	**-**	**-**	**-**	**19**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in INR lakhs, except for share data and if otherwise stated)

Trade receivables ageing schedule as at 01 April, 2022

Sr. No	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
1	Undisputed trade receivables - considered good	-	23			-	-	23
2	Undisputed trade receivables - which have significant increase in credit risk	-	-			-	-	-
3	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
4	Disputed trade receivable - considered good	-	-	-	-	-	-	-
5	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	Total	**-**	**23**	**-**	**-**	**-**	**-**	**23**

6. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Balances with banks:			
- On current accounts	15	9	25
Cash on hand	-	1	1
Total	**15**	**10**	**26**

7. Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
TDS Receivable from suppliers	4	6	3
Total	**4**	**6**	**3**

8. Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Advance to employees	-	2	0
Balances with Govt. authorities	171	52	17
Total	**171**	**54**	**17**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

9. Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Authorised share capital			
10,000 (March 31, 2023 : 10,000) Equity shares of ₹ 10/- each	1	1	1
Total	**1**	**1**	**1**

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Issued, subscribed and paid-up equity shares			
10,0000 (March 31, 2023 : 10,000) Equity shares of ₹ 10/- each	1	1	1
Deemed Contribution by Parent Company	-	-	-
Total	**1**	**1**	**1**

(i) Reconciliation of issued, subscribed and fully paid up share capital Equity shares

Particulars	Number of shares	Amount
As at March 31, 2022	**10,000**	**1**
Changes during the year	-	-
As at March 31, 2023	**10,000**	**1**
Changes during the year	-	-
As at March 31, 2024	**10,000**	**1**

(ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹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, 2024, the amount of per share dividend recognized as distributions to equity shareholders was Nil (March 31, 2023: 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

Name of Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Re. 10/- each fully paid-up						
Satiya Nutraceuticals Private Limited (Refer note viii below)	10,000	100.00%	10,000	100.00%	10,000	100.00%

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

(iv) Details of shares held by promotors

As at March 31, 2024

Name of Shareholder	Number of shares	% of total share	% change during year
Equity Shares of Re. 10/- each fully paid-up			
Satiya Nutraceuticals Private Limited (Refer note viii below)	10,000	100.00%	0.00%

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			
Satiya Nutraceuticals Private Limited (Refer note viii below)	10,000	100.00%	0.00%

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			
Satiya Nutraceuticals Private Limited (Refer note viii below)	10,000	100.00%	0%

(v) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Satiya Nutraceuticals Private Limited						
Satiya Nutraceuticals Private Limited	10,000	100.00%	10,000	100.00%	10,000	100.00%

(vi) 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.

(vii) 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.

10. Other equity

Reserves and surplus

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Retained earnings (refer note below)	43	24	(4)
Deemed contribution from promotors	63	50	20
Total	**106**	**74**	**16**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in INR lakhs, except for share data and if otherwise stated)

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.

11. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Trade payables:			
Total outstanding dues of micro enterprises and small enterprises		-	164
Total outstanding dues of creditors other than micro enterprises and small enterprises	269	232	-
Subtotal	**269**	**232**	**164**
Accrued Expenses	1	2	7
Total	**270**	**234**	**171**

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, 2024	As at March 31, 2023	As at 01st April 2022
I . The Principal amount remaining unpaid to any supplier as at the end of accounting Period included in trade payable	269	232	-
II. Interest due thereon	-	-	-
Trade Payables due to micro and small enterprises	**269**	**232**	**-**
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 year (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	-	-	-
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 Standalone Financial Statements

for the year ended March 31, 2024
(Amount in INR lakhs, except for share data and if otherwise stated)

As at March 31, 2024

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)	-	-	269	-	-	-	269
b. Others (undisputed)	-	-	-	-	-	-	-
c. Disputed dues MSME	-	-	-	-	-	-	-
d. Disputed dues others	-	-	-	-	-	-	-
Accrued Expenses	1	-	-	-	-	-	1
Total	**1**	**-**	**269**	**-**	**-**	**-**	**270**

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)	-	-	232	-	-	-	232
b. Others (undisputed)	-	-	-	-	-	-	-
c. Disputed dues MSME	-	-	-	-	-	-	-
d. Disputed dues others	-	-	-	-	-	-	-
Accrued Expenses	2	-	-	-	-	-	2
Total	**2**	**-**	**232**	**-**	**-**	**-**	**234**

As at 01st April 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)	-	-	-	-	-	-	-
b. Others (undisputed)	-	-	164	-	-	-	164
c. Disputed dues MSME	-	-	-	-	-	-	-
d. Disputed dues others	-	-	-	-	-	-	-
Accrued Expenses	7	-	-	-	-	-	7
Total	**7**	**-**	**164**	**-**	**-**	**-**	**171**

12. Other financial liability

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Employee related payables*	-	0	0
Total	**-**	**-**	**-**

*Since amount is less than 0.5lakhs hence it is considered as zero

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

13. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Statutory Dues Payable*	12	0	1
Total	**12**	**0**	**1**

*Since amount is less than 0.5 hence it is considered as zero

14. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Provision for sales return	4	3	-
Total	**4**	**3**	**-**

15. Revenue from operations

Particulars	As at March 31, 2024	As at March 31, 2023
Sale of products	3,058	2,422
Total revenue	**3058**	**2422**

Revenue disaggregation by category is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Weight management	2,458	1,806
Personal care	600	616
Total	**3,058**	**2,422**

Revenue disaggregation by geography is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Domestic Sale	3,058	2,422
Export Sale	-	-
Total	**3,058**	**2,422**

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue as per contracted price	3,062	2,425
Less: Sales return	(4)	(3)
Total	**3,058**	**2,422**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in INR lakhs, except for share data and if otherwise stated)

16. Other income

Particulars	As at March 31, 2024	As at March 31, 2023
Other income		
Royalty Fee	-	2
Interest received on income tax refund	2	1
Income from intransit damaged goods	31	-
Miscellaneous Income	3	-
Total	**36**	**3**

17. Purchase of stock-in-trade

Particulars	As at March 31, 2024	As at March 31, 2023
Purchases of stock-in-trade	2,027	1,673
Total	**2027**	**1673**

18. Change in inventory of stock in trade

Particulars	As at March 31, 2024	As at March 31, 2023
Opening inventories		
Stock-in-trade	135	94
	135	**94**
Closing inventories		
Stock-in-trade	85	135
	85	**135**
Total	**50**	**(41)**

19. Employee benefit expenses

Particulars	As at March 31, 2024	As at March 31, 2023
Salaries, wages and bonus	33	32
Share based payment expenses	13	30
Total	**46**	**62**

20. Other expenses

Particulars	As at March 31, 2024	As at March 31, 2023
Advertisement expenses	199	81
Channel comission expenses	414	321
Shipping charges	248	197
Transport charges	55	42

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in INR lakhs, except for share data and if otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Legal & professional fees	11	33
Rates & taxes	0	2
Office expenses	0	0
Audit fees (Refer note 27)	3	3
Bank charges	0	0
Rent expenses	14	9
Insurance	0	0
Software expenses	2	2
Royalty Fee	1	0
Miscellaneous expenses	0	1
Total	**947**	**691**

(a) Miscellaneous expenses include printing and stationery, communication, insurance and other expenses.

(b) Corporate social responsibility: As the company has not met any criteria for applicablitiy of CSR hence the same is not applicable to the company

21. Capital management

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.

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Net debt	-	-	-
Total equity	107	75	17
Net debt to equity ratio	**-**	**-**	**-**

Net Debt Reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Cash and cash equivalents	15	10	26
Net Debt	**15**	**10**	**26**

22. Segment information

In accordance with Ind AS 108, Segment reporting, the Chief Executive Officer and Managing Director is the Company's Chief Operating Decision Maker ("CODM"). The Company business activity falls within a single reportable business segment and geographical segment namely sale of Nutraceuticals and Personal care products hence does not have any Reportable segment as per Indian Accounting Standard 108 "operating segments" in consoldiated financials statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in INR lakhs, except for share data and if otherwise stated)

23. Fair value measurements

Financial assets and liabilities

The carrying value of financial instruments by categories is as follows:

Particulars	As at March 31, 2024		As at March 31, 2023		As at01st April 2022	
	Fair Value	Amortised cost	Fair Value	Amortised cost	Fair Value	Amortised cost
Financial Assets - Current						
(i) Trade receivables		26		19		23
(ii) Cash and cash equivalents		15		10		26
(iii) Other financial assets		4		6		3
Financial liabilities - Current						
(i) Trade payables		270		234		171
(ii) Other financial liabilities		-		-		-

All the above amounts are net of provisions for impairments.

1. Fair Value Hierarchy

The fair value of financial instruments as referred to in note 23 above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data

2. Fair value of financial assets and liabilities measured at amortised cost for which fair values are disclosed

Particulars	As at March 31, 2024		As at March 31, 2023		As at01st April 2022	
	Fair Value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount
Financial Assets - Current						
(i) Trade receivables	26	26	19	19	23	23
(ii) Cash and cash equivalents	15	15	10	10	26	26
(iii) Other financial assets	4	4	6	6	3	3
Financial liabilities - Current						
(i) Trade payables	270	270	234	234	171	171
(ii) Other financial liabilities	-	-	-	-	-	-

During the years mentioned above, there has been no transfers amoung the hierarchy.

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year for year ended 31st March 2024

Other financial assets and liabilities

The management assessed that for amortised cost instruments, fair value approximates largely to the carrying amount.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

24. Related party disclosure

A. Name of related party and relationship

Names of related parties and description of relationship in the case of control relationship and in other cases where transactions have taken place

Related parties where control exists

Satiya Nutraceuticals Private Limited (100% Holding)

Marico Limited - Holding Company (51.20% Holding of Satiya Nutraceuticals Private Limited)*

Key management personnel and their relatives

Akash Hiren Zaveri -Director (w.e.f 26th July, 2023)

Rishubh Jitendra Satiya -Director (w.e.f 26th July, 2023)

Poonam Akash Zaveri - Director (upto 26th July, 2023) also a Relative of Director

Priyanta Satiya - Relative of Director (upto 26th July, 2023) also a Relative of Director

Entity in which KMPs and their relatives have significant influence

Satiya Nutraceuticals Private Limited (100% Holding)

* on a full diluted basis

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	Nature of Transaction	Transactions for the year ended March 31, 2024	Transactions for the year ended March 31, 2023
1	Poonam Jitendra Satiya	Remuneration paid	24	21
2	Satiya Nutraceuticals Private Limited	Purchases	2027	1673
3	Satiya Nutraceuticals Private Limited	Rent paid	2	2
4	Satiya Nutraceuticals Private Limited	Royalty Expense	1	
4	Satiya Nutraceuticals Private Limited	Royalty Income		2
5	Satiya Nutraceuticals Private Limited	Investment by Holding(Deemed Capital)	13	30

C. Balances at year end:

Sr. No	Particulars	Nature of balances	As at 31 March 2024	As at 31 March 2023	As at 01st April 2022
1	Satiya Nutraceuticals Private Limited	Trade Payables	269	232	150
2	Satiya Nutraceuticals Private Limited	Investment in subsidiary	63	50	20

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in INR lakhs, except for share data and if otherwise stated)

25. 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.

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Basic earnings per share		
Net Profit After Tax available for Equity Shareholders	19	28
Weighted average number of equity shares used to compute basic earnings per share	10,000	10,000
Basic earnings per share (in ₹)	190	280
Face Value per Share (₹)	10	10
(b) Diluted earnings per share	190	280
Net Profit After Tax available for Equity Shareholders	19	28
Weighted average number of equity shares used to compute basic earnings per share	10,000	10,000
Diluted earnings per share (in ₹)	190	280
Face Value per Share (₹)	10	10

26. Financial risk management

In the course of its business, the Company is exposed to a number of financial risks: credit risk, liquidity risk, market risk (including interest rate 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 group. 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 counter party 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.

The gross carrying amount of trade receivables are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Trade receivables	26	19	23

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

Reconciliation of loss allowance provision- trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023	As at 01st April 2022
Loss allowance at the beginning of the year	-	-	
Less: Used for write off			
Add : Changes in loss allowances	-	-	
Loss allowance at the end of the year	**-**	**-**	**-**

(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.

Current Ratio as at March 31, 2024	1.1	Liquid Ratio as at March 31, 2024	0.8
Current Ratio as at March 31, 2023	0.9	Liquid Ratio as at March 31, 2023	0.4

Maturities of financial liabilities

Contractual maturities of financial liabilities as on March 31, 2024	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Trade payables	11	270	-	-	-	270
Other financial liabilities	12	-	-	-	-	-
Total Non- derivative liabilities		**270**	**-**	**-**	**-**	**270**

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						
Trade payables	11	234				234
Other financial liabilities	12	-	-	-	-	-
Total Non- derivative liabilities		**234**	**-**	**-**	**-**	**234**

Contractual maturities of financial liabilities as on 01st April 2022	Note	Less than 1 year	1 year to 2 years	2 years to 3 years	3 years and above	Total
Non-derivatives						
Trade payables	11	171				171
Other financial liabilities	12	-	-	-	-	-
Total Non- derivative liabilities		**171**	**-**	**-**	**-**	**171**

27. Payment to auditor

Particulars	As at March 31, 2024	As at March 31, 2023
Audit fees		
Statutory audit fees	3	3
Out of pocket expenses	-	-
Total	**3**	**3**

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

28. Ratios

Accounting Ratios

Ratio	Items included in numerator and denominator for computing	As at March 31, 2024	As at March 31, 2023	Variance (%age)	Remarks for variance more than 25%
(a) Current ratio	Current assets / Current liabilities	1.1	0.9	11.4%	Not Applicable
(b) Debt-equity ratio	Total borrowings/Shareholders' funds (share capital + reserves & surplus)	-	-	0.0%	Not Applicable
(c) Debt Service coverage ratio	(Net profit after taxes + non-cash operating expenses + interest + other) / Debt service = Interest & lease payments + principal repayments	-	-	0.0%	Not Applicable
(d) Return on equity Ratio	Net profit after tax / Average shareholders' funds [(opening + closing)/2]	24.0	40.0	-40.0%	The ratio has decreased primarily on account of the decrease in profit and increase in retained earning by way of profit for the year
(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]	18.9	14.3	32.5%	This ratio has increased due to high purchases due to increase in turnover leading to high stock
(f) Trade receivables turnover ratio	Revenue from operations / Average trade receivables [(opening trade receivables + closing trade receivables)/2]	135.9	115.3	17.8%	Not Applicable
(g) Trade payables turnover ratio	Net credit purchases / Average trade payables [(opening trade payables + closing trade payables)/2]	8.0	8.3	-2.6%	Timely payment of dues
(h) Net capital turnover ratio	Revenue from operations / Working capital (Current assets - current liabilities)	203.9	-186.3	-209.4%	This ratio has increased due to increase in capital employed as compared to prevoius year
(i) Net profit ratio	Net profit after tax / Revenue from operations	0.0	0.0	-52.5%	This ration has decreased due to declining rate of revenue spike vis-à-vis increased operating expenses.
(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)]	0.3	0.9	-69.7%	This ratio has decreased due to declining profitability, an increase in the amount of capital employed without a proportionate increase in earnings.
(k) Return on investment	Net profit before tax / Shareholders' funds (share capital + reserves & surplus)	0.3	0.9	-69.7%	This ratio has decreased due to declining profitability, an increase in the amount of capital employed without a proportionate increase in earnings.

*Since company doesnot have debt hence respective ratios are not applicable to the company

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

29. Employee Stock Option Plan

i Scheme details

Satiya Nutraceuticals Private Limited the holding company as a part of its talent retention strategy offers stock awards to selected employees of its subsidiaries.

The Board of Satiya Nutraceuticals Private Limited, at its meeting held on 29 March 2021 had approved the Employee Stock Option Scheme 2021 ("ESOP Policy"). Further, the Shareholders' of the Company also approved the ESOP Policy at the Extra-Ordinary General Meeting held on 30 March, 2021 with a Pool size of 1550 Options. The Policy was further revised vide Special Resolutions dated September 19, 2022 and June 20, 2023.

ESOP scheme	Number of options granted	Grant date	Vesting date	Exercise price	Fair Value at grant date*
Employee Stock Option Scheme 2021	78	10-Apr-21	10-Apr-21	10	87,489

The total vesting period of ESOP is over the period of 4 years. 25% vest after the end of one year and balance 75% are vested equally over the period of 36 months.

* The fair value for each vesting are largely same as presented above

ii Movement in shares options during the current year

The following reconciles the shares options outstanding at the beginning and the end of the year:

Movement in stock awards during the year	As at March 31, 2024 Numbers of options	As at March 31, 2023 Numbers of options
Balance at beginning of year	51	78
Granted during the year	0	-
Forfeited during the year	6	-
Exercised during the year	45	27
Expired during the year		-
Surrendered during the year		-
Balance at the end of the year	**-**	**51**
Exercisable at the end of the year	**-**	**-**

iii Fair value of options

The black scholes valuation model has been used for computing the weighted average fair value considering the following inputs

Particulars	ESOP Scheme
Dividend Yield %	0%
Volatility %	12.52%
Risk free Rate %	7.08%
Exercise price	10
Expected life in years	1.88

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

30. First time adoption of Ind AS

A) Transition to Ind AS

The accounting policies set out in note 1 has been applied in preparing the financial statements for the period ended 31 March 2024 and the comparative information presented in these financial statements are for the year ended 31 March 2023 and in the preparation of an opening Ind AS Balance sheet as at 1 April 2022 (the company's date of transition to Ind AS). In preparing its opening Ind AS Balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with Accounting Standard specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 and other relevant provisions of the Act ("Indian GAAP").

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in tables and notes as disclosed below in point (B).

Mandatory exceptions

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements should be consistent with estimates made for the same date in accordance with the previous GAAP, unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair value measurement of financial instruments
- Determination of financial assets and liabilities
- Judgement required for ascertainment of contracts in the nature of lease, lease term, incremental borrowing cost and the fair value of lease as per Ind AS 116.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

Derecognition of financial assets and liabilities

Ind AS 101 requires entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

31. (i) Reconciliation of Other equity as at 31 March 2022 and 31 March 2023

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as per audited IGAAP financial statements:	**24**	**8**
INDAS Adjustments	-	(12)
Balance as at 31st March'2023	**24**	**-4**

(ii) Reconciliation of Statement of Profit and Loss between the previous GAAP and IND AS as at 31 March 2023

Particulars	Previous GAAP as at 31 March 2023	IND AS Adjustment	IND AS as at 31 March 2023
I. Income			
(a) Revenue from operations	2,422	-	2,422
(b) Other income	3	-	3
Total Income	**2,425**	**-**	**2,425**
II. Expenses			
(a) Cost of materials consumed	1,673	-	1,673
(b) Changes in inventories of finished goods	(41)	-	(41)
(c) Employee benefits expenses	62	-	62
(d) Finance costs	-		-
(e) Depreciation and amortisation expenses	-		-
(f) Other expenses	691		691
Total Expenses	**2,385**	**-**	**2,385**
III. Income before tax	**40**	**-**	**40**
IV. Prior period	**12**	**(12)**	**-**
V. Tax expense		-	-
(a) Current tax	9	-	9
Tax of earlier years	3	-	3
Total tax expense	**12**	**-**	**12**
VI. Net profit for the period	**16**	**12**	**28**
VII. Other comprehensive income			
Actuarial gain/(loss) on defined benefit obligations	-	-	-
Total other comprehensive income	**-**	**-**	**-**
VIII. Total comprehensive Income for the period	**16**	**12**	**28**

Note to reclassification

1. Ind AS 8 requires retrospective adjustments to effect changes in accounting policies, to the extent practicable, except when the transition provisions in another Ind AS require otherwise. Ind AS 8 also requires restatements to prior period items to be made retrospectively, to the extent practicable.

   Retrospective adjustments and retrospective restatements are not changes in equity but they are adjustments to the opening balance of retained earnings, except when an Ind AS requires retrospective adjustment of another component of equity.

   2. Certain prior year amounts have been reclassified for consistency with the current year presentation. Reclassification of expense recognized for employee stock option from a separate disclosure as prior period expense on the face of profit and loss account to opening retained earnings of ₹ 12lacs

Notes to the Standalone Financial Statements

for the year ended March 31, 2024
(Amount in INR lakhs, except for share data and if otherwise stated)

(iii) Reconciliation of Balance sheet between the previous GAAP and IND AS as at 31 March 2023

Particulars	As at 31 March 2023	Ind AS adjustments	Restated 31 March 2023
Assets			
Non-current assets			
Non-current income tax assets (net)	-	88	88
Total non-current assets	**-**	**88**	**88**
Current assets			
Inventories	135		135
Financial assets			-
(i) Trade receivables	19		19
(ii) Cash and cash equivalents	10		10
(iii) Other financial assets		6	6
Short-term loans and advances	150	(150)	-
Other current assets	7	47	54
Total current assets	**321**	**(97)**	**224**
Total assets	**321**	**(9)**	**312**
EQUITY AND LIABILITIES			
Shareholders' funds			
Equity share capital	1	-	1
Other Equity	74	-	74
Total Equity	**75**	**-**	**75**
Current liabilities			
Financial liabilities			
(i) Trade payables	234		234
Other current liabilities	-		-
Provisions	12	(9)	3
Total current liabilities	**246**	**(9)**	**237**
Total equity and liabilities	**321**	**(9)**	**312**

Notes to reclassification:

1. Reclassification of Other current asset of 6lakhs to (iii) Other financial assets

2. Reclassification of short term loans and advances (which comprises of GST receivables, Prepaid expense, Advance to creditors, TDS receivables) of ₹ 150 Lakhs to Non-current income tax assets (net).

   Balance reclassed under other current assets amounting to ₹ 98 Lakhs, and ₹ 52 Lakhs respectively

3. Provision for Income tax has been reclassed from provisions and netted off against non current income tax assets amount to 9 lakhs

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

(iv) Reconciliation of Balance sheet between the previous GAAP and IND AS as at 1 April 2022

Particulars	As at 1 April 2022	Ind AS adjustments	Restated 1 April 2022
Assets			
Non-current assets			
Non-current income tax assets (net)		26	26
Total non-current assets	**-**	**26**	**26**
Current assets			
Inventories	94		94
Financial assets			-
(i) Trade receivables	23		23
(ii) Cash and cash equivalents	26		26
(iii) Other financial assets		3	3
Short-term loans and advances	46	(46)	-
Other current assets	2	16	18
Total current assets	**191**	**(27)**	**164**
Total assets	**191**	**(1)**	**190**
Equity and liabilities			
Equity			
Equity share capital	1	-	1
Other equity	16		16
Total Equity	**17**	**-**	**17**
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	171		171
Other current liabilities	1		1
Provisions	3	(3)	-
Total current liabilities	**175**	**(3)**	**172**
Total Equity and liabilities	**192**	**(3)**	**189**

Notes to reclassification

1. Reclassification of Other current asset of 3 lakhs to (iii) Other financial assets

2. Reclassification of short term loans and advances (which comprises of GST receivables, Prepaid expense, Advance to creditors, TDS receivables) of ₹ 46 Lakhs to Non-current income tax assets (net) and other current assets amounting to ₹ 29 Lakhs, and ₹ 17 Lakhs respectively.

3. Provision for Income tax has been reclassed from provisions and netted off against non current income tax assets amount to 3 lakhs

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

32. 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 not used any borrowings from banks and financial institutions.

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 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.

33. The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

(Amount in INR lakhs, except for share data and if otherwise stated)

The Company, in respect of financial year commencing on 1 April 2023, has used an accounting software tally for Tally for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail feature was available throughout the year for all relevant transactions recorded in the software from 1 April 2023 up to 8 January 2024 by using a a third party utility and for the remaining period the Company has migrated to a new accounting software Tally Prime (Edit log) 4.0. and was not disabled or tampered with at any point during the financial year.

Further, for Zoho books and Uniware e-commerce the accounting software is operated by a third-party software service provider. The 'Indepen adent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organisation) is not available for the year ending March 2024

34. 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 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.

As per our Report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N5O0013

Yashwant M. Jain
Partner
Membership No.: 118782

Place: Mumbai
Date: 25 April 2024

For and on behalf of the Board of Directors of
Juizo Advisory Private Limited
CIN: U93000MH2019PTC327385

Akash Hiren Zaveri
Director
DIN: 07704775

Place : Mumbai
Date: 25 April 2024

Rishubh Jitendra Satiya
Director
DIN: 08698965

Place : Mumbai
Date: 25 April 2024

MARICO INNOVATION FOUNDATION

(MIF)

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Harsh Mariwala Mr. Saugata Gupta Mr. Rishabh Mariwala
REGISTERED OFFICE	7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400098
AUDITORS	Kirtane & Pandit LLP
BANKERS	Standard Chartered Bank

Independent Auditor's 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, 2024, 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, 2024, 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 31,2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2024 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 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.

v. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm's Registration No.105215W/W100057

Aditya A Kanetkar
Partner
Membership No:- 149037
UDIN: 24149037BJZXQH9918

Place: Mumbai
Date: 25th April, 2024

Balance Sheet

as at 31st March, 2024

(Amount in ₹)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Current assets			
Cash and Cash Equivalents	3	12,77,791	3,64,744
Other Current Assets	4	440,381	11,43,190
		1,718,172	**15,07,934**
TOTAL ASSETS		**1,718,172**	**15,07,934**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital		-	-
Reserves and Surplus	5	12,98,487	6,41,307
		12,98,487	**6,41,307**
Current liabilities			
Trade Payables	6	4,19,685	8,65,460
Dues to Statutory Authorities	7	0	1,167
		4,19,685	**8,66,627**
TOTAL EQUITY AND LIABILITIES		**1,718,172**	**15,07,934**

As per our report of even date
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm's Registration No: 105215W/W100057

Milind Bhave
Partner
M. No : 047973

Place: Mumbai
Date : April 25, 2024

For and on behalf of the Board of Directors

Harsh Mariwala
Director
(DIN: 00210342)

Place: Mumbai
Date : April 25, 2024

Saugata Gupta
Director
(DIN: 05251806)

Place: Mumbai
Date : April 25, 2024

Statement of Income and Expenditure

for the year ended 31st March, 2024

(Amount in ₹)

Particulars	Note No.	Year ended 31st March, 2024	Year ended 31st March, 2023
I Donations Received	8	1,60,00,000	4,41,00,000
II Miscellaneous Income	9	97,605	36,130
III Total Income		**1,60,97,605**	**4,41,36,130**
IV Expenses			
Project Expenses	10	12,446,358	4,21,76,204
Other Expenses	11	2,994,066	14,75,168
Total expenses		**1,54,40,424**	**4,36,51,371**
V Excess of Income over Expenditure		6,57,181	4,84,758

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

For and on behalf of the Board of Directors

Milind Bhave
Partner
M. No : 047973

Place: Mumbai
Date : April 25, 2024

Harsh Mariwala
Director
(DIN: 00210342)

Place: Mumbai
Date : April 25, 2024

Saugata Gupta
Director
(DIN: 05251806)

Place: Mumbai
Date : April 25, 2024

Cash Flow Statement

for the year ended 31st March, 2024

(Amount in ₹)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
A. Cash Flow from Operating Activities		
Excess of Income over Expenditure	6,57,181	4,84,758
Adjustments for :	-	-
	-	**-**
Operating Surplus/(Deficit) before Working Capital Changes	**6,57,181**	**4,84,758**
Adjustments for :		
(Increase)/Decrease in Other Current Assets	702,809	(5,74,912)
Increase/(Decrease) in Other Current Liabilities	(446,942)	(3,24,399)
	2,55,867	**(8,99,311)**
Cash (used in) / generated from Operating Activities	**9,13,047**	**(4,14,553)**
Taxes Paid (Net)	-	-
Net Cash (used in) / generated from Operating Activities	**9,13,047**	**(4,14,553)**
Net (Decrease) / Increase in Cash and Cash Equivalents	**9,13,047**	**(4,14,553)**
Cash and Cash Equivalents at the beginning of the year	3,64,744	7,79,296
Cash and Cash Equivalents at the end of the year	12,77,791	3,64,744

As per our report of even date
For **Kirtane & Pandit LLP**
Chartered Accountants
Firm's Registration No: 105215W/W100057

Milind Bhave
Partner
M. No : 047973

Place: Mumbai
Date : April 25, 2024

For and on behalf of the Board of Directors

Harsh Mariwala
Director
(DIN: 00210342)

Place: Mumbai
Date : April 25, 2024

Saugata Gupta
Director
(DIN: 05251806)

Place: Mumbai
Date : April 25, 2024

Notes to Financial Statements

for the year ended 31st March, 2024

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 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.

Notes to Financial Statements

for the year ended 31st March, 2024

Note 3 Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with Banks	12,70,480	3,57,433
Cash on hand	7,311	7,311
Total	**12,77,791**	**3,64,744**

Note 4 Other Current Assets

(Amount in ₹)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Advance to Creditors	3,65,661	5,28,064
Miscellaneous receivable (Excess TDS paid)	42,220	5,82,626
Deposits with statutory/government authorities	32,500	32,500
Total	**440,381**	**11,43,190**

Note 5 Reserves and Surplus

(Amount in ₹)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Retained Earnings		
Balance at the beginning of the year	6,41,307	1,56,548
Excess of Income over Expenditure	6,57,181	4,84,758
Balance at the end of the year	**12,98,487**	**6,41,307**

Note 6 Trade Payables

(Amount in ₹)

Particulars	As at 31st March, 2024	As at 31st March, 2023
(i) Total outstanding dues of micro enterprises and small enterprises		
a. The principal amount remaining unpaid to any supplier at the end of each accounting year	-	-
b. The interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-
c. The amount of interest paid by the buyer in terms of section 16 of the MSME Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
d. The amount of interest due and payable for the period of delay in making payment	-	-
e. the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,19,685	8,65,460
Total	**4,19,685**	**8,65,460**

Notes to Financial Statements

for the year ended 31st March, 2024

Trade Payables ageing schedule

March 31,2024

(Amount in ₹)

Particulars	Outstanding for following periods from due dateof payment				Total
	Less than 1 year	1-2 years	02-03 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	4,19,685	4,19,685
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues Others	-	-	-	-	-

March 31,2023

(Amount in ₹)

Particulars	Outstanding for following periods from due dateof payment				Total
	Less than 1 year	1-2 years	02-03 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	-	-	-	-	-

Note 7 Other current liabilities

(Amount in ₹)

Particulars	As at 31st March, 2024	As at 31st March, 2023
For Statutory Dues	0	1,167
Total	**0**	**1,167**

Note 8 Donations Received

(Amount in ₹)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Donations	1,60,00,000	4,41,00,000
Total	**1,60,00,000**	**4,41,00,000**

Note 9 Miscellaneous Income

(Amount in ₹)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Miscellaneous Income	97,605	36,130
Total	**97,605**	**36,130**

Notes to Financial Statements

for the year ended 31st March, 2024

Note 10 Project expenses

(Amount in ₹)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Project Expenses	12,446,358	4,21,76,204
Total	**12,446,358**	**4,21,76,204**

Note 11 Other Expenses

(Amount in ₹)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Legal and Professional Charges	2,875,834	13,17,258
Printing & Stationery	1,133	-
Audit Fees	1,00,300	1,00,300
Bank Charges	-	1,450
Miscellaneous Expenses	16,800	52,293
Interest	-	3,867
Total	**29,94,066**	**14,75,168**

Auditor's Remuneration (Including Service Tax/GST)

(Amount in ₹)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
Audit Fees	1,00,300	1,00,300
Total	**1,00,300**	**1,00,300**

Note 12 Related party disclosures

12.1 Details of Related Parties

(Amount in ₹)

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, 2024	31st March, 2023
A	**Holding**			
	Marico Limited	India	100.00%	100.00%
B	**Enterprises over which Key Managerial Personnel are able to exercise significant influence**			
	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)

(PKF)

PARACHUTE KALPAVRIKSHA FOUNDATION

BOARD OF DIRECTORS (AS ON MARCH 31, 2024)	Mr. Saugata Gupta Mr. Nitin Kathuria Mr. Amit Bhasin
REGISTERED OFFICE	7th Floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400098
AUDITORS	V. P. Raju & Associates
BANKERS	Standard Chartered Bank

Independent Auditor's Report

To
The Members of
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 2024, the statement of Income and Expenditure and statement of cash flows for the year then ended 31st March 2024, 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, 2024, 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.

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, 2020 ("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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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

(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. 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 ACCOIATES**
Chartered Accountants
(FRN : 015701S)

V P Raju
Proprietor
Membership No. 224604
UDIN: 24224604BKAHWC8572

Place: Coimbatore
Date : 26/04/2024

Balance Sheet

Particulars	Note No	As at March 31 2024 ₹	2023 ₹
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital		-	-
Reserves and Surplus	1	4,24,010	4,39,545
2 Non Current Liabilities			
		4,24,010	**4,39,545**
3 Current Liabilities			
Trade Payables	2	-	-
Other Current Liabilities	3	1,20,534	83,512
		1,20,534	**83,512**
TOTAL		**5,44,544**	**5,23,057**
II ASSETS			
1 Non-Current Assets			
Fixed Assets			
Tangible Assets	4	3,61,171	4,27,253
		3,61,171	**4,27,253**
2 Current Assets			
Cash and Cash Equivalents	5	1,78,673	91,303
Other Current Assets	6	4,700	4,500
		1,83,373	**95,803**
TOTAL		**5,44,544**	**5,23,057**

See accompanying notes to the financial statements

As per our report of even date attached

For **V P RAJU AND ASSOCIATES**
Chartered Accountants
(FRN : 015701S)

V P Raju
Proprietor
Membership No. 224604

Place: Coimbatore
Date: April 26, 2024
UDIN: 24224604BKAHWC8572

For and on behalf of the Board of Directors
PARACHUTE KALPAVRIKSHA FOUNDATION

Saugata Gupta
Director
DIN.05251806

Place: Mumbai
Date: April 26, 2024

Amit Bhasin
Director
DIN.05124789

Place: Mumbai
Date: April 26, 2024

Statement of Income and Expenditure

Particulars	Note No	For the year ended 31st March 2024 ₹	2023 ₹
I INCOME			
Revenue from Operations		-	-
Other Income	7	8,94,57,572	7,47,43,272
TOTAL REVENUE		**8,94,57,572**	**7,47,43,272**
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	8,82,74,674	7,39,63,136
Other Expenses	9	11,32,352	7,32,610
TOTAL EXPENSES		**8,94,73,108**	**7,47,61,829**
III Net Income/(Loss)		**(15,536)**	**(18,557)**
IV Company is seeking exemption under income tax hence no tax provision		-	-
V Net Income/Transferred to Reserve		**(15,536)**	**(18,557)**
VI Earnings per Equity Share		Not Applicable	Not Applicable

See accompanying notes to the financial statements

As per our report of even date attached

For **V P RAJU AND ASSOCIATES**
Chartered Accountants
(FRN : 015701S)

V P Raju
Proprietor
Membership No. 224604

Place: Coimbatore
Date: April 26, 2024
UDIN: 24224604BKAHWC8572

For and on behalf of the Board of Directors
PARACHUTE KALPAVRIKSHA FOUNDATION

Saugata Gupta
Director
DIN.05251806

Place: Mumbai
Date: April 26, 2024

Amit Bhasin
Director
DIN.05124789

Place: Mumbai
Date: April 26, 2024

Cash Flow Statement for the year ended 31.03.2024

Particulars	2024 ₹
A CASH FLOW FROM OPERATING ACTIVITIES:	
Excess of Income over Expenditure	(15,536)
Adjustments for:	
Depreciation	66,082
Interest paid	-
Interest received	-
Operating profit before working capital changes	50,547
Adjustments for	
Trade and other receivables	-
Closing Stock	-
Increase/(Decrease) in Other Current Financial Liabilities	37,023
(Increase)/Decrease in Other Current Assets	(200)
CASH FLOW FROM OPERATING ACTIVITIES:	87,370
B CASH FLOW FROM INVESTING ACTIVITIES:	
Purchase of Fixed Assets	-
	87,370
C CASH FLOW FROM FINANCING ACTIVITIES:	
	-
Net increase in cash and cash equivalents-A-B+C	**87,370**
Add:-Opening balance of cash and cash equivalents	91,303
Closing balance of cash and cash equivalents	**1,78,673**

As per our report of even date attached

For **V P RAJU AND ASSOCIATES**
Chartered Accountants
(FRN : 015701S)

V P Raju
Proprietor
Membership No. 224604

Place: Coimbatore
Date: April 26, 2024
UDIN: 24224604BKAHWC8572

For and on behalf of the Board of Directors
PARACHUTE KALPAVRIKSHA FOUNDATION

Saugata Gupta
Director
DIN.05251806

Place: Mumbai
Date: April 26, 2024

Amit Bhasin
Director
DIN.05124789

Place: Mumbai
Date: April 26, 2024

Notes to Financial Statements
for the year ended 31st March, 2024

1. Reserves and Surplus

Particulars	As at March 31, 2024 ₹	As at March 31, 2023 ₹
Reserves and Surplus		
Surplus: Balance in Income and Expenditure Statement		
Opening Balance	4,39,545	4,76,643
Add: Surplus /(Deficit) of Income over Expenditure for the year	(15,536)	(37,098)
Total	**4,24,010**	**4,39,545**

2. Trade Payables

Particulars	As at March 31, 2024 ₹	As at March 31, 2023 ₹
Trade Payables		
Due to Micro and Small Enterprises	-	-
Due to Others	-	-
Total	**-**	**-**

3. Other Current Liabilities

Particulars	As at March 31, 2024 ₹	As at March 31, 2023 ₹
Other Current Liabilities		
Other Payables	103571	83512
Statutory Dues		
TDS on Professional Charges	4700	-
TDS Payable on Contractors	-	-
TDS on Rentals	-	-
GST - RCM Payable	12263	-
Total	**1,20,534**	**83,512**

4. Fixed Assets

Particulars	Gross Block			Depreciation			Net Block	
	Opening Balance	Additions during the year	Closing Balance	Opening Balance	Depreciation for the year	Closing Balance	Closing Balance	Closing Balance
	01.04.2023		31.03.2024	01.04.2023		31.03.2024	31.03.2024	31.03.2023
Power Tiller	3,67,136	-	3,67,136	1,41,634	34,878	1,76,512	1,90,624	2,25,502
Cultivator	35,000	-	35,000	13,502	3,325	16,827	18,173	21,498
Rotavator Shredder	2,93,468	-	2,93,468	1,13,214	27,879	1,41,094	1,52,374	1,80,254
Total	**6,95,604**	**-**	**6,95,604**	**2,68,351**	**66,082**	**3,34,433**	**3,61,171**	**4,27,253**

Notes to Financial Statements

for the year ended 31st March, 2024

5. Cash and Cash Equivalents

Particulars	As at March 31, 2024 ₹	As at March 31, 2023 ₹
Cash and Cash Equivalents		
Balances with Bank	1,78,673	91,303
Total	**1,78,673**	**91,303**

6. Other Current Assets

Particulars	As at March 31, 2024 ₹	As at March 31, 2023 ₹
Other Current Assets		
Other Advances	4,700	4,500
TDS	-	-
Total	**4,700**	**4,500**

7. Other income

Particulars	As at March 31, 2024 ₹	As at March 31, 2023 ₹
Other income		
Donations Received	8,88,70,000	7,44,76,610
Interest Received	5,87,571	-
Other misc. income	1	2,50,944
Exchange Gain	-	15,718
Total	**8,94,57,572**	**7,47,43,272**

8. Project Expenses

Particulars	As at March 31, 2024 ₹	As at March 31, 2023 ₹
Project Expenses		
Agri Extension	7,41,22,674	6,35,56,272
Water Conservation	1,41,52,000	1,04,06,864
Total	**8,82,74,674**	**7,39,63,136**

Notes to Financial Statements

for the year ended 31st March, 2024

9. Other Expenses

Particulars	As at March 31, 2024 ₹	As at March 31, 2023 ₹
Power and Fuel	50,466	38,321
Rent for Office Building	4,70,837	4,09,398
Repairs & Maintenance Others	18,714	-
Telephone Charges	-	-
Travelling & Conveyance	2,41,417	-
Professional Charges	57,820	-
Legal Charges for Others	-	-
Auditors Remuneration for Statutory Audit	-	-
L & B Inland	2,82,415	2,67,058
Round off	2	-
Foreign Exchange Loss	-	-
Printing & Stationery	1,290	-
Consumables for computer	3,050	-
Mis. Interest	6,340	14,777
Bank Charges	-	3,056
Total	**11,32,352**	**7,32,610**

10.Related Party Transactions

During the year the Company has entered into following related party Transactions:

Name of the Related Party	Nature of Relationship	Nature of Transaction	2023-24 in ₹	2022-23 in ₹
Marico Ltd	Holding Company	Donation received	8,88,70,000	7,44,76,610

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,.

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.

Notes to Financial Statements

for the year ended 31st March, 2024

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

As per our report of even date attached

For **V P RAJU AND ASSOCIATES**
Chartered Accountants
(FRN : 015701S)

V P Raju
Proprietor
Membership No. 224604

Place: Coimbatore
Date: April 26, 2024
UDIN: 24224604BKAHWC8572

For and on behalf of the Board of Directors
PARACHUTE KALPAVRIKSHA FOUNDATION

Saugata Gupta
Director
DIN.05251806

Place: Mumbai
Date: April 26, 2024

Amit Bhasin
Director
DIN.05124789

Place: Mumbai
Date: April 26, 2024