

J.K. HELENE CURTIS LIMITED

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF J. K. HELENE CURTIS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **J. K. HELENE CURTIS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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 Note 23(a) to its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For A. F. FERGUSON & CO.
Chartered Accountants
(Firm's Registration No. 112065W)



Rajesh K. Hiranandani
(Partner)
(Membership No. 36920)

Place: Mumbai
Date: April 25, 2016



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of J. K. Helene Curtis Limited (hereinafter referred to as "the Holding Company"). The subsidiary is incorporated outside India and hence the requirement of reporting on internal financial controls over financial reporting is not applicable with respect to the subsidiary.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company 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. 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 Holding 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 over Financial Reporting

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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 Holding Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

For A. F. FERGUSON & CO.
Chartered Accountants
(Firm's Registration No. 112066W)



Rajesh K. Hiranandani
(Partner)
(Membership No. 36920)



Place: Mumbai
Date: April 25, 2016

J.K. HELENE CURTIS LIMITED
Balance Sheet as at 31st March, 2016

		(Rs. in lakhs)	
Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
		Amount	Amount
A EQUITY AND LIABILITIES			
(i) Shareholders' funds			
(a) Share capital	2	98.00	98.00
(b) Reserves and surplus	3	11860.37	10851.01
		11958.37	10949.01
(ii) Non-current liabilities			
Deferred tax liability (net) (see note 10)		8.28	-
Long-term provision	4	33.28	44.64
		41.56	44.64
(iii) Current liabilities			
(a) Trade payables			
(i) Outstanding dues to micro and small enterprises	5	823.95	1319.61
(ii) Outstanding dues to creditors other than micro and small enterprises		1567.48	1643.31
(b) Other current liabilities	6	343.09	422.70
(c) Short-term provisions	7	22.06	15.33
		2756.58	3400.95
TOTAL		14756.51	14394.60
B ASSETS			
(i) Non-current assets			
(a) Fixed assets			
- Tangible assets	8	427.37	415.58
(b) Non-current investments	9	9372.88	8526.38
(c) Deferred tax asset (net)	10	-	7.76
(d) Long-term loans and advances	11	129.47	165.60
		9929.72	9115.32
(ii) Current assets			
(a) Current investments	12	-	401.06
(b) Inventories	13	2964.60	2647.50
(c) Trade receivables	14	1268.95	969.70
(d) Cash and bank balances	15	306.33	679.29
(e) Short-term loans and advances	16	284.67	581.50
(f) Other current assets	17	2.24	0.23
		4826.79	5279.28
TOTAL		14756.51	14394.60
See accompanying notes forming part of the financial statements	1-32		

In terms of our report attached,
For A. F. Ferguson & Co.
Chartered Accountants

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Rajesh K. Hiranandani
Partner

Place: Mumbai
Date: April 25, 2016

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For J.K. Helene Curtis Limited

Gautam Dargade

Chairman

H. Sunder

Director

Place: Mumbai
Date: April 25, 2016

J.K. HELENE CURTIS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2016

(Rs. in lakhs)

Particulars		Notes	Year ended 31st March, 2016	Year ended 31st March, 2015
			Amount	Amount
A	Revenue			
	(a) Revenue from operations	18	28802.92	30200.85
	(b) Other income	19	495.35	435.00
B	Total revenue [(a)+(b)]		29298.27	30635.85
C	Expenses:			
	(a) Purchases of traded goods		17224.65	18380.12
	(b) Increase in inventories of traded goods	20	(317.10)	(413.00)
	(c) Employee benefits expense	21	1798.76	1939.36
	(d) Depreciation (see note 8)		97.73	98.73
	(e) Other expenses	22	9002.67	10294.37
	Total expenses		27806.71	30299.58
D	Profit before tax (B - C)		1491.57	336.27
E	Tax expense:			
	(a) Current tax		466.17	69.50
	(b) Deferred tax	10	16.04	2.61
			482.21	72.11
F	Profit for the year (D - E)		1009.36	264.16
G	Earnings per equity share (In Rs.):	31		
	(Nominal value of equity share Rs. 10 per share)			
	(a) Basic		103.00	26.96
	(b) Diluted		103.00	26.96
See accompanying notes forming part of the financial statements		1-32		

In terms of our report attached.
For A. F. Ferguson & Co.
Chartered Accountants

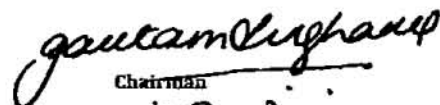


Rajesh K. Hiranandani
Partner


Place: Mumbai
Date: April 25, 2016



For J.K. Helene Curtis Limited



Chairman



Director

Place: Mumbai
Date: April 25, 2016

J.K.HELENE CURTIS LIMITED
Cash Flow Statement for the year ended 31st March, 2016

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
	Amount	Amount
A Cash flow from operating activities		
Profit before tax	1491.57	336.27
Adjustments for:		
Depreciation	97.73	98.73
Interest Income	(12.38)	(21.01)
Dividend from non-current investments	(101.98)	(67.98)
Dividend from current investments	(23.31)	(50.73)
Profit from sale of current investments	-	(4.71)
Interest on Income tax refund	(6.38)	-
(Profit)/Loss on sale of fixed assets (net)	0.19	(0.12)
Provision for diminution in value of current investments no longer required	-	(38.14)
Provision for doubtful trade receivables no longer required	-	(0.59)
Provision for doubtful trade receivables	9.70	0.98
Provision for gratuity	-	44.28
Provision for gratuity no longer required	(21.25)	-
Provision for compensated absences	(15.03)	14.81
Excess Provision written back	-	(106.67)
	(72.71)	(131.15)
Operating profit before working capital changes	1418.86	205.12
Changes in working capital:		
Adjustments for (Increase) / decrease in operating assets:		
Inventories	(317.10)	(413.00)
Trade receivables	(308.95)	78.78
Short-term loans and advances	315.06	(5.78)
Other current assets	(2.01)	17.79
Long-term loans and advances	37.09	5.12
	(275.91)	(317.09)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(571.49)	368.87
Other current liabilities	(79.61)	7.81
	(651.10)	376.68
Cash flow from operations		
Direct tax paid (net of refund)	(447.33)	(76.68)
Net cash flow from operating activities	44.52	188.03
B Cash flow from investing activities:		
Purchase of fixed assets	(111.53)	(122.50)
Proceeds from sale of fixed assets	1.82	0.25
Sale of current investments other than considered in cash and cash equivalents	-	94.19
Purchase of non-current investments	(846.50)	(742.07)
Deposits placed with banks other than considered in cash and cash equivalents	-	9.53
Dividend from non-current investments	101.98	67.98
Dividend from current investments	23.31	50.73
Interest received	12.38	18.17
Net cash used in investing activities	(818.54)	(623.72)

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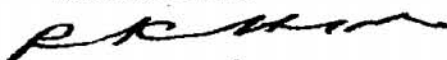
J.K. HELENE CURTIS LIMITED
Cash Flow Statement for the year ended 31st March, 2016 (Continue)

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
	Amount	Amount
C Cash flow from financing activities:		
Net decrease in cash and cash equivalents (A+B+C)	(774.02)	(435.69)
Cash and cash equivalents at the commencement of the year, comprising:		
Cash on hand	0.33	0.88
Cheques in hand	35.91	-
Balances with banks	369.37	262.96
Balance of term deposits linked to current accounts	273.52	1252.04
	679.13	1515.88
Add: Current investments considered as part of cash and cash equivalents (See note 12)	401.06	-
	1080.19	1515.88
Cash and cash equivalents at the end of the year, comprising:		
Cash on hand	1.54	0.33
Cheques in hand	-	35.91
Balances with banks in current accounts	294.37	369.37
Balance of term deposits linked to current accounts	10.26	273.52
	306.17	679.13
Add: Current investments considered as part of cash and cash equivalents (See note 12)	-	401.06
	306.17	1080.19
Net decrease in cash and cash equivalents	(774.02)	(435.69)
See accompanying notes 1 to 32 forming part of the financial statements		

In terms of our report attached.

For A. F. Ferguson & Co.

Chartered Accountants



Rajesh K. Hiranandani
Partner

Place: Mumbai

Date: April 25, 2016



For J.K. Helene Curtis Limited



Chairman



Director

Place: Mumbai

Date: April 25, 2016

J. K. HELENE CURTIS LIMITED

Notes to the financial statements for the year ended 31st March, 2016

(1) Significant accounting policies

(i) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(ii) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(iii) Fixed assets

Fixed assets are stated at cost of acquisition inclusive of inward freight, duties and taxes (other than subsequently recoverable from tax authorities) and other incidental expenses related to acquisition. Fixed assets are capitalised from the date they are installed and put to use.

(iv) Depreciation and amortisation

The Company provides depreciation on the straight line method at the rates prescribed in Schedule II to the Act. Software is amortised over a period of 36 months.

(v) Inventories

Inventories are valued at lower of cost (weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. In determining cost the first-in-first out method of valuation is used. Cost includes all charges, including non-refundable taxes, for bringing the inventories to the point of sale.

(vi) Investments

Non-Current Investments are stated at cost. Provision for diminution in value is made where the decline in value is other than temporary in nature. Current Investments are stated at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

(vii) Revenue recognition

- (a) Revenue from sales is recognized when the significant risks and rewards of ownership of the goods are transferred to the customers, which generally coincides with the delivery of goods to customers, and excludes sales tax and value added tax. Sales are net of sales returns.
- (b) Interest income is recognized on a time proportion basis.
- (c) Interest on income-tax refunds is accounted for on receipt basis.
- (d) Dividend income is recognised when the right to receive payment is established.

(viii) Advertisement costs

Expenditure on advertisement is charged to revenue in the year in which it is incurred.

(ix) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss over the lease term.

(x) Employee benefits

- (a) Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.
- (b) Long term benefits:

(i) Defined contribution plans:

Provident and family pension fund

The eligible employees of the Company are entitled to receive post employment benefits in respect of provident and family pension fund in which both employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). The contributions are made to the Regional Provident Fund Commissioner. Provident Fund and Family Pension Fund are classified as Defined Contribution Plans as the Company has no further obligations beyond making the contribution.

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J. K. HELENE CURTIS LIMITED

Notes to the financial statements for the year ended 31st March, 2016

(xi) Employee benefits (Continue)

(b) Long term benefits (Continue)

Superannuation

The eligible employees of the Company are entitled to receive post employment benefits in respect of superannuation scheme in which the Company makes yearly contribution at 13% of employees' eligible salary. The contributions are made to Life Insurance Corporation of India (LIC) under Superannuation Scheme. Superannuation Scheme is classified as Defined Contribution Plan as the Company has no further obligations beyond making the contribution.

The Company's contributions to the Defined Contribution Plans are charged to the statement of profit and loss as incurred.

(ii) Defined benefit plan - Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees, at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of continuous service or part thereof in excess of six months on the basis of last drawn eligible salary. Vesting occurs upon completion of five years of service. The Company makes annual contribution to gratuity fund established as a trust for this purpose. The Company accounts for gratuity benefits payable in future based on an independent actuarial valuation carried out as at the year end. Actuarial gains and losses are recognised in the statement of profit and loss.

(iii) Other long-term benefit plan - Compensated absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/avallment. The liability is provided based on the number of days of unutilised leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses are recognised in the statement of profit and loss.

(xii) Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. In respect of monetary items denominated in foreign currencies, exchange differences arising out of settlement or on conversion at the closing rate are recognised in the statement of profit and loss.

(xiii) Taxation

Tax expense comprises of current tax and deferred tax.

- (a) Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.
- (b) Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax assets are recognised only to the extent reasonable certainty exists that the assets can be realised in future. However, where there is unabsorbed depreciation or carry forward of losses under taxation laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date for their realisability.

(xiv) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before extra-ordinary 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.

(xv) Earning Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the 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 from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

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J. K. HELENE CURTIS LIMITED

Notes to the financial statements for the year ended 31st March, 2016

(xvi) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements. Contingent Assets are not recognised in the financial statements, since this may result in the recognition of income that may never be realised.

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J. K. HELENE CURTIS LIMITED

Notes to the financial statements for the year ended 31st March, 2016

2 Share capital

Particulars	(Rs. in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Authorised 1000000 (as at 31.03.2015 : 1000000) equity shares of Rs.10 each	100.00	100.00
Issued and subscribed (See footnote) 980000 (as at 31.03.2015 : 980000) equity shares of Rs.10 each (fully paid up)	98.00	98.00
Total	98.00	98.00

The entire equity shares are held by J. K. Investo Trade (India) Limited, a holding company, and its nominees. The Company has only one class of shares, namely, equity shares.

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in 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.

3 Reserves and surplus

Particulars	(Rs. in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
(a) General Reserve As per last Balance Sheet	1838.39	1838.39
(b) Surplus i.e. balance in statement of profit and loss		
Opening balance	9012.62	8755.61
Add: Profit for the year transferred from the statement of profit and loss	1009.36	264.16
Less: Depreciation, on transition to Schedule II of the Companies Act, 2013, on tangible fixed assets with 'Nil' remaining useful life (net of deferred tax Rs.3.67 lacs) (see note 8)	-	7.15
Closing balance	10021.98	9012.62
Total	11860.37	10851.01

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J. K. HELENE CURTIS LIMITED

Notes to the financial statements for the year ended 31st March, 2016

4 Long-term provision

Particulars	(Rs. in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Provision for compensated absences	33.28	44.64
Total	33.28	44.64

5 Trade payables

The disclosure in respect of Micro and Small Enterprises to whom the Company owes dues as at the year end takes into account only those creditors who have responded to the enquiries made by the Company for the purpose of determining its creditors who are micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. There is no delay in making payments to Micro and Small Enterprises beyond the appointed day.

6 Other current liabilities

Particulars	(Rs. in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Deposits from dealers and agents	71.00	71.00
Advances received from customers	132.17	107.97
Statutory dues	139.92	243.73
Total	343.09	422.70

7 Short-term provisions

Particulars	(Rs. in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Provision for compensated absences	11.05	14.71
Income tax provision net of advance tax there against	11.01	0.62
Total	22.06	15.33

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J.K.HELENE CURTIS LIMITED

Notes to the financial statements for the year ended 31st March, 2016

8 Fixed Assets

(Rs. in lakhs)

Particulars	Gross block			Depreciation, amortisation and impairment						Net block	
	Balance as at 1st April, 2015	Additions	Disposals	Balance as at 31st March, 2016	Balance as at 1st April, 2015	Charge for the year	Transition Adjustment recorded against surplus i.e. balance in Statement of Profit and Loss	On disposals	Balance as at 31st March, 2016	Balance as at 31st March, 2016	Balance as at 31st March, 2015
A Tangible Assets											
Plant and machinery (including moulds)	400.46 (329.13)	81.17 (71.33)	- (-)	481.63 (400.46)	128.60 (94.79)	47.06 (33.50)	- (0.31)	- (-)	175.66 (128.60)	305.97	271.86
Computers and servers	173.30 (134.35)	30.36 (39.26)	0.34 (0.31)	203.32 (173.30)	118.44 (71.68)	30.49 (39.54)	- (7.40)	0.34 (0.18)	148.59 (118.44)	54.73	54.86
Office equipment	1.15 (0.42)	- (0.73)	- (-)	1.15 (1.15)	0.50 (0.42)	0.09 (0.08)	- (-)	- (-)	0.59 (0.50)	0.56	0.65
Furniture and fixtures	85.31 (59.20)	- (26.11)	- (-)	85.31 (85.31)	30.58 (18.87)	7.10 (11.70)	- (0.01)	- (-)	37.68 (30.58)	47.63	54.73
Electrical equipments	37.64 (33.25)	- (4.39)	- (-)	37.64 (37.64)	17.85 (11.72)	2.91 (3.03)	- (3.10)	- (-)	20.76 (17.85)	16.88	19.79
Vehicles	57.81 (57.81)	- (-)	7.50 (-)	50.31 (57.81)	44.12 (33.24)	10.08 (10.88)	- (-)	5.49 (-)	48.71 (44.12)	1.60	13.69
Total	755.67 (614.16)	111.53 (141.82)	7.84 (0.31)	859.36 (755.67)	340.09 (230.72)	97.73 (98.73)	- (10.82)	5.83 (0.18)	431.99 (340.09)	427.37	415.58
B Intangible Assets											
Computer software	31.50 (31.50)	- (-)	- (-)	31.50 (31.50)	31.50 (31.50)	- (-)	- (-)	- (-)	31.50 (31.50)	-	-
Total	31.50 (31.50)	- (-)	- (-)	31.50 (31.50)	31.50 (31.50)	- (-)	- (-)	- (-)	31.50 (31.50)	-	-
Total	787.17	111.53	7.84	890.86	371.59	97.73	-	5.83	463.49	427.37	415.58
Previous year	(645.66)	(141.82)	(0.31)	(787.17)	(262.22)	(98.73)	(10.82)	(0.18)	(371.59)		

Note : Figures in brackets represents figures relating to previous year.

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J.K.HELENE CURTIS LIMITED

Notes to the financial statements for the year ended 31st March, 2016

9 Non-current investments

Particulars	(Rs. in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Investments - other than trade (Valued at cost unless stated otherwise)		
(A) Investment in equity shares		
- Raymond Limited (quoted) 3592050 (as at 31.03.2015 : 3399208) equity shares of Rs.10 each fully paid-up	9194.40	8347.90
- Radha Krishna Films Limited (unquoted) 2000000 (as at 31.03.2015 : 2000000) equity shares of Rs.10 each fully paid-up [net of provision of Rs. 200.00 lakhs (as at 31.03.2014 : Rs. 200.00 lakhs) for other than temporary diminution in the value]	-	-
- The Bombay Mercantile Co-operative Bank Limited (unquoted) 500 (as at 31.03.2015 : 500) equity shares of Rs. 10 each fully paid-up	0.05	0.05
	9194.45	8347.95
(B) Investment in a Subsidiary		
JKHC International FZE 7(as at 31.03.2015 : 7) equity share of AED 150,000 fully paid-up	178.43	178.43
Total	9372.88	8526.38

Aggregate value of quoted investments [market value Rs. 14,547.80 lakhs (as at 31.03.2015 : Rs. 15,117.98 lakhs)]

9194.40 8347.90

Aggregate value of unquoted investments

378.48 378.48

Aggregate provision for other than temporary diminution in the value (for unquoted investments)

200.00 200.00

10 Deferred tax (net)

Nature of timing difference	(Rs. in lakhs)		
	Deferred tax asset/(liability) as at 31st March, 2015	(Charge)/credit for the year	Deferred tax asset/(liability) as at 31st March, 2016
	Amount	Amount	Amount
(A) Deferred tax assets			
- Compensated absences and bonus	31.64	(7.48)	24.16
- Provision for doubtful trade receivables	2.61	1.17	3.78
	34.25	(6.31)	27.94
(B) Deferred tax liabilities			
Depreciation	(26.49)	(9.73)	(36.22)
Total	7.76	(16.04)	(8.28)

11 Long-term loans and advances (unsecured considered good, unless stated otherwise)

Particulars	(Rs. in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Capital advances	13.43	19.22
Advances to suppliers	-	0.50
Prepaid expenses	0.02	10.01
Security deposits for rented premises	26.00	26.00
Income-tax paid net of provision there against	90.02	89.05
Sales tax receivable	-	20.82
Total	129.47	165.60

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J.K.HELENE CURTIS LIMITED

Notes to the financial statements for the year ended 31st March, 2016

12 Current investments

Particulars	(Rs. in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Unquoted - other than trade (valued at lower of cost and fair value)		
Investment in units of mutual funds		
- Nil (as at 31.03.2015 : 39645) units of Rs. 1000 each of Kotak Floater Short Term - Daily Dividend	-	401.06
Total	-	401.06

13 Inventories (valued at lower of cost and net realisable value)

Particulars	(Rs. in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Traded goods	2964.60	2647.50
Total	2964.60	2647.50

14 Trade receivables (unsecured, unless stated otherwise)

Particulars	(Rs. in lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	48.95	44.06
- Considered doubtful	11.13	7.81
	60.08	51.87
Less: Provision	11.13	7.81
	48.95	44.06
Others (considered good)	1220.00	925.64
Total	1268.95	969.70

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J.K.HELENE CURTIS LIMITED

Notes to the financial statements for the year ended 31st March, 2016

15 Cash and bank balances

Particulars	[Rs. in lakhs]	
	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
(A) Cash and cash equivalents		
(a) Cash on hand	1.54	0.33
(b) Cheques in hand	-	35.91
(c) Balances with banks		
(i) In current accounts	294.37	369.37
(ii) Term deposits linked to current accounts	10.26	273.52
	306.17	679.13
(B) Other bank balances		
Bank deposits with original maturity more than three months [endorsed in favour of sales tax authorities]	0.16	0.16
Total	306.33	679.29

16 Short-term loans and advances (unsecured, considered good, unless stated otherwise)

Particulars	[Rs. in lakhs]	
	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Prepaid expenses	71.16	35.17
Advances to suppliers	184.92	517.76
Advances to staff	7.60	8.04
Earnest money deposits	7.06	7.06
Income-tax paid net of provision there against	-	3.03
Advance to related party	8.35	7.52
Other advances	5.58	2.92
Total	284.67	581.50

17 Other current assets

Particulars	[Rs. in lakhs]	
	As at 31st March, 2016	As at 31st March, 2015
	Amount	Amount
Interest accrued on advances	2.24	0.23
Total	2.24	0.23




18 Revenue from operations

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
	Amount	Amount
Revenue from sale of products (gross)	32844.89	33936.69
Less : Rebates and discounts	4041.97	3735.84
Total	28802.92	30200.85

19 Other Income

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
	Amount	Amount
Interest on deposits with banks	10.37	17.79
Interest on loans and advances	2.01	3.22
Dividend from investments (other than trade)		
- non-current	101.98	67.98
- current	23.31	50.73
Profit from sale of current investments	-	4.71
Sale of scrap	13.00	15.86
Insurance claims received	0.58	117.56
Profit on sale of fixed assets (net)	-	0.12
Interest on Income - tax refund	6.38	-
Sundry balances written back	7.88	-
Provision no longer required		
-Gratuity	21.25	-
-Compensated absences	15.03	-
-Diminution in value of current investments	-	38.14
Excess provision written back	-	106.67
Miscellaneous income (see footnote)	293.56	12.22
Total	495.35	435.00

Note:

During the year, in the month of September 2015, the Management of the Company noticed a fraud on the Company based on the allegations from a whistle blower that select employees from the procurement team were indulging in irregularities, which included collusion with select vendors for personal gain in the nature of pay-offs. Accordingly, the Management conducted an investigation through an independent agency and inter-alia on the basis of the enquiries made and confessions by the alleged employees, an amount of Rs. 423.25 lakhs has been ascertained as recoverable from the alleged employees, relating to the financial years 2012-13, 2013-14 and 2014-15. Out of the said amount of Rs. 423.25 lakhs, an amount of Rs. 284.25 lakhs has been recovered in the current period and has been included as "Miscellaneous Income". The Management is taking steps to recover the balance amount of Rs.139.00 lakhs.

20 Increase in inventories of traded goods

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
	Amount	Amount
Opening stock of traded goods	2647.50	2234.50
Less: Closing stock of traded goods	2964.60	2647.50
Total	(317.10)	(413.00)

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J.K.HELENE CURTIS LIMITED
Notes to the financial statements for the year ended 31st March, 2016
21 Employee benefits expense

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
	Amount	Amount
Salaries and bonus	1713.55	1760.66
Provision for gratuity	-	44.28
Provision for compensated absences	-	14.81
Contributions to provident and other funds	77.25	100.38
Staff welfare expenses	7.96	19.23
Total	1798.76	1939.36

22 Other expenses

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
	Amount	Amount
Power	39.90	41.77
Rent	141.50	151.26
Repairs and maintenance	48.13	72.85
Insurance	31.89	31.25
Rates and taxes	391.89	377.71
Advertisement and sales promotion	5377.73	6433.34
Commission on sales to agents	476.96	409.19
Freight, clearing and forwarding charges	1101.52	1226.73
Travelling and conveyance	456.83	568.30
Cash discount	180.87	242.46
Legal and professional charges	333.20	239.88
Directors' fees	11.00	8.00
Commission to non-executive directors (including service tax)	41.00	8.00
Loss on sale of fixed assets	0.19	-
Listing fees	10.99	10.57
Provision for doubtful trade receivables	9.70	0.39
Sales conference expenses	50.08	43.56
Communication charges	59.34	48.34
Printing and stationery	16.32	28.99
Expenditure on corporate social responsibility	-	59.00
Miscellaneous expenses	223.63	292.78
Total	9002.67	10294.37

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23 Contingent liabilities and commitments (to the extent not provided for)

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
	Amount	Amount
(a) Claims against the Company not acknowledged as debt		
(i) Income-tax matters disputed and under appeal	17.45	17.95
(ii) Excise demands where the Company is in appeal and has obtained stay orders from the appellate authorities	437.83	47.35
(b) Other money for which the Company is contingently liable	50.91	50.91

24 Payments to Auditors (excluding service tax)

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
	Amount	Amount
As Auditors	11.00	7.50
For other services	3.25	2.90
Reimbursement of expenses	0.82	0.17

25 Expenditure in foreign currency

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
	Amount	Amount
Travelling expenses	10.12	9.76

26 Earnings in foreign currency

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
	Amount	Amount
Sale of traded goods	81.77	63.48

27 As the Company's business activity falls within a single business segment viz. 'Cosmetics and toiletries' and there being no reportable geographical segment, the disclosure requirements of Accounting Standard 17 'Segment Reporting' are not applicable.

28 Details of the purchase and sale of traded goods

Particulars	(Rs. in lakhs)			
	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Purchase Amount	Sale (Gross) Amount	Purchase Amount	Sale (Gross) Amount
Body deodorant and perfumes	10362.62	19957.01	10319.71	20157.82
Soap and toiletries	5647.65	9047.19	6771.10	10219.17
Fresheners	1214.38	2628.86	1255.21	2353.94
Others	-	1211.83	34.10	1205.76
Total	17224.65	32844.89	18380.12	33936.69

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J.K. HELENE CURTIS LIMITED
Notes to the financial statements for the year ended 31st March, 2016

29 Related parties disclosures

(1) Related party and relationship

(a) Holding company

J. K. Investo Trade (India) Limited

(b) Enterprises which can exercise significant influence, directly or indirectly, and with whom there are transactions.

(i) Raymond Limited

(ii) Raymond Apparel Limited [subsidiary of (b)(i)]

(iii) J.K. Ansell Limited [subsidiary of (a)]

(c) Wholly owned subsidiary

JKHC International FZE

(d) Key management personnel

The authority and responsibility for planning, directing and controlling the activities of the Company is collectively managed by the Board of Directors.

(2) Transactions carried out with the related parties in (1) above, in ordinary course of business :

Nature of transactions	Related parties			
	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above	Total
Sales of goods				
Raymond Limited	1,59.97 (141.99)	- (-)	- (-)	1,59.97 (141.99)
Raymond Apparel Limited	135.41 (105.05)	- (-)	- (-)	135.41 (105.05)
- J.K. Ansell Limited	- (0.52)	- (-)	- (-)	- (0.52)
Expenses				
- Raymond Limited	5.90 (6.27)	- (-)	- (-)	5.90 (6.27)
- Royalty paid	137.75 (176.12)	- (-)	- (-)	137.75 (176.12)
- Rent and other service charges paid	2.39 (20.43)	- (-)	- (-)	2.39 (20.43)
- Purchase of merchandise	79.89 (46.81)	- (-)	- (-)	79.89 (46.81)
- Raymond Apparel Limited	-	-	-	-
- Purchase of merchandise	-	-	-	-
- JKHC International FZE	-	-	-	-
- Expenses paid on behalf of the subsidiary	-	-	-	-
Investment in Shares				
- JKHC International FZE	-	-	-	-
Directors' fees				
-	-	-	11.00	11.00
Commission to non-executive directors				
-	-	-	41.00	41.00
Outstanding				
Payables				
- Raymond Limited	13.25 (14.65)	- (-)	- (-)	13.25 (14.65)
- Directors	-	-	41.00	41.00
Receivables				
- Raymond Limited	26.86 (10.07)	- (-)	- (-)	26.86 (10.07)
- JKHC International FZE	-	8.35 (7.52)	-	8.35 (7.52)

30 Employee benefits:

(1) Defined Contribution Plans

Contribution to Defined Contribution Plans, recognized in the statement of profit and loss for the year, under employee benefits expense in Note 21.

Particulars	(Rs. in lakhs)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
(i) Employer's Contribution to Provident Fund	39.02	53.71
(ii) Employer's Contribution to Family Pension Fund	36.31	41.25
(iii) Employer's Contribution to Superannuation Fund	1.92	5.42

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J.K. HELENE CURTIS LIMITED
Notes to the financial statements for the year ended 31st March, 2016
30 Employee benefits (continued)
(2) Defined Benefit Plans:

Gratuity - as per actuarial valuation as at the year end (based on Projected Unit Credit Method)

Particulars		(Rs. in lakhs)	
		Year ended 31st March, 2016	Year ended 31st March, 2015
		Amount	Amount
(i)	Components of employer expenses		
(a)	Current service cost	17.16	11.56
(b)	Interest cost	7.25	8.21
(c)	Expected return on plan assets	(8.92)	(9.59)
(d)	Actuarial losses/(gains)	(36.74)	34.10
	Total expenses recognised in the Statement of Profit and Loss	(21.25)	44.28
(ii)	Actual contribution and benefit payments for the year		
(a)	Actual benefit payments	(14.52)	(45.74)
(b)	Actual contributions	14.52	-
(iii)	Net asset recognised in the Balance Sheet		
(a)	Defined benefit obligation	67.31	92.94
(b)	Fair value of plan assets	124.54	114.39
	Net asset recognised in the Balance Sheet	57.23	21.45
(iv)	Change in defined benefit obligations (DBO) during the year		
(a)	Present value of DBO at beginning of the year	92.94	90.22
(b)	Current service cost	17.16	11.56
(c)	Interest cost	7.25	8.21
(d)	Actuarial losses/(gains)	(35.52)	28.69
(e)	Benefits paid	(14.52)	(45.74)
	Present value of DBO at the end of the year	67.31	92.94
(v)	Change in fair value of assets during the year		
(a)	Plan assets at beginning of the year	114.39	110.22
(b)	Expected return on plan assets	8.92	9.59
(c)	Actuarial gains/(losses)	1.22	(5.42)
(d)	Actual Company contributions	14.52	-
(e)	Fair value of benefits paid	(14.52)	-
	Fair value of plan assets at end of the year	124.54	114.39
(vi)	Contribution expected to be paid next year	-	-
(vii)	Actuarial assumptions		
(a)	Discount rate	8.05%	7.80%
(b)	Expected rate of return on plan assets	8.05%	7.80%
(c)	Salary escalation rate	7.50%	7.50%
(d)	Mortality table	India Assured Lives Mortality (2006-08) ultimate	India Assured Lives Mortality (2006-08) ultimate
(viii)	The major categories of plan assets as percentage of total plan assets		
(a)	Balances with banks	-	-
(b)	Insurer managed funds	100.00%	100.00%

Notes:

- The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of the obligations.
- The assumption of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors.
- Further break up of investments is not provided by the insurer.

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J.K.HELENE CURTIS LIMITED

Notes to the financial statements for the year ended 31st March, 2016

30 Employee benefits (continued)

[(ix) Net assets/(liabilities) recognised in the balance sheet as at respective year ends and experience adjustments.

Particulars	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
1 Present value of defined benefit obligation	67.31	92.94	90.22	106.36	89.47
2 Fair value of plan assets	124.54	114.39	110.23	91.56	76.76
3 Funded status [surplus / (deficit)]	57.23	21.45	20.01	(14.80)	(12.71)
4 Net asset / (liability)	57.23	21.45	20.01	(14.80)	(12.71)
5 Experience adjustment arising on:					
(a) Plan liabilities [loss / (gain)]	(33.38)	17.73	(10.60)	8.55	2.44
(b) Plan assets [loss / (gain)]	(1.22)	5.42	(0.79)	0.31	0.59

[3] Other long-term benefit plans - Compensated absences

Compensated absences have been (written back)/charged in the Statement of Profit and Loss for the year, under other income in Note 19, is Rs.(15.02) lakhs. [Previous year : Rs.14.81 lakhs (under note 21)].

31 Earnings per equity share

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
(a) Profit for the year (Rs. in lakhs)	1,009.36	264.16
(b) Weighted average number of equity shares outstanding during the year	980000	980000
(c) Earnings per equity share (in Rs.) (nominal value of equity share Rs. 10 per share)	103.00	26.96

32 Previous year's figures have been regrouped / rearranged wherever necessary in order to conform to current year's groupings and classifications.

For J.K.Helene Curtis Limited



Chairman

Director

Director

Place: Mumbai

Mumbai, April 25, 2016

JKHC INTERNATIONAL FZE
P.O.Box 121128, SAIF Zone, U.A.E.

2nd Audited Financial Statements
For the Year Ended March 31, 2016

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**Independent Auditor's Report to the Sole Shareholder of**

JKHC INTERNATIONAL FZE, P.O.Box 121128, SAIF Zone, U.A.E.

Report on the Financial Statements

We have audited the accompanying financial statements of JKHC INTERNATIONAL FZE, SAIF Zone, U.A.E., which comprises the Statement of Financial Position as at March 31, 2016 and the income statement, statement of changes in equity and cash flow statement for the year ended March 31, 2016 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with the Indian Generally Accepted Accounting Principles for Small and Medium Sized Entities, and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgement, including the assessment of the risk 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 the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

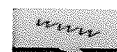
In our opinion, the financial statements give a true and fair view of the financial position of JKHC INTERNATIONAL FZE, SAIF Zone, U.A.E. as at March 31, 2016 and of its financial performance and its cash flows for the year ended March 31, 2016 in accordance with the Indian Generally Accepted Accounting Principles for Small and Medium Sized Entities and comply with Sharjah Airport International Free Zone Authority's Implementing Regulations issued pursuant to Emiri Decree No. 2 of 1995 of H.H. Sheikh Sultan Bin Mohammed Al Qassimi, The Ruler of Sharjah.

Parag Parekh & Co

Chartered Accountants

Dubai, United Arab Emirates

Dated : April 5, 2016



JKHC INTERNATIONAL FZE

P.O.Box 121128, SAIF Zone, U.A.E.

Statement of Financial Position**As at March 31, 2016**As at
31.3.2015*All figures are expressed in UAE Dirhams*

	Note		
Property Plant and Equipment (Net)	Sch	31,800	55,761
Current Assets			
Stock		1,483	1,483
Bank Balances - Current accounts	3	360,512	387,649
Advance to suppliers		0	327,835
Deposits, Advances & Prepayments		25,263	379,404
Due From Related Parties	4	33,300	0
<i>Sub total</i>	A	420,558	1,096,371
Current Liabilities			
Trade Payables		77,320	23,750
Due to J. K. Helene Curtis Limited, India		46,262	46,262
Provisions		184,926	178,399
<i>Sub total</i>	B	308,508	248,411
Net Current Assets	A - B	112,050	847,960
Net Assets		143,850	903,721
Shareholder's Equity			
Share Capital		150,000	150,000
Additional Capital		900,000	900,000
Accumulated Losses		-906,150	-146,279
Total		143,850	903,721

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation. These financial statements were approved on April 5, 2016 and signed on behalf of the Board by



Mr. Hariharan Sunder
Director

JKHC INTERNATIONAL FZE

P.O.Box 121128, SAIF Zone, U.A.E.

Income Statement**Year ended March 31, 2016***All figures are expressed in UAE Dirhams*Note
YE
31.3.2015**Sales**

Cost of sales

Gross Profit

	713,824	693,099
5	501,971	445,549
	<u>211,853</u>	<u>247,550</u>

Expenses

Administration Costs

Selling Expenses

Depreciation

Sub total

68,445	70,697
879,318	277,651
23,961	15,902
<u>971,724</u>	<u>364,250</u>

Net Loss for the year

<u>-759,871</u>	<u>-116,700</u>
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Financial Statements were authorised on behalf of the Board by**Mr. Hariharan Sunder**

Director

JKHC INTERNATIONAL FZE
P.O.Box 121128, SAIF Zone, U.A.E.

Statement of Changes in Equity
Year ended March 31, 2016
All figures are expressed in UAE Dirhams

	Share Capital	Additional Capital	Accumulated Losses	Total
Balance as at 1.4.2015	150,000	900,000	-146,279	903,721
Transfer from Income statement	0	0	-759,871	-759,871
Balance as at 31.3.2016	150,000	900,000	-906,150	143,850
Balance as at 1.4.2014	150,000	0	-29,579	120,421
Additional Capital introduced	0	900,000	0	900,000
Transfer from Income statement	0	0	-116,700	-116,700
Balance as at 31.3.2015	150,000	900,000	-146,279	903,721

JKHC INTERNATIONAL FZE
P.O.Box 121128, SAIF Zone, U.A.E.

Cash Flow Statement

Year ended March 31, 2016

All figures are expressed in UAE Dirhams

YE
31.3.2015

I Cash Flow from Operating Activities

Net Loss for the year	-759,871	-116,700
Depreciation	23,961	15,902
<i>Changes in operating assets and liabilities</i>	-735,910	-100,798
Deposits, Advances & Prepayments	354,141	-353,859
Due to J. K. Helene Curtis Limited, India	0	323
Stock	0	-1,483
Advance to suppliers	327,835	-327,835
Due From Silver Spark Middle East FZE	-33,300	0
Trade Payables	53,570	23,750
Provisions & Accruals	6,527	178,399
Net Cash from / (used in) Operating Activities	-27,137	-581,503

II Cash Flow from Investing Activities

Property, Plant and Equipment	0	-71,663
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III Cash Flow from Financing Activities

Funds Introduced		0	900,000
Changes in Cash and Cash Equivalents	I+II+III	-27,137	246,834
Cash and Cash Equivalents at the beginning		387,649	140,815
Cash and Cash Equivalents at the end		360,512	387,649
		0	0

Non cash transactions

Nil

Nil

JKHC INTERNATIONAL FZE
P.O.Box 121128, SAIF Zone, U.A.E.

Accounting Policies and Explanatory Notes

Year ended March 31, 2016

All figures are expressed in UAE Dirhams

1a Legal Status

JKHC INTERNATIONAL FZE is incorporated with Limited Liability as per Certificate of Incorporation no 5420 and licence number 13084 both dated January 05, 2014 issued by Sharjah Airport International Free Zone Authority, UAE.

As per the Memorandum of Association and as per Share Certificate No. 5420 dated January 05, 2014, the following is the sole shareholder of the company.

	<i>Nationality</i>	<i>Shares</i>	<i>Value</i>
J. K. Helene Curtis Limited	India	1	150,000

Share capital of the company is AED 150,000/- divided into 1 share of AED 150,000/- each.

Company has issued 6 additional shares of AED 150,000/- each for the additional capital invested by the parent company.

1b Business Activities

The company is engaged in the business of trading of own branded deodorants and perfumes viz. Park Avenue.

The company has entered into agreement with manufacturers in UAE for contract manufacturing and supply of the above products as per their specifications.

2 Accounting Policies

The company prepares its financial statements in accordance with the Indian Generally Accepted Accounting Principles for Small and Medium Sized Entities. Management chooses and applies its accounting policies consistently to similar transactions and events, unless otherwise stated.

a Accounting Basis

These financial Statements are prepared under the accrual basis of accounting. Under the accrual basis, transactions and events are recognised when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

b. Measurement Basis

These Financial Statements have been prepared on historical cost basis.

c. Functional / Presentation Currency

The financial statements are prepared in UAE Dirhams, which is considered to be the company's principal trading currency.

d Property, Plant and Equipment

Property, plant and equipment is initially recognised at their purchase cost together with any incidental expenses of acquisition and excluding any borrowing costs incurred. Subsequently Property, plant & equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property, plant and equipment has been computed from date of purchase on straight-line method at the annual rates estimated to write off the cost of the assets over its expected useful lives as under :

Moulds	33.33%
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e Impairment of Tangible Assets

At each Statement of Financial Position date, the company reviews the carrying amount 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). An impairment loss is recognised in the income statement unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

f Inventories

Inventories of trading goods have been valued at lower of cost and net realisable value. Cost is determined by average method. Cost excludes all the expenses incurred in bringing the inventories to its current condition and location.

Net realisable value is the estimate of selling price in the ordinary course of business less selling expenses.

Provision is made for slow moving and non-moving items. Damaged and obsolete items are not considered in inventory .

g Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprises of cash, bank overdraft, bank current and call accounts, fixed deposits free from lien with a maturity date of 3 months or less from the date of deposit.

3 Bank Balances

Balances with Banks in :

- Current account in UAE

360,512	387,649
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4 Related Parties

The company in the normal course of business enters into transactions with other business enterprises that fall within the definition of Related Party. The company believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

Due From Silver Spark Middle East FZE, Saifzone, Sharjah, UAE

33,300

5 Cost of Sales

Opening Stock

1,483	0
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Purchases

501,971	447,032
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Closing stock

-1,483	-1,483
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501,971	445,549
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6 Basic Financial Instruments

a Fair Values

The fair values of the concern's financial assets and financial liabilities approximate to their carrying values.

b Credit Risk, Interest Rate Risk and Exchange Rate Risk Exposure.

i Credit Risk

Financial assets, which potentially expose the company to credit risk, comprise mainly of bank current accounts.

The company's bank accounts are placed with high credit quality financial institutions.

ii Exchange Rate Risk

There is no significant exchange rate risk as substantially most of the transactions are denominated in U.A.E. Dirhams or US Dollars which are pegged to the UAE Dirhams.

7 Significant Events Occurring After the Balance Sheet Date

There were no significant events occurring after the balance sheet date which require disclosure in the financial statements.

8 Previous Year's Figures

Previous period's figures are re-grouped or re-arranged wherever necessary so as to confirm to the current year's presentation.

JKHC INTERNATIONAL FZE
P.O.Box 121128, SAIF Zone, U.A.E.

Property, Plant and Equipment Schedule
All figures are expressed in U.A.E.Dirhams

Year ended March 31, 2016

	Moulds
Rate of depreciation (SLM)	33.33%
Cost	
At the Beginning	71,663
Additions	0
At the End	<u>71,663</u>
Depreciation	
At the Beginning	15,902
For the year	23,961
At the End	<u>39,863</u>
Net Value	<u><u>31,800</u></u>

Note :

Moulds are being utilised for production at contractor's manufacturing unit.