

Ref: SEC/SE/2016-17/36  
Date: 05.12.2016



To,

Corporate Relation Department  
Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
**Mumbai – 400 001.**

National Stock Exchange of India Ltd.  
Exchange Plaza, 5th Floor  
Plot No. C/1, G Block Bandra – Kurla Complex  
Bandra (E)  
**Mumbai – 400 051.**

MCX Stock Exchange Limited (MCX-SX)  
4<sup>th</sup> Floor, Vibgyor Towers, Plot No. C-62  
G-Block, Opposite Trident Hotel,  
Bandra Kurla Complex,  
Bandra (E),  
**Mumbai - 400098**

**Sub: Update on impact of demonetization on the Company**

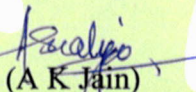
Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with reference to the subject, we wish to inform as under:

- Demonetization of high value currency note initiated by the Govt. on 8<sup>th</sup> November, 2016 is a positive move for the economy and industry and will lead to better transparency and compliance in the medium to long run. This will be beneficial for organized FMCG players creating a level playing field. However, on account of scarcity of cash available with customers and trade, we foresee some near term pressures on the company's business. The impact varies across channels and geographies, and stress is highest for wholesalers and small town grocery shops, who are facing a severe liquidity crisis and are destocking. The impact is likely to be positive on modern trade outlets and plastic money enabled retailers who are likely to benefit from this change. On account of continuity of current uncertain situation it is difficult to quantify the impact for Quarter 3 FY 16-17 at this point of time, however it is temporary in nature and situation will improve with increase in availability of new currency. In the meanwhile, we are focusing more on modern retail, e-commerce and institutional sales and also encouraging our general trade (GT) retailers to adopt cashless payment systems. This will help in mitigating the overall impact of demonetization and pave the way for normalization in the next few months.

Thanking you,

Yours faithfully  
For Dabur India Limited

  
(A K Jain)

V P (Finance) and Company Secretary