

# Report on Corporate Governance

Corporate Governance is commitment to values and ethics in business conduct which stems from the culture, policies, practices, traditions, voluntary adherence to ethical standards and mindset of an organisation. Strong governance standards focusing on fairness, transparency, accountability and responsibility are vital not only for the healthy and vibrant corporate sector but also inclusive growth of the economy. The global financial crisis during the recent past along with incidences of some of the large scale corporate failures and frauds have convincingly revealed the importance of good governance in more emphatic context.

Dabur continues to focus on good Corporate Governance, in line with emerging local and global standards. It understands and respects its fiduciary role in the corporate world. Besides adhering to the prescribed corporate practices as per clause 49 of the Listing Agreement, it voluntarily governs itself as per highest standards of ethical and responsible conduct of business which not only strengthens its bond of trust with the stakeholders but also creates value for the society at large.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports Dabur's compliance with Clause 49 of Listing Agreement and highlights the additional initiatives taken in line with international best practices.

## CORPORATE GOVERNANCE PHILOSOPHY

As Dabur aspires to achieve its vision its Corporate Governance standards must be globally benchmarked. The Company's philosophy is to constantly improve and create sustainable value through ethical business conduct. It envisages attainment of the highest level of transparency, accountability and equity in all facets of its operations and all its interactions with shareholders, employees, lenders and regulatory bodies. Strong Governance has indeed helped Dabur to deliver wealth to its shareholders in the form of uninterrupted dividends and also bonus issues in the year 2006, 2007 & 2010.

The corporate governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organisation viz. the board of directors, the senior management, employees, etc. The company's focus revolves around values based on transparency, integrity, professionalism and

accountability. It's initiatives towards this end include: professionalization of the Board; fair and transparent processes and reporting systems; and going beyond the mandated Corporate Governance Code requirements of SEBI. At the highest level the company continuously endeavours to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy all round growth and development to take the company forward.

## BOARD OF DIRECTORS

### Composition of the Board

As on March 31, 2011, Dabur's Board consists of 12 members. Besides the Chairman, who is a Non-Executive Promoter Director, the Board comprises of three Executive Directors (of whom one is Promoter Director), two Non-Executive Promoter Directors and six Non-Executive Independent Directors. The composition of the Board as on 31<sup>st</sup> March, 2011 is in conformity with Clause 49 of the listing agreement, which stipulates that a Company shall have an optimum combination of Executive and Non-Executive Directors, with not less than 50 per cent of the Board comprising of Non-Executive Directors, and where the Chairman being a Non-Executive director is also a promoter of the Company, at least one-half of the Board should comprise of Independent Directors.

### Number of Board Meetings

Minimum four prescheduled Board meetings are held every year. Additional meetings are held by giving appropriate notice to address specific needs of the Company. In case of any exigency/ emergency resolutions are passed by circulation. The Board of Directors met six times during the year: on April 28, 2010, June 18, 2010, July 26, 2010, October 27, 2010, November 17, 2010 and January 31, 2011. The Company has held at least one Board meeting in every three months. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

### Directors' Attendance Record and Directorships held

As mandated by Clause 49, none of the Directors are members of more than 10 Board level committees, nor are they Chairman of more than five committees in which they are members.

Table 1 gives the details of the Board as on March 31, 2011.

**Table 1: Composition of the Board of Directors of Dabur India Limited**

Name of the Directors	Category #	Attendance Particulars			No. of other Directorships and Committee memberships /chairmanships*		
		Number of Board Meetings		Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Anand Burman (Dr.)	Chairman /PD / NED	6	6	Yes	9	1	0
Amit Burman	Vice Chairman/ PD / NED	6	5	Yes	5	1	0
Pradip Burman	PD / ED	6	6	Yes	3	1	0
Mohit Burman	PD/NED	6	5	Yes	7	3	0
P D Narang	ED	6	6	Yes	4	0	1
Sunil Duggal	ED	6	5	Yes	1	1	0
P N Vijay	ID	6	6	Yes	3	0	0
S. Narayan (Dr.)	ID	6	5	Yes	6	1	0
R C Bhargava	ID	6	4	No	10	4	4
Albert Wiseman Paterson	ID	6	2	No	0	0	0
Analjit Singh	ID	6	0	No	14	0	0
Ajay Dua (Dr.)	ID	6	5	Yes	6	5	3

# PD – Promoter Director, NED – Non-Executive Director, ID – Independent Non-Executive Director, ED – Executive Director.

\* 1. Excluding private limited companies, foreign companies and companies under section 25 of the Companies Act, 1956.

2. Only two Committees viz. the Audit Committee and the Shareholders / Investors Grievance Committee are considered.

Details of Other Board Directorships are separately mentioned in Annexure 1

#### Shareholding of Non-Executive Directors

Name of Director	Category	No of shares held (Re. 1 paid up)
Anand Burman (Dr)	PD / NED	222000
Amit Burman	PD / NED	0
Mohit Burman	PD / NED	0
R C Bhargava	ID	0
P N Vijay	ID	0
S. Narayan (Dr)	ID	0
Albert Wiseman Paterson	ID	0
Analjit Singh	ID	0
Ajay Dua (Dr)	ID	0

As mandated by Clause 49, the Independent Directors on Dabur's Board:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior Management, its subsidiaries and associates, which may affect independence of the Director;
- Are not related to promoters or persons occupying Management positions at the Board level or at one level below the Board;
- Have not been an executive of the Company in the immediately preceding three financial years;
- Are not partners or executives, or were not partners or

executives during the preceding three years of any of the following:

- ▶ Statutory audit firm or the internal audit firm that is associated with the Company, and
- ▶ Legal firm(s) and consulting firm(s) that have a material association with the Company;
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director;
- Are not substantial shareholders of the Company i.e. owning two per cent or more of the block of voting shares;
- Are not less than 21 years of age.

#### Information Supplied to the Board

The Board has complete access to all information with the Company. All Board meetings are governed by a structured agenda which is backed by comprehensive background information. Inter-alia, the following information is regularly provided to the Board, as part of the agenda papers well in advance of the Board meetings, or is tabled in the course of the Board meeting.

- Detailed Business Review.
- Annual operating plans and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results for the Company and its operating divisions and business segments.

- Minutes of the meetings of the Audit Committee and other committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property and any other acquisition.
- Significant labour problems and their proposed solutions. Any significant development on Human Resources / Industrial Relations front, like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and steps taken by the Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders' service, such as non-payment of dividend, delay in share transfer, etc.
- Details of investment of surplus funds available with the Company.
- Minutes of the Board Meetings of the subsidiary companies.
- Statement showing significant transactions and arrangements entered into by the subsidiary companies.
- Details of any merger or demerger actions.
- Details of dealings in company's share by members of board/ senior management.
- Details of commercial dealings by firms/ companies in which members of the board/ senior management or their relatives hold shares with the company.
- Details of Inter Corporate Loans, Investments and Guarantees made/ given by the Company.
- Detailed status on the Business Risks being faced by the Company and their mitigation plan.

- Changes in Shareholding Pattern of the Company.
- Details of transactions with Related Parties.

The Board has an effective post meeting follow up procedure. Action taken report on the decisions taken in a meeting are placed at the immediately succeeding meeting for information of the Board.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, prepared by the Company, as well as steps taken by the Company to rectify instances of non-compliance.

#### **Role of Board Members**

Dabur India Limited has laid down a clear policy defining the structure and role of Board members. The policy of the Company is to have a Non-Executive Chairman – Dr Anand Burman, and a Chief Executive Officer (CEO) – Mr Sunil Duggal, a Corporate Affairs Director, two Non-Executive Promoter Directors, one Executive Promoter Director and six Non-Executive independent Directors. There is clear demarcation of responsibility and authority amongst them.

- **The Chairman:** His primary role is to provide leadership to the Board in achieving goals of the Company in accordance with the charter approved by the Board. He is responsible for transforming the Company into a world-class, next generation organization that is dedicated to the well-being of each and every household, not only within India but across the globe. Also, as the Chairman of the Board he is responsible for all the Board matters. He is responsible, inter-alia, for the working of the Board and for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the relevant issues raised in the meetings of the Board. He is also responsible for formulating the corporate strategy along with the Board of Directors.
- **The CEO** and Executive Directors are responsible for implementation of corporate strategy, brand equity planning, external contacts, and other Management matters which are approved by the Board. They are also responsible for achieving the annual business plan.
- **Non-Executive Directors**, including Independent Directors, play a critical role in imparting balance to the Board processes by providing an independent judgement on various issues raised in the Board meetings, like performance, business strategies etc. Fees and compensation, if any, paid to any Non-Executive Director, including Independent Director, is fixed by the Board of Directors and is previously approved by the shareholders at the General Body Meeting.

### Board Membership Criteria

The Nomination Committee works with the entire Board to determine the appropriate characteristics, skills and experience for the Board as a whole, as well as its individual members. The selection of Board members is based on recommendations of the Nomination Committee.

The skill profile of Independent Board members are driven by the key tasks defined by the Board, which are broadly based on:

- Independent Corporate Governance
- Guiding Strategy and Enhancing Shareholders' Value
- Monitoring Performance, Management Development &

### Compensation

- Control & Compliance

The constitution of the board will be as follows:

A Promoter Non Executive Chairman

Three Promoter's Family members

Two executive members

Six non executive independent Directors constituting 50% of the board

The matrix below highlights the skills and expertise required from established members for the office of independent Directors of the Company.

Key Skill Area	Essential	Desirable
<b>Strategy/Business Leadership</b>	2-3 years experience as a CEO, preferably of an MNC in India	FMCG experience
<b>Corporate Strategy Consultant</b>	Consultant/Academician with experience in FMCG Industry and business strategy.	Basic understanding of Finance
<b>Sales and Marketing experience</b>	At least 10 years experience in sales and marketing; Good understanding of commercial processes; 2-3 years as head of sales or marketing.	Experience with FMCG or other consumer products
<b>Corporate law</b>	Expert knowledge of Corporate Law	Experience in trade/ consumer related laws
<b>Finance</b>	At least 5 years as a CFO or as head of a merchant banking operation	FMCG experience
<b>Trade Policy &amp; Economics Administration &amp; Government Relations</b>	Expert Knowledge of Trade & Economic Policies Retired bureaucrat	FMCG Experience Basic understanding of finance and business
<b>Ayurvedic specialist</b>	Ayurvedic doctor with a minimum of 20 years experience as a practitioner/researcher	Basic understanding of finance and business

Other directors could be based on the Company's priority at a particular time viz:

- Knowledge of export markets that Dabur is focusing on;
- Expertise in commodity procurement.

### Remuneration paid to Directors

Table 2 gives details of remuneration paid to Directors for the year 2010-11

Name of the Director	Sitting Fees	Salary and Perquisites	Superannuation Fund	Stock Option	Commission	Total
Pradip Burman	0	12	0	0	0	12
Anand Burman (Dr.)	150000	0	0	0	0	150000
Amit Burman	135000	0	0	0	0	135000
P D Narang	0	39636416	2154211	67847707	0	109638334
Sunil Duggal	0	39725974	2013381	67847707	0	109587062
Mohit Burman	75000	0	0	0	0	75000
P N Vijay	345000	0	0	0	0	345000
S Narayan (Dr)	195000	0	0	0	0	195000
R C Bhargava	165000	0	0	0	0	165000
Analjit Singh	0	0	0	0	0	0
Albert Wiseman Paterson	30000	0	0	0	0	30000
Ajay Dua (Dr)	225000	0	0	0	0	225000
<b>Total</b>	<b>1320000</b>	<b>79362402</b>	<b>4167592</b>	<b>28712379</b>	<b>0</b>	<b>220545408</b>

During 2010-11, the Company did not advance any loans to any of its Directors.

Mr P.D. Narang and Mr Sunil Duggal were issued 2001697 and 2001697 Stock Options respectively during the year, having vesting period spread from 1 to 4 years and exercisable over a period of three years after vesting. The Options are exercisable at par.

Pursuant to the approval of shareholders in the Annual General Meeting held on September 9, 1998 and subsequently on September 5, 2002, July 13, 2007 and August 31, 2010 in addition to the above remuneration, certain Directors are entitled to post separation fee, as contained in the resolution passed in the aforesaid meeting, on cessation of their employment and directorship with the Company. The notice period for the three Executive Directors, namely Mr. Pradip Burman, Mr. P.D. Narang and Mr. Sunil Duggal, is three months.

### CODE OF CONDUCT

Commitment to ethical professional conduct is a must for every employee, including Board members and senior Management of Dabur. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct enjoins that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views, and be upright in his conduct and observe corporate discipline.

The Code of Conduct is available on the website of the company [www.dabur.com](http://www.dabur.com). All Board members and senior Management personnel affirm compliance with the Code of Conduct annually. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report.

### COMMITTEES OF THE BOARD

Dabur has four Board level committees:

- Audit Committee,
- Remuneration cum Compensation Committee,
- Shareholders/Investors Grievance and Share Transfer Committee, and
- Nomination Committee.

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for members of various committees. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

#### a) Audit Committee

##### Composition

As on March 31, 2011, the Audit Committee comprises of four Independent Directors. They are Mr. P N Vijay (Chairman), Mr. R. C. Bhargava, Dr. S. Narayan and Dr Ajay Dua.

### Meetings

The Audit Committee held seven meetings during 2010-11: on April 28, 2010, June 18, 2010, July 26, 2010, September 22, 2010, October 27, 2010, January 31, 2011 and March 11, 2011. The time gap between any two meetings was less than four months.

### Attendance Record

The details of attendance of the Audit Committee meetings are given in Table 3:

**Table 3: Attendance record of Audit Committee**

Name of Members (Category)	Status	No. of Meetings	
		Held	Attended
Mr. P N Vijay (ID)	Chairman	7	7
Mr. R C Bhargava (ID)	Member	7	6
Dr. S Narayan (ID)	Member	7	5
Dr. Ajay Dua (ID)	Member	7	6

The Director responsible for the finance function, the head of internal audit and the representative of the statutory auditors, internal auditors and cost auditors are permanent invitees to the Audit Committee. Mr. A K Jain, General Manager (Finance) & Company Secretary, is the Secretary to the Committee.

All members of the Audit Committee have accounting and financial management expertise. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on August 31, 2010 to answer shareholders' queries.

The functions of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - ▶ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - ▶ Changes, if any, in accounting policies and practices and reasons for the same.
  - ▶ Major accounting entries involving estimates based on the exercise of judgment by the Management.
  - ▶ Significant adjustments made in the financial statements arising out of audit findings.
  - ▶ Compliance with listing and other legal requirements relating to financial statements.
  - ▶ Disclosure of any related party transactions.
  - ▶ Qualifications in the draft audit report.

- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the Management, the financial statements of subsidiaries and in particular the investments made by each of them.
- Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of the proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow-ups there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle-Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is empowered, pursuant to its terms of reference to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, wherever considered necessary.

Dabur has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management Discussion and Analysis of financial conditions and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.

- Internal audit reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the Chief Internal Auditor.
- The uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results (whenever applicable).
- On an annual basis, statement certified by the statutory auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/notice (whenever applicable).

The Audit Committee is also presented with the following information on related party transactions (whenever applicable):

- A statement, in summary form, of transactions with related parties in the ordinary course of business.
- Details of material individual transactions with related parties, which are not in the normal course of business.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis, along with the Management's justification for the same.

#### **Audit Committee Report for the year ended March 31, 2011**

To the Board of Directors of Dabur India Limited,

Each member of the Audit Committee is an Independent Director, according to the definition laid down in Clause 49 of the Listing Agreement with the relevant stock exchanges.

The Management is responsible for the Company's internal controls and financial reporting process. The independent auditors are responsible for performing an independent audit of the Company's financial statements in accordance with the Indian GAAP and IFRS and for issuing a report thereon. The Committee is responsible for overseeing the processes related to financial reporting and information dissemination.

In this regard, the Committee discussed with the Company's internal auditors and independent auditors the overall scope and plan for their respective audits. The Committee also discussed the results of their examinations, their evaluation of the Company's internal controls and the overall quality of financial reporting. The Management also presented to the Committee the Company's financial statements and also represented that the Company's financial statements had been drawn in accordance with the Indian GAAP and IFRS.

Based on its review and discussions conducted with the Management and the independent auditors, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with Indian GAAP and IFRS in all material aspects.

The Committee has also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. In conducting such reviews, the

Committee found no material discrepancy or weakness in the Internal Control Systems of the Company. The Committee has also reviewed Statement of contingent liabilities, Management Discussion and Analysis, financial statements of subsidiary companies, Statement of Significant Related Party Transactions, Directors' Responsibility Statement, compliance relating to financial statements and draft auditors' report. The Committee also affirms that in compliance with the Whistle-Blower Policy no personnel had been denied access to the Audit Committee.

The Committee is recommending to the Board the re-appointment of M/s G Basu & Co., Chartered Accountants, as statutory auditors of the Company, to carry out audit of the accounts of the Company for the financial year 2011-12.

In conclusion, the Committee is sufficiently satisfied that it has complied with the responsibilities as outlined in the Audit Committee's responsibility statement.

New Delhi  
27<sup>th</sup> April 2011

Signed  
P N Vijay  
Chairman, Audit Committee

## b) Remuneration cum Compensation Committee

### Composition

As of March 31, 2011, the Remuneration cum Compensation Committee comprises of Mr. P. N. Vijay (Chairman) and Dr. S. Narayan, being independent Directors and Dr Anand Burman, a Non-Executive Promoter Director.

### Meetings

The Remuneration cum Compensation Committee held four meetings during 2010-11: on April 28, 2010, May 20, 2010, July 26, 2010 and October 27, 2010.

### Attendance Record

The details of attendance of the Committee Meetings are given in Table 4 below:

**Table 4: Attendance details of Remuneration cum Compensation Committee**

Name of Members (Category)	Status	No. of Meetings	
		Held	Attended
Mr P N Vijay (ID)	Chairman	4	4
Dr S. Narayan (ID)	Member	4	3
Dr Anand Burman (PD/NED)	Member	4	4

The Remuneration cum Compensation Committee of the Company, inter-alia, evaluates, recommends to the Board and approves the Executive Directors compensation plans, policies and programmes of the Company. This Committee also has the responsibility for administering Employee Stock Option Scheme of the Company. The responsibilities of the Committee include:

- Framing and implementing, on behalf of the Board and on behalf of the shareholders, a credible and transparent policy

on remuneration of Executive Directors, including ESOP, pension rights and any compensation payment.

- Considering, approving and recommending to the Board changes in designation and increase in salary of the Executive Directors.
- Ensuring that the remuneration policy is good enough to attract, retain and motivate the Directors.
- Bringing about objectivity in determining the remuneration package, while striking a balance between the interests of the Company and the shareholders.
- Framing the ESOPS/ESOS and recommending the same to the Board/shareholders for their approval and implementing the Scheme approved by the shareholders.
- Suggesting to Board/shareholders changes in the ESOPS/ESOS.
- Deciding the terms and conditions of Employees Share Purchase Scheme (ESPS) and Employees Stock Option Scheme (ESOS) which, inter-alia, include the following:
  - ▶ Quantum of options to be granted under the Scheme per employee and in aggregate;
  - ▶ Vesting Period;
  - ▶ Conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
  - ▶ Exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - ▶ Specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
  - ▶ Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - ▶ Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
  - ▶ Grant, vest and exercise of option in case of employees who are on long leave;
  - ▶ Procedure for cashless exercise of options;
  - ▶ Forfeiture/cancellation of options granted;
  - ▶ All other issues incidental to the implementation of ESOS.
- To issue grant/award letters.
- To allot shares upon exercise of vested options.

### Remuneration Policy

The remuneration paid to the Directors of the Company is approved by the Board of Directors on the recommendations of the Remuneration cum Compensation Committee. The Company's remuneration strategy is market-driven and aims at attracting and retaining high calibre talent.

The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis. As per the shareholders'

approval obtained at the Annual General Meeting of the Company held on July 13, 2007, commission is paid at a rate not exceeding one per cent of the net profits per annum of the Company, calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956.

### 1. Non-Executive Chairman

Besides sitting fees, the Non-Executive Chairman is also entitled to commission out of the profits of the Company, as approved by the Board and within the overall limits prescribed by the Companies Act, 1956.

### 2. Independent Directors

Non-Executive Independent Directors are entitled to sitting fees for attending meetings of the Board of Directors and committees thereof within the prescribed limits.

### 3. Executive Directors

Remuneration of the Executive Directors consists of a fixed component and a variable performance incentive. The Remuneration cum Compensation Committee makes annual appraisal of the performance of the Executive Directors based on a detailed performance evaluation, and recommends the compensation payable to them, within the parameters approved by the shareholders, to the Board for their approval.

### Remuneration cum Compensation Committee Report for the year ended March 31, 2011

To the Board of Directors of Dabur India Limited,

The Remuneration cum Compensation Committee comprises of two Independent Directors and one Non Executive Promoter Director. The main responsibility of the Remuneration cum Compensation Committee is to incentivize and reward executive performance that will lead to long-term enhancement of shareholder performance.

During the year the Committee framed & implemented the Vision III and Top Up Plan for grant of stock options to employees of the Company. The year 2009-10 being the 125<sup>th</sup> Anniversary year of the Company, the Committee approved the grant of 125 Stock options to each employee of the Company.

The Committee reviewed and approved the stock options payable to all Executive Directors, within the overall limits approved by shareholders. The Committee also reviewed and approved the stock options of all members of the Management team for the year 2010-11. In addition, the Committee reviewed the grant of sign-on and regular stock options to various other employees of the Company during the year. The Committee also reviewed and approved the revision in remuneration of Mr. P. D. Narang and Mr. Sunil Duggal, Executive Directors.

The Committee was also provided information on appraisal systems, the outcome of performance assessment programmes, compensation policies for employees and the information to decide on grant of options to various employees.

New Delhi  
27th April, 2011

Signed  
P N Vijay  
Chairman, Remuneration cum  
Compensation Committee

### c) Nomination Committee

#### Composition

Dabur's Nomination Committee consists of Dr Anand Burman, Non-Executive Promoter Director, as Chairman, Mr. Pradip Burman, Executive Promoter Director and Mr Amit Burman, Non-Executive Promoter Director.

#### Meetings

The Nomination Committee did not meet during the year.

The primary role of this Committee is to make recommendations on appointments to the Board.

The functions of the Nomination Committee include:

- To identify and recommend suitable candidates to the Board of Directors for appointment as members of the Board.
- To engage the services of consultants and seek their help in the process of identifying candidates for appointments to the Board.
- To decide the remuneration of consultants engaged by the Committee.

### d) Shareholders/Investor Grievance and Share Transfer Committee

#### Composition

As on March 31, 2011, the Committee consists of four members, Mr. P. N Vijay, Independent Director as Chairman, Dr Ajay Dua, Independent Director, Mr. Amit Burman, Non Executive Promoter Director and Mr. P. D. Narang, Executive Director.

#### Meetings

The Committee met four times in the year under review, on April 28, 2010, July 26, 2010, October 27, 2010 and January 31, 2011.

#### Attendance Record

The details of attendance of the Committee meetings are given in Table 5 below:

**Table 5: Attendance Details of Shareholders/Investor Grievance and Share Transfer Committee**

Name of Members	Status	No. of Meetings	
		Held	Attended
Mr. P N Vijay (ID)	Chairman	4	4
Mr. P D Narang (ED)	Member	4	4
Mr. Amit Burman (PD/NED)	Member	4	4
Dr. Ajay Dua (ID)	Member	4	4

Mr. A. K. Jain, General Manager (Finance) and Company Secretary, is the Compliance Officer.



The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances. The Committee specifically looks into redressing shareholders' and investors' complaints/ grievances pertaining to share transfers, non-receipt of annual reports, non-receipt of dividend and other allied complaints.

The Committee performs the following functions:

- Transfer/Transmission of shares.
- Split-up/Sub-division and Consolidation of shares.
- Dematerialization/ Rematerialization of Shares.
- Issue of new and duplicate share certificates.
- Registration of Power of Attorneys, Probate, Letters of Transmission or similar other documents.
- To open/close bank account(s) of the Company for depositing share/debenture applications, allotment and call monies, authorize operation of such account(s) and issue instructions to the Bank from time to time in this regard.
- To look into redressal of shareholders' and investors' complaints, like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.
- Any allied matter(s) out of, and incidental to, these functions and not herein above specifically provided for.

Details of queries and grievances received and attended by the Company during the year 2010-11 are given in Table 6.

per case and for dematerialization upto a maximum of 20000 shares per case, jointly to any two of Mr. A K Jain, General Manager (Finance) and Company Secretary, Mr. Praveen Mudgal – Joint Company Secretary and Mrs. Sarita Agrawal - Manager (Secretarial).

#### Shareholders'/Investors' Grievance and Share Transfer Committee Report for the year ended March 31, 2011

To the Board of Directors of Dabur India Limited,

The Shareholders'/Investors' Grievance and Share Transfer Committee comprises of four members. The main responsibility of the Committee is to ensure cordial investor relations and supervise the mechanism for redressal of investor grievances pertaining to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. It performs the functions of Transfer/ Transmission/ Remat/ Demat/ Split-up/Sub-division and Consolidation of shares, issue of new and duplicate share certificates and allied matter(s).

The Committee approved 2276 cases of transfer, 40 cases of re-materialisation, 3 case of sub-division, 1 case of consolidation and 9 cases of issue of duplicate share certificates. The Committee also approved allotment of equity shares pursuant to amalgamation of Femcare Pharma Limited with the Company and also the allotment of Bonus Shares. The Committee reviewed the status of investors' grievances on quarterly basis. As at the close of the Financial Year

**Table 6: Nature of complaints received and attended to during 2010-2011.**

Nature of Complaint	Pending as on 1st Apr '10	Received during the year	Disposed during the year	Pending as on 31 <sup>st</sup> March, 2011
1. Transfer / Transmission / Duplicate	Nil	1	1	0
2. Non-receipt of Dividend	Nil	7	7	0
3. Dematerialization /Rematerialization of shares	Nil	0	0	0
4. Others (Non receipt of bonus shares/ POA/ change of signatures/ address etc.)	Nil	2	2	0
5. Complaints received from:				
- Securities and Exchange Board of India	Nil	15	15	0
- Stock Exchanges	Nil	5	5	0
- Registrar of Companies/Ministry of Corporate Affairs	Nil	1	1	0
<b>Total</b>	<b>Nil</b>	<b>31</b>	<b>31</b>	<b>0</b>

There were no complaints which were pending as on March 31, 2011. The company has obtained certificate from BSE & NSE on quarterly basis about pending complaints against the Company. As per these certificates as on 31.03.2011 there were no pending complaints against the company.

In order to provide efficient services to investors, and for speedy redressal of the complaints, the Board of Directors has delegated the power of approving transfer and transmission of shares and other matters like split up / sub-division, and consolidation of shares, issue of new certificates on re-materialization, sub-division, consolidation and exchange, subject to a maximum of 5000 shares

there were no complaints pending for redressal.

Signed  
New Delhi  
27<sup>th</sup> April, 2011  
Chairman, Shareholders/Investor Grievance  
and Share Transfer Committee

#### MANAGEMENT COMMITTEES

The Company has constituted separate Management Committees to look after the operations of each of its Divisions. The Charter of each Management Committee has been clearly defined. The Committees are broadly responsible for implementing the overall

business strategy approved by the Board, identifying areas of further value creation, new initiatives for enhancing business competitiveness and implementing the business plans as approved by the Board of Directors.

### **SUBSIDIARY COMPANIES - MONITORING FRAMEWORK**

The Company monitors performance of its subsidiary companies, inter alia, by the following means:

- i) The Audit Committee reviews Financial Statements of the subsidiary companies, along with investments made by them, on a quarterly basis.
- ii) The Board of Directors reviews the Board meeting minutes and statements of all significant transactions and arrangements, if any, of the subsidiary companies.

Under Clause 49 of the Listing Agreement, a “material non-listed Indian subsidiary” shall mean an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Dabur does not have a material non-listed Indian subsidiary.

### **MANAGEMENT**

#### **Management Discussion and Analysis**

The Annual Report has a detailed Chapter on Management Discussion and Analysis, which forms a part of this report.

### **DISCLOSURES**

#### **Related Party Transactions**

**Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.**

The Senior Management personnel make disclosures to the Board periodically regarding

- their dealings in the Company’s share; and
- all material financial and commercial transaction with the Company;

where they have personal interest, stating that the said dealings and transactions, if any, had no potential conflict with the interests of the Company at large.

The material, financial and commercial transactions where Key Management Personnel have personal interest forms part of the disclosure on related parties referred to in Note in Schedule P to Annual Accounts, which was reported to the Board of Directors.

**Significant related party transactions (having value of Rs.1.00 crore & above) are summarised herein below:-**

#### **1. Subsidiaries:**

- Equity contribution of Rs.1.00 crore has been given by the Company to H & B Stores Ltd.
- Loan of Rs.10.50 crore has been given by the company to H & B stores Limited.
- Loan of Rs.268.54 crore has been given by the company to Dabur International Limited which has been repaid during the year.
- Interest amount of Rs.2.46 crore on Loan given to Dabur International Limited has been received by the Company.
- Goods worth Rs.6.51 crores were sold to Dabur International Limited.
- Goods worth Rs.2.41 crore were purchased from Dabur International Limited.
- Collateral and guarantees amounting to Rs.450.36 crores have been given on behalf of Dabur International Limited.
- Stock options worth Rs.1.89 crore have been granted to employees of Dabur International Limited.
- Equity contribution of Rs.2.26 crore has been given by the Company to Dermoviva Skin Essentials Inc.
- Repayment of Loan of Rs.3.90 crore (earlier given by amalgamated Company Fem Care Pharma Limited) has been received from Dermoviva Skin Essentials Inc.
- Collateral and guarantees amounting to Rs.452.59 crores have been given on behalf of Dermoviva Skin Essentials Inc.

#### **2. Fellow Subsidiaries (subsidiary of a subsidiary):**

- Goods worth Rs.1.87 crores were sold to Asian Consumer Care Private Limited.
- Goods worth Rs.1.37 crores were sold to Dabur Nepal Pvt Ltd.
- Goods worth Rs.2.93 crores were sold to Dabur Egypt Ltd.
- Goods worth Rs.4.21 crores were sold to Weikfield International (UAE) LLC.
- Goods worth Rs.6.61 crores were sold to African Consumer Care Limited.
- Goods worth Rs.8.69 crores were sold to Naturelle LLC.
- Goods worth Rs.3.84 crores were sold to Asian Consumer Care (Pakistan) Pvt. Limited.
- Goods worth Rs.217.19 crores were purchased from Dabur Nepal Pvt. Ltd.
- Collateral and guarantees amounting to Rs.14.92 crore have been given on behalf of Dabur Egypt Limited,

#### **3. Joint Ventures & Associates**

- General expenses amounting to Rs.4.52 crore have been paid to Forum I Aviation Limited
- Goods worth Rs.2.64 crores were purchased from Sanat Products Ltd.

#### **4. Key Management Personnel & their Relatives:**

- For transactions with Key Management Personnel being Mr. P D Narang, Mr. Sunil Duggal and Mr. Pradip Burman, kindly refer to Table 2 of this report.

- There were no relatives of key Management personnel who were paid remuneration / pension of Rs.1 crore or more during the year.

The detailed related party transactions can be referred to in Notes in Schedule P to Annual Accounts.

#### **Disclosure of accounting treatment in preparation of financial statements**

Dabur has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

#### **Details of non-compliance by the Company**

Dabur has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

#### **Code for prevention of insider-trading practices**

In compliance with the SEBI regulation on prevention of insider trading, the Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading, for its Management and staff. The Code lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with the shares of Dabur, and cautioning them of the consequences of violations. The General Manager (Finance) and Company Secretary has been appointed as Compliance Officer.

#### **Whistle-Blower Policy**

The Company promotes ethical behaviour in all its business activities and in line with the best international governance practices, Dabur has established a system through which employees and business associates may report unethical business practices at work place without fear of reprisal. The Company has set up a direct touch initiative, under which all employees / business associates have direct access to the Chairman of the Audit Committee, and also to a three-member direct touch team established for this purpose. The direct touch team comprises one senior woman member so that women employees of the Company feel free and secure while lodging their complaints under the policy. The Whistle-Blower Protection Policy aims to:

- Allow and encourage employees and business associates to bring to the Management notice concerns about unethical behavior, malpractice, wrongful conduct, actual or suspected fraud or violation of policies.
- Ensure timely and consistent organizational response.
- Build and strengthen a culture of transparency and trust.
- Provide protection against victimization.

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website [www.dabur.com](http://www.dabur.com). The Audit Committee periodically reviews the existence and functioning of the mechanism. It reviews the status

of complaints received under this policy on a quarterly basis. The Committee has, in its Report, affirmed that no personnel have been denied access to the Audit committee.

#### **Dividend Policy**

To bring transparency in the matter of declaration of dividend, and to better protect the interests of investors, Dabur has adopted a Dividend Policy which has been displayed on the Company's website, [www.dabur.com](http://www.dabur.com)

#### **CEO/ CFO certification**

The CEO and CFO certification of the financial statements and the cash flow statement for the year is enclosed at the end of the report.

#### **Risk Management**

Dabur has established comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically. At Dabur, we have a structure in place to identify and mitigate the various risks faced by the Company from time to time. At every Board meeting, the risk register is reviewed by the Board, new risks are identified, the same are then assessed, controls are designed, put in place and enforced through the process owner, and a fixed timeline is set for achieving the same.

The Company has adopted COSO framework for internal control. Under this framework, risks are identified as per each process flow, and control systems instituted to ensure that the risks in each business process are mitigated. The Chief Risk Officer (CRO) is responsible for the overall risk governance in the Company and reports directly to the Management Committee (MANCOM), which consists of various functional heads. The Board provides oversight and reviews the Risk Management Policy on a quarterly basis.

**Legal Compliance Reporting:** The Board of Directors reviews in detail, on a quarterly basis, the reports of compliance to all applicable laws and regulations. The Company has developed a very comprehensive Legal Compliance Manual, which drills down from the CEO to the executive-level person (who is primarily responsible for compliance) within the Company. The process of Compliance Reporting is fully automated, using the e-nforce Compliance Tool. System-based alerts are generated until the user submits the monthly Compliance Report, with provision for escalation to the higher-ups in the hierarchy. Any non-compliance is seriously taken up by the Board, with fixation of accountability and reporting of steps taken for rectification of non-compliance.

#### **SHAREHOLDERS**

##### **Reappointment/Appointment of Directors**

As per the Articles of Association of Dabur, one-third of its Directors retire every year and, if eligible, offer themselves for re-election at every Annual General Meeting. Consequently, Mr. Mohit Burman, Mr. Sunil Duggal, Mr. R C Bhargava and Mr. P N Vijay would retire this year and, being eligible, offer themselves for re-appointment in accordance with the provisions of the Companies

Act, 1956. Their brief CVs are given below:

**Mr. Mohit Burman:** Graduate from Richmond College, London and MBA from Babson Graduate School of Business Wellesley, was born in 1968 and joined the Board in 2007. Currently he has no shareholding in the Company.

**Mr. P N Vijay:** M.Sc, IIT Chennai. He is a leading expert in stock market. He is a regular columnist in leading newspaper and financial journals. He is actively involved in educating investors through various channels. Currently, he has no shareholding in the Company.

**Mr. R C Bhargava:** MA in Development Economics, MS in Mathematics, IAS Retd. was born in 1934 and joined the Board in 2005. He is Non-Executive independent Director of the Company. Currently he has no shareholding in the Company.

**Mr. Sunil Duggal:** MBA (IIM, Kolkata) He served as General Manager - Sales & Marketing in Wimco Ltd, then moved to Pepsi Foods Ltd in 1994 as General Manager Sales & Marketing, before joining Dabur in 1995. He played a key role in redefining Sales and Marketing functions at Dabur, making them more efficient. His current holding in the Company is 29,10,000 shares.

None of the Directors of the Company are related inter-se, in terms of section 2(41) and section 6 read with schedule IA of the Companies Act, 1956.

## MEANS OF COMMUNICATION WITH SHAREHOLDERS

**Financial Results:** Dabur recognizes communication as a key element of the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

- *Quarterly:* The quarterly financial results are normally published in The Economic Times/ Times of India /Mumbai Mirror/Mint and Navbharat Times newspapers. Table 7 below gives details of the publication of the financial results in the year under review.

- *Half-Yearly Report:* Audited half-yearly financial statements, including summary of significant events and MD&A, for the half-year ended September 30, 2010 was sent to the households of all shareholders.

- *Annual Report:* Annual Report of the Company containing, inter-alia, Audited Accounts, Consolidated Financial Statements, Directors' Report, Report on Corporate Governance, Auditors Report and other important information is circulated to the members and others entitled thereto for each financial year. The Management Discussion and Analysis Report forms part of the Annual Report.

**Table 7: Publications of the financial results during 2010-2011**

Description	Date
Unaudited Financial Results for the quarter ended June 30, 2010	July 28, 10
Audited Financial Results for the half year ended on September 30, 2010	October 29, 10
Unaudited Financial Results for the quarter /	February 02, 11

Nine months ended December 31, 2010

Unaudited Financial Results for the Financial April 29, 11  
year ended on March 31, 2011

**News Releases/ Presentations:** Official press releases, presentations made to the media, analysts, institutional investors, etc. are displayed on the Company's website [www.dabur.com](http://www.dabur.com)

**Webcasting:** Dabur's quarterly results presentations are webcast. Webcasts are left on corporate website for upto 1 month.

**Website:** The Company's website [www.dabur.com](http://www.dabur.com) contains a separate section 'Investors Relations' for use of investors. The quarterly, half yearly and annual financial results, official news releases and presentations made to institutional investors and to analysts are promptly and prominently displayed on the website. Annual/ Half-Yearly Reports, Quarterly Corporate Governance Report and Shareholding Pattern are also available on the website. Annual Report of subsidiary companies is also posted on the website.

**Corporate filing and dissemination system:** The Company has been complying with SEBI regulations for filing of its financial results under the Corp filing system. These are available on the website [www.corpfiling.co.in](http://www.corpfiling.co.in).

**Exclusive email ID for investors:** The Company has designated the email id investors@dabur.com exclusively for investor servicing, and the same is prominently displayed on the Company's website [www.dabur.com](http://www.dabur.com).

## INVESTOR RELATIONS

At Dabur, we continually strive towards improving quality of our financial information and dialogue with investors.

As the requirements of disclosure, transparency and corporate governance continue to grow and become more and more challenging, the role of IR (Investor Relations) is becoming increasingly critical in helping companies to manage the flow of information and to communicate more effectively with the investment community.

Investor Relations (IR) is a strategic management responsibility that integrates finance, communication, marketing and compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a company's securities achieving fair valuation. The key objective of IR is to develop and implement a financial communication program that effectively communicates a company's long-term strategic vision and aids in shaping perceptions that accurately reflect the company's performance, corporate reputation, goals and strategies.

The IR function plays a pivotal role by acting as the 'bridge' between the Company and its stakeholders. While IR enables the financial community to appraise a company effectively it also enables the Company to understand the perspective and concerns of the investors and factor them into its strategy and risk mapping.

The IR programme at Dabur aims at achieving best in class standards in terms of disclosures, transparency and consistency. The IR team

works very closely with top management to implement programs that are consistent with its corporate objectives. IR preserves the veracity, relevance and quality of the information distributed to the market through a periodic, structured and consistent presentation of the information. The IR function provides support and transparency to retail and institutional shareholders in order to enable them to take informed decisions. The corner stone of Dabur's IR policy is to disclose all relevant information to the investors which provides a fair and correct assessment of the company's business situation at any given time.

IR at Dabur is not just a one way communication but the company welcomes feedback, criticism and suggestions from investors. Therefore the investor meetings and interactions act as a channel of two way communication and the investors' feedback is given due consideration by the management of the company.

In FY 2010-11, the IR department at Dabur, took care to reinforce and enhance the information provided to shareholders and multiplied the opportunities for meetings and exchanges with the financial community.

The Annual Report, the Reference Document and Letters to Shareholders were regularly improved by enriching their content and extending their circulation, particularly with the increase in the number of shareholders holding shares.

Some of the responsibilities held by the Investor Relations team at Dabur are as under:

1. Disseminate authentic and correct information to the stakeholders and potential investors.
2. Manage Shareholder queries, feedback and opinions and inform the management regarding the same.
3. Develop and implement investor materials and events including presentations, releases, fact sheets, investor events, conferences, and web events.
4. Develop and distribute analyst materials including data, press clippings, fact sheets, and other relevant information.
5. Provide inputs on the FMCG market, performance of other players, economic environment, latest developments in industry and economy and general market intelligence.

6. Analysing and understanding the company's changing shareholder profile and underlying trends.
7. Track shareholder ownership and contacts with major/important shareholders.
8. Track and analyze analyst's reports, models, and projections.
9. Communicate important corporate developments such as mergers and acquisitions with appropriate details in order to give a complete perspective to investors.
10. Building Investor Confidence through regular, structured and accurate communications.

At Dabur, we have various avenues to ensure that investors get a good understanding of the company and its strategies. In order to achieve this Dabur holds the following activities:

1. One-on-one meetings are held with investors to brief them about the Company and answer their queries.
2. Post the quarterly and annual results, a webcast and conference call is arranged to discuss highlights of the company's performance with the management. All members of the financial community are invited for the same and an opportunity is provided to each one to participate in the Q&A. Archived copy of the webcast and transcript is provided on the Company's website.
3. The company holds Analyst Meetings from time to time to share our vision and plans at a strategic level with the analysts and fund managers.
4. The company participates in investor conferences organized by leading institutional brokerage houses. During 2010-11 we attended, to name a few, conferences hosted by Goldman Sachs, DSP Merrill Lynch, UBS, CLSA, Deutsche Bank and HSBC. During these conferences, the management had the opportunity to share their strategy with a number of institutional investors - both Domestic and Foreign. Such events provide an effective forum for investors to meet the Company and understand its strategy and operations and enable the Company to imbibe the perspective and views of its financial stakeholders.

#### GENERAL BODY MEETINGS

Table 8 gives the details of the last five General Body Meetings.

**Table 8: Location and time of the last 5 General Body Meetings.**

Financial Year	Category *	Location of the meeting	Date	Time
2005-2006	AGM	Air Force Auditorium, Subroto Park, New Delhi-110 010.	July 8, 2006	9.30 AM
2006-2007	EGM (Court Convened Meeting)	Same as above	July 8, 2006	11.00 AM
2006-2007	AGM	Same as above	July 13, 2007	11.00 AM
2007-2008	AGM	Same as above	July 10, 2008	11.00 AM
2008-2009	AGM	Same as above	July 15, 2009	11.00 AM
2009-2010	EGM (Court Convened Meeting)	FICCI Auditorium, Federation House, Tansen Marg, New Delhi-110001	February 1, 2010	12.00 noon
2009-2010	AGM	Air Force Auditorium, Subroto Park, New Delhi-110 010.	August 31, 2010	11.00 AM

\*AGM - Annual General Meeting, EGM - Extraordinary General Meeting

The following Special Resolutions were taken up in the last three AGMs, and were passed with requisite majority.

#### July 10, 2008

- Appointment of Mr. Mohit Burman as Director of the Company.
- Appointment of Mr. Amit Burman as Whole-Time Director in Dabur Nepal Pvt. Ltd, a subsidiary of the Company.
- Appointment of Mr. Gaurav Burman as Whole-Time Director in Dabur International Ltd, a subsidiary of the Company.
- Payment of remuneration to Mr. Sidharth Burman, as Whole-Time Director in Dabur International Ltd, a subsidiary of the Company.
- Alteration of object clause of Memorandum of Association of the Company.
- Keeping of Register of members and other statutory records of the Company at a place other than the registered office.

#### July 15, 2009

- Variation in the terms and conditions of remuneration of Mr. Pradip Burman, Whole-Time Director of the Company.
- Variation in the terms and conditions of remuneration of Mr. Amit Burman, as whole time Director in Dabur Nepal Pvt. Ltd, a subsidiary of the Company.
- Variation in the terms and conditions of remuneration of Mr. Chetan Burman, as Executive Director in Dabur Nepal Pvt. Ltd, a subsidiary of the Company.
- Appointment of Mr. Aditya Burman as Whole-Time Director in Dabur Nepal Pvt. Ltd, a subsidiary of the Company and further variation in terms and conditions of his remuneration.
- Variation in the term and condition of remuneration of Mr. Mohit Burman as Whole-Time Director of Dabur International Ltd, a subsidiary of the Company.
- Variation in the term and condition of remuneration of Mr. Sidharth Burman as Whole-Time Director of Dabur International Ltd, a subsidiary of the Company.
- Variation in the term and condition of remuneration of Mr. Gaurav Burman as Whole-Time Director of Dabur International Ltd, a subsidiary of the Company.
- Approval for Increase in number of shares to be issued to employees of the company under Employee Stock Option scheme of the company.
- Approval for Commencing and carrying on of new business as specified under clause 7 of the other objects clause of Memorandum of Association of the company.

#### August 31, 2010

- Appointment of Dr. Ajay Dua as Director of the Company.
- Revision in terms of remuneration and reappointment of Mr. Sunil Duggal as Whole-Time Director, designated as Chief Executive Officer of the Company.
- Revision in terms of remuneration of Mr. P D Narang, Whole-Time Director of the Company.
- Authority to the Board to mortgage and/or create charge over assets of the company for an aggregate amount of upto Rs.20,00,00,00,000/-.

- Authority to the Board to borrow money for the business purposes of the company, for an aggregate amount of upto Rs.20,00,00,00,000/-.
- Capitalization of a sum of Rs.87,01,29,834/- out of general reserves of the Company for allotment of fully paid up bonus shares to shareholders of the Company in the ratio of 1:1.
- Increasing of Authorised Share Capital of the Company from Rs.1,45,00,00,000/- divided into 145000000 Equity shares of Re.1/- each to Rs.2,00,00,00,000/- divided into 200000000 Equity shares of Re.1/- each
- Alteration in the Article 4 of the Articles of Association of the Company regarding the increase in Authorised Share Capital from Rs.1,45,00,00,000/- to Rs.2,00,00,00,000/-.

#### Postal Ballot

During the year under review, no resolutions were passed through postal ballot.

### COMPLIANCE

#### Mandatory requirements

Compliance Report of Dabur with the applicable mandatory requirements of Clause 49 is as under.

**Table 9: Compliance Report**

Particulars	Clause of listing agreement	Compliance status
<b>I. Board of Directors</b>	49 I	Yes
(A) Composition of Board	49(IA)	Yes
(B) Non-executive Directors Compensation & Disclosures	49 (IB)	Yes
(C) Other provisions as to Board and Committees	49 (IC)	Yes
(D) Code of Conduct	49 (ID)	Yes
<b>II. Audit Committee</b>	49 (II)	Yes
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes
(B) Meeting of Audit Committee	49 (IIB)	Yes
(C) Powers of Audit Committee	49 (IIC)	Yes
(D) Role of Audit Committee	49 (IID)	Yes
(E) Review of Information by Audit Committee	49 (IIE)	Yes
<b>III. Subsidiary Companies</b>	49 (III)	Yes
<b>IV. Disclosures</b>	49 (IV)	Yes
(A) Basis of related party transactions	49 (IV A)	Yes
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes
(C) Board Disclosures	49 (IV C)	Yes
(D) Proceeds from public, rights, preference issues etc	49 (IV D)	Not Applicable
(E) Remuneration of Directors	49 (IV E)	Yes
(F) Management	49 (IV F)	Yes
(G) Shareholders	49 (IV G)	Yes
<b>V. CEO/CFO Certification</b>	49 (V)	Yes
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes
<b>VII. Compliance</b>	49 (VII)	Yes

### ADOPTION OF NON-MANDATORY REQUIREMENTS

#### a) Maintenance of the Chairman's office

The Company maintains the office of the Non-Executive Chairman and provides for reimbursement of expenses incurred in performance of his duties.

#### b) Tenure of Independent Directors

No specific tenure has been specified for the Independent Directors.

**c) Remuneration Committee**

Dabur has Remuneration cum Compensation Committee that comprises three members, two members being Independent Directors and one being Non-Executive Director. The Chairman of the Committee is an Independent Director.

**d) Half-Yearly Declaration**

Dabur has a practice of preparing audited half-yearly report of financial statements, including a section on Management Discussion and Analysis, since last seven years, which is sent to all shareholders. The half-yearly report for the year 2010-11 was sent to all shareholders on November 25, 2010.

**e) Audit Qualifications**

The Auditors have raised no qualification on the Financial Statements of the Company.

**f) Mechanism for evaluation of Non-Executive Directors**

The performance evaluation of Non-Executive Directors is done through a peer-to-peer performance evaluation of the Board of Directors. The Directors are marked on a scale of 1 to 5, with respect to three broad parameters namely — guiding strategy, monitoring Management performance and development /compensation and statutory compliance & Corporate Governance.

**g) Whistle-Blower Policy**

Dabur has a Whistle-Blower policy in place. The details with regard to the functioning of this policy have been mentioned earlier in this report.

**ADDITIONAL SHAREHOLDER INFORMATION**

**Annual General Meeting**

Date: July 15, 2011

Time: 11:00 am

**Table 10: Dividends declared in the past**

Financial Year	Type of Dividend	Dividend rate %	Date of Declaration	Due Date for transfer to IEPF
2003-2004	Final	140	06/07/2004	12/08/2011
2004-2005	Interim	100	27/10/2004	03/12/2011
2004-2005	Final	150	15/07/2005	20/08/2012
2005-2006	Interim	150	24/10/2005	30/11/2012
2005-2006	Final	100	08/07/2006	08/08/2013
2006-2007	Interim	100	31/10/2006	04/12/2013
2006-2007	Interim	75	13/03/2007	16/04/2014
2007-2008	Interim	75	24/10/2007	30/11/2014
2007-2008	Final	75	10/07/2008	16/08/2015
2008-2009	Interim	75	28/01/2009	05/03/2016
2008-2009	Final	100	15/07/2009	21/08/2016
2009-2010	Interim	75	26/10/2009	02/12/2016
2009-2010	Final	125	31/08/2010	05/10/2017
2010-2011	Interim	50	27/10/2010	02/12/2017

Venue: Air Force Auditorium, Subroto Park, New Delhi - 110010

**Financial Calendar**

Financial year: April 1 to March 31

For the year ended March 31, 2011, results were announced on:

- July 26, 2010: First Quarter
- October 27, 2010: Half Yearly
- January 31, 2011: Third Quarter
- April 27, 2011: Fourth Quarter and Annual

For the year ending March 31, 2012, results will be announced by:

- July 27, 2011 (tentative): First Quarter
- October 31, 2011 (tentative): Half Yearly
- January 31, 2012: (tentative): Third Quarter
- April 30, 2012 (tentative): Fourth Quarter and Annual

**Book Closure**

The dates of Book Closure are from the 1<sup>st</sup> day of July, 2011 to the 8<sup>th</sup> day of July, 2011, inclusive of both days.

**Dividend Payment**

Interim dividend of Re.0.50 per equity share was paid on November 10, 2010 for the financial year 2010-11.

**Dates of Transfer of Unclaimed Dividend**

Pursuant to section 205A of the Companies Act, 1956, unclaimed dividend for Financial Year(s) upto 2002-03 (Final) and 2003-04 (interim) have been transferred to the General Revenue Account of the Central Government/ Investor Education and Protection Fund (IEPF) established by the Central Government. The dividends for following years, which remain unclaimed for seven years, will be transferred to IEPF in accordance with the schedule given below. Shareholders who have not encashed their dividend warrants relating to the dividends specified in Table below are requested to immediately send their request for issue of duplicate warrants. Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof either with the Company or IEPF.

### Listing

At present, the equity shares of the Company are listed on Mumbai Stock Exchange (BSE), and the National Stock Exchange (NSE). The annual listing fees for the financial year 2011-2012 to NSE and BSE has been paid.

**Table 11: Dabur's Stock Exchange codes**

<b>ISIN No:</b>	INE016A01026
<b>Mumbai Stock Code:</b>	500096
<b>National Stock Code:</b>	DABUR
<b>Bloomberg Code:</b>	DABUR IB
<b>Reuters Code:</b>	DABU.BO

### Equity Evolution during the year

As on March 31, 2010 the paid up Equity Share Capital of the Company was Rs. 867,585,830/- consisting of 867,585,830 equity shares of Re.1/- each. The table below gives details of equity evolution of the Company during the year under review:

**Table 12: Shares allotted during 2010-11**

Date	Particulars	Issued No. of equity shares of Re.1 each during the year	Cumulative
April 22, 2010	Allotment pursuant to exercise of Stock Options	955240	868541070
May 20, 2010	Allotment pursuant to exercise of Stock Options	204144	868745214
July 22, 2010	Allotment of shares pursuant to merger of Fem Care Pharma Limited with the company.	1384620	870129834
August 23, 2010	Allotment pursuant to exercise of Stock Options	232065	870361899
September 14, 2010	Allotment of Bonus Shares in the ratio of 1:1	870361899	1740723798

### Stock Market Data

Table 13 and Chart A & B give details of stock market data.

**Table 13: High, Low and Volume of Dabur's shares for 2010-11 at BSE and NSE.**

Month	BOMBAY STOCK EXCHANGE LTD.			NATIONAL STOCK EXCHANGE OF INDIA LTD.		
	High (Rs.)	Low (Rs.)	Volume (No. of shares)	High (Rs.)	Low (Rs.)	Volume (No. of shares)
April 2010	90.38	79.13	2405098	90.68	79.38	22947466
May 2010	94.30	88.70	1229710	94.33	88.58	20094380
June 2010	104.88	91.78	1696784	105.30	92.05	22507302
July 2010	106.68	98.18	5023056	107.05	98.23	59956394
August 2010	105.18	97.95	3069199	104.93	98.03	39385372
September 2010	111.30	104.10	4249397	111.30	103.95	39393799
October 2010	110.25	99.60	2934226	110.25	99.30	30671920
November 2010	102.15	92.45	5709830	102.00	92.60	40504425
December 2010	101.95	95.30	5239459	101.90	95.25	35161214
January 2011	103.05	91.10	3502839	103.15	90.80	46582406
February 2011	100.05	90.50	3649600	100.15	90.75	30523644
March 2011	172.80	158.60	2297274	173.00	158.80	15976589

Note: The value of Dabur's share has been adjusted to ½ of its market price from April, 2010 to September, 2010 to give effect to Bonus issue of 1:1 allotted on 14.09.2010.



Chart A: Dabur's Share Performance versus BSE Sensex

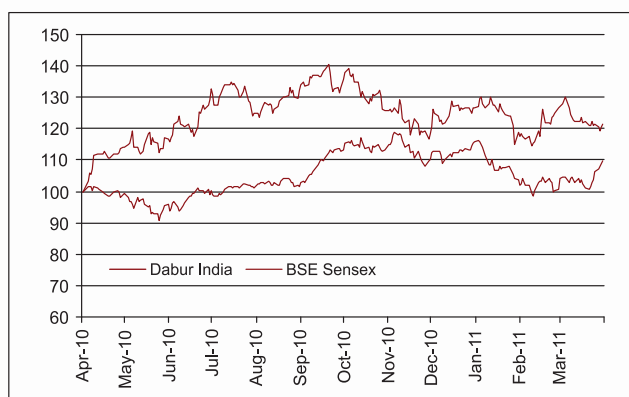
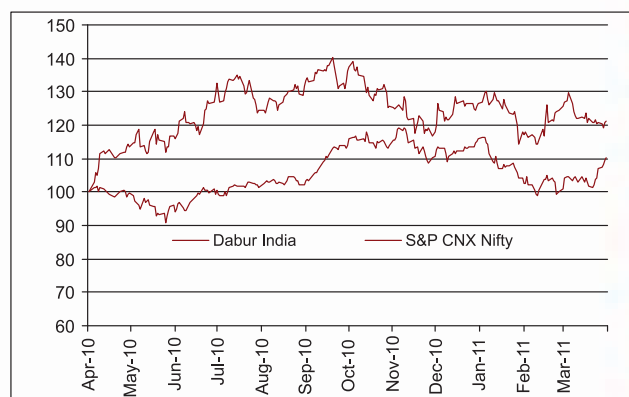


Chart B: Dabur's Share Performance versus Nifty



Note: The charts have share prices and indices indexed to 100 as on the first working day of 2010-11.

### Distribution of Shareholding

Tables 14 and 15 list the distribution of the shareholding of the equity shares of the Company by size and by ownership class, as on March 31, 2010. Table 16 lists the top 10 shareholders of the Company.

Table 14: Shareholding pattern by size

Number of equity shares held	PHYSICAL FORM		DEMATERIALISATION FORM		Total number of share holders	% of share holders	Total number of shares	% of share holding
	No. of share holders	No. of shares	No. of share holders	No. of shares				
up to 5000	7914	2548769	114855	43881784	122769	95.26	46430553	2.67
5001 – 10000	1735	10445462	3199	20214303	4934	3.83	30659765	1.76
10001 and above	107	1746012	1068	1661887468	1175	0.91	1663633480	95.57
<b>Total</b>	<b>9756</b>	<b>14740243</b>	<b>119122</b>	<b>1725983555</b>	<b>128878</b>	<b>100.00</b>	<b>1740723798</b>	<b>100</b>

Table 15: Shareholding Pattern by ownership

Particulars	As on 31 <sup>st</sup> March 2011				As on 31 <sup>st</sup> March 2010			
	No. of share Holders	% of share Holders	No. of shares held	% of share Holding	No. of share Holders	% of share Holders	No. of shares held	% of share Holding
Directors, promoters and family members	27	0.02%	1196638850	68.74%	27	0.03%	598347925	68.97
FII's	203	0.16%	299725779	17.22%	187	0.21%	124052133	14.30
Mutual Funds	33	0.03%	19234087	1.10%	35	0.04%	16368256	1.89
Financial Institutions/ Banks/ Insurance companies	21	0.02%	103512996	5.95%	21	0.02%	70255377	8.10
NRIs	3343	2.59%	8394755	0.48%	2597	2.90%	3998040	0.46
Corporates	1582	1.23%	13505855	0.78%	1268	1.42%	8835174	1.02
Individuals	123669	95.96%	99711476	5.73%	85312	95.38%	45728925	5.27
<b>Total</b>	<b>128878</b>	<b>100.00%</b>	<b>1740723798</b>	<b>100.00%</b>	<b>89447</b>	<b>100%</b>	<b>867585830</b>	<b>100.00</b>

**Table 16: Top ten shareholders as on 31/03/2011**

Name	No. of shares held	% of shareholding
Chowdry Associates	217934000	12.52
Vic Enterprises Private Limited	217734000	12.51
Gyan Enterprises Pvt. Ltd.	202237980	11.62
Puran Associates Private Limited	189212000	10.87
Ratna Commercial Enterprises Pvt. Ltd.	154960930	8.90
Milky Investment and Trading Company	106040970	6.09
Burmans Finvest Pvt. Ltd.	53012986	3.05
Genesis Indian Investment Company Limited - General Sub Fund	40666346	2.34
LIC of India Money Plus	30654126	1.76

### Dematerialization of Shares and Liquidity

Trading in equity shares of the Company in dematerialized form became mandatory from May 31, 1999. To facilitate trading in demat form, in India, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Dabur has entered into agreement with both these depositories. Shareholders can open their accounts with any of the Depository Participant registered with these depositories.

- As on March 31, 2011, 99.15% shares of the Company were held in dematerialized form.
- The equity shares of the Company are frequently traded at Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.

### Dematerialization of Shares:

For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- a) Demat Account should be opened with a Depository Participant (DP).
- b) Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- c) DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- d) DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Karvy Computershare Pvt. Ltd.
- e) RTA will process the DRF and confirm or reject the request to DP/ Depositories.
- f) Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his Demat Account maintained with the DP.

### Consolidation of folios and avoidance of multiple mailing:

In order to enable the company to reduce costs and duplicity of efforts for providing services to investors, members who have more

than one folio in the same order of names, are requested to consolidate their holdings under one folio. Members may write to the Registrars indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

### Unclaimed/ Undelivered share Certificates

As per the provisions of clause 5A of the Listing Agreement (SEBI circular dated 16/12/2010), the unclaimed shares lying in the possession of the company are required to be dematerialized and transferred into a special demat Account held by the Company. Shareholders who have not yet claimed their shares are requested to immediately approach the Registrar & Transfer Agents of the company by forwarding a request letter duly signed by all the shareholders furnishing their complete postal address along with PIN code and a copy of PAN card & proof of address to enable the company to despatch the said share certificate(s) to the rightful owner.

It may also be noted that all the corporate benefits accruing on these shares like bonus, split etc. also will be credited to the said special demat account and the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares.

### Service of documents through Email

Ministry of Corporate Affairs ("MCA") has vide Circular No.17/2011 dt. 21.4.2011 allowed the service of documents on members by a company through electronic mode.

Accordingly the company proposes to send documents like Shareholders Meeting Notice/ other notices, audited financial statements, directors' report, auditors' report or any other document, to its members in electronic form at the email address provided by them and/or made available to the Company by their Depositories.

Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/ updated either with their Depositories or by writing to the company (by filling & sending the prepaid inland letter attached with the Annual Report).

### Outstanding GDRs/ADRs/Warrants/Options

The Company has 19627230 outstanding Options as on March 31, 2011, with vesting period from 1 to 5 years from the date of grant.

### Details of Public Funding Obtained in the last three years

Dabur has not obtained any public funding in the last three years.

### Registrar and Transfer Agent

Securities and Exchange Board of India (SEBI), through its circular No.DandCC/FITTC/CIR-5/2002 dated December 27, 2002, has made it mandatory for all work related to share registry, both in physical and electronic form, to be handled either wholly 'in-house' by companies or wholly by a SEBI-registered external registrar and transfer agent. Dabur had appointed MCS Limited as its registrar and transfer agent in 1994 for both segments, much before this was mandated by SEBI. During the year 2007-08, the Company appointed Karvy Computershare Private Limited as its Registrar. Details of the Registrar and Transfer Agent are given below-

1. Karvy Computershare Private Limited  
Unit: Dabur India Limited  
305, New Delhi House, 27, Barakhamba Road,  
New Delhi-110001.  
Phone No.: 011- 43681700, Fax No. : 011-43681710  
Website: [www.karvy.com](http://www.karvy.com), Email id: delhi@karvy.com
2. Karvy Computershare Private Limited  
Unit: Dabur India Limited  
Plot No. 17-24, Vithalrao Nagar  
Madhapur, Hyderabad- 500081  
Phone No.: 040- 44655000, Fax No. 040-23420814  
Email id: einward.ris@karvy.com

### Share Transfer System

All share transfer and other communications regarding share certificates, change of address, dividends, etc should be addressed to Registrar and Transfer Agents.

Shareholders/Investor Grievance and Share Transfer Committee is authorized to approve transfer of shares in the physical segment. The Shareholders/ Investor Grievance and Share Transfer Committee has delegated the authority for approving transfer and transmission of shares and other related matters to the officers of the Company. Such transfers take place on fortnightly basis. A summary of all the transfers/ transmissions etc. so approved by officers of the Company is placed at every Committee meeting. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Company Secretary in practice half yearly certificate

of compliance with the share transfer formalities as required under clause 47© of the listing agreement, and files a copy of the same with the Stock Exchanges.

### Reconciliation of Share Capital Audit

Aggarwal & Ahluwalia, an independent firm of practicing Chartered Accountants, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the reconciliation of total issued and listed Capital with that of total share capital admitted / held in dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Company's shares are listed and is also placed before the Shareholders and Investors Grievances Committee of the Board.

### Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a statutory body, has issued Secretarial Standards on various aspects of corporate law and practices. Though these standards are recommendatory in nature, the Company has voluntarily complied with each one of them.

### Company's Registered Office Address:

8/3, Asaf Ali Road, New Delhi-110002  
Ph: 011-23253488.

### PLANT LOCATIONS

- **Sahibabad**  
**Unit I & II**, Plot No. 22, Site IV, Sahibabad, Ghaziabad-(U.P.)  
201010, Ph 0120- 3008700 (30 Lines), Fax - 0120- 2779914 / 4376924
- **Baddi**  
**Hajmola Unit**, 109, HPSIDC Industrial Area, Baddi, Distt Solan, H.P. - 173 205, Tel: 01795-244385, Fax : 01795-244090  
**Chyawanprash Unit**, 220-221, HPSIDC Industrial Area, Baddi, Distt Solan, H.P. - 173 205, Tel: 01795-244385, Fax : 01795-244090  
**Amla/Honey Unit**, Village Billanwali Lavana, Baddi, Distt Solan, H.P. - 173 205, Tel: 01795-244385, Fax : 01795-244090  
**Glucose Unit**, Plot No. 12, Industrial Area, Baddi, Distt Solan, H.P. - 173 205 Tel: 01795-244385, Fax : 01795-244090  
**Shampoo Unit**, Village Billanwali Lavana, Baddi, Distt Solan, H.P. - 173 205 Tel: 01795-244385, Fax : 01795-244090  
**Toothpaste Unit**, Village Billanwali Lavana, Baddi, Distt Solan, H.P. - 173 205 Tel: 01795-244385, Fax : 01795-244090  
**Honitus/Nature Care Unit**, 109, HPSIDC Industrial Area, Baddi, Distt Solan, H.P. - 173 205, Tel: 01795-244385, Fax : 01795-244090

**Food Supplement Unit**, 221, HPSIDC Industrial Area, Baddi, Distt Solan, H.P. - 173 205, Tel: 01795-244385, Fax : 01795-244090

**Oral Care Unit**, 601, Malku Majra, Nalagarh Road, Baddi, Distt Solan, H.P. - 173 205, Tel : 01795-246363

**Dabur India Limited - Green Field Unit**, Village Manakpur, Tehsil Baddi, Distt Solan, H.P. - 174 101, Tel : 01795-244385

**Air Freshener Unit**, Village Billanwali Lavana, Baddi, Distt Solan, H.P. - 173 205 Tel: 01795-244385, Fax : 01795-244090

**Toothpowder Unit**, Village Billanwali Lavana, Baddi, Distt Solan, H.P. - 173 205 Tel: 01795-244385, Fax : 01795-244090

**Skin Care Unit, Village Manakpur**, Tehsil Baddi, Distt Solan, H.P. - 174 101 Tel : 01795-244385

- **Pantnagar**

**Unit I and Unit II**, Plot No.4, Sector-2, Integrated Industrial Estate Pantnagar, Distt. Udham Singh Nagar Uttarakhand - 263146, Tel: 05944-398500; 9760013990, 991, 992, Fax: 05944 - 250064

- **Jammu**

**Unit I, II & III**, Lane No.3, Phase II, SIDCO Indl. Complex, Bari Brahmna, Jammu, Tel: 01923 - 220123,221970, 222341, Fax: 01923 - 221970

- **Katni**

10.4 Mile Stone, NH -7, Village Padua KATNI, (M.P.) - 483442 Tel: 07622 - 262317, 262297, Fax: 07622 - 262297

- **Alwar**

SP-C 162, Matsya Industrial Area, Alwar - 301 030, Rajasthan Tel: 0144 - 2881319/2881217/2881542, Fax : 0144 - 2881302 / 2881341

- **Pithampur**

86-A, Kheda Industrial Area Sector-3, Pithampur - 454774 Distt. - Dhar (M.P.), Tel : 07292 - 400046 to 51, Fax : 400112

- **Narendrapur**

9, Netaji Subhash Chandra Bose Road, P.O. -

NARENDRAPUR Kolkata - 700103, West Bengal Tel: 033-2477 2324 - 26, 2477 2620, 2477 2738, 2477 2740 (033)32919827/28, M - (0)9331048165, Fax : 033- 2477 2621

- **Silvassa**

**Unit - I & II**, Survey No. 225/4/1, Village Saily, Silvassa – 396230, Dadra & Nagar Haveli (UT of India) Tel – 0260-2681071/72/73/74 ; Fax - 0260 - 2681075

- **Newai**

G 50-59, IID Centre, NH-12 Road No.1, Newai - 304020 Distt. Tonk (Rajasthan) – 304020, Tel: 01438 -223342, 222859, 223783, 223893, Fax No.01438- 223783

- **Jalpaiguri**

Kartowa, P.O. Mahanvita, P.S. Rajganj Distt. Jalpaiguri (West Bengal) Pin 735135, Tel: 09800008457, 9800008456, 09933399800

- **Nashik**

D-55, MIDC, Ambad, Nashik – 422 010 (M.S.) India Tel. Nos. : 0253- 6623222, Fax : 0253- 2383146, 2383577

#### ADDRESS FOR CORRESPONDENCE

- For share transfer / dematerialisation of shares, payment of dividend and any other query relating to the shares :

Karvy Computershare Private Limited, 305, New Delhi House, 27, Barakhamba Road, New Delhi 110001 Phone: 011-43681700, Fax: 011-43681710

- For queries of Analysts, FIIs, Institutions, Mutual Funds, Banks and others :

Mrs Gagan Ahluwalia, Dabur India Limited, Punjabi Bhawan, 10 Rouse Avenue, New Delhi – 110002, Tel: 011-42786000; Fax: 011-23222051

- For investors assistance :

Mr. A K Jain, General Manager (Finance) & Company Secretary, Dabur India Limited, Punjabi Bhawan, 10, Rouse Avenue, New Delhi – 110002. Tel: 011 – 42786000, Fax: 011 – 23222051

## **Certification by Chief Executive Officer and Chief Financial Officer of the Company**

We, Sunil Duggal, Chief Executive Officer and S Raghunathan, Chief Financial Officer of Dabur India Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet and Profit and Loss Account of the Company for the year ended 31<sup>st</sup> March, 11 and its entire schedule and notes on accounts, as well as the Cash Flow Statement.
2. To the best of our knowledge and information:
  - a. These statements do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading;
  - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the company, which are fraudulent, illegal or violate the company's code of conduct.
4. The company's other certifying officers and we are responsible for establishing and maintaining internal controls for financial reporting and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures pertaining to financial reporting.
5. The Company's other certifying officers and we have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and through them to the Audit Committee of the Company's Board of Directors:
  - a. All significant deficiencies in the design or operation of internal controls, which we are aware and have taken steps to rectify these deficiencies;
  - b. Significant changes in internal control over financial reporting during the year;
  - c. Any fraud, which we have become aware of and that involves Management or other employees who have a significant role in the Company's internal control systems over financial reporting;
  - d. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

New Delhi  
27th April, 2011

Sd/-  
Sunil Duggal  
CEO, Dabur India Limited

Sd/-  
S Raghunathan  
CFO, Dabur India Limited

## **Certification by Chief Executive Officer of the Company**

I declare that all board members and senior management have affirmed compliance with the code of conduct for the current year.

New Delhi  
27th April, 2011

Sunil Duggal  
CEO, Dabur India Limited

## Annexure 1 - Details of other Directorships held

Name of the Director	Status	Directorships	Committee Membership	Committee Chairmanship
<b>Dr Anand Burman</b>	<b>CHAIRMAN/ PD/NED</b>	Aviva Life Insurance Co. India Ltd. Fresenius Kabi Oncology Ltd.  Dabur Pharmaceuticals Limited H & B Stores Ltd., Hindustan Motors Limited Althea Lifesciences Ltd., Hero Honda Motors Ltd Dabur Research Foundation, Ester Industries Limited	Shareholders & Investors Grievance Committee	
<b>Amit Burman</b>	<b>PD/NED</b>	H & B Stores Limited Q H Talbros Limited, Jetage Infrastructure Ltd. Talbros Automative Components Ltd. Micromax Informatics Ltd.	Audit Committee	
<b>Pradip Burman</b>	<b>PD/ED</b>	Ayurvet Limited Sanat Products Limited Dabur Research Foundation	Audit Committee	
<b>Mohit Burman</b>	<b>PD/NED</b>	Aviva Life Insurance Co. India Ltd. Dabur Ayurvedic Specialities Limited India Co Ventures Limited Mahindra Forgings Limited H & B Stores Limited, Dabur Pharmaceuticals Ltd. Universal Sampo General Insurance Co. Limited	Audit Committee  Audit Committee Audit Committee	
<b>P D Narang</b>	<b>ED</b>	H& B Stores Ltd. Jetage Infrastructure Ltd. Aviva Life Insurance Company India Ltd. Dabur Research Foundation		Audit Committee
<b>Sunil Duggal</b>	<b>ED</b>	H & B Stores Ltd.	Audit committee	
<b>PN Vijay</b>	<b>ID</b>	Reed Relay & Electronics India Limited India Mart Intermesh Ltd., One97 Communications Limited		
<b>Dr. S Narayan</b>	<b>ID</b>	Godrej Properties Limited Apollo Tyres Ltd. Lakshmi Vilas Bank Ltd., Seshasayee Paper and Board Ltd. Aviva Life Insurance Company India Ltd. Teesta Urja Limited	Audit Committee	
<b>R C Bhargava</b>	<b>ID</b>	Idea Cellular Ltd. ILFS Limited Polaris Software Lab Ltd. Grasim Industries Limited Optimus Global Services Ltd. Maruti Suzuki India Limited  Thomson Press (India) Ltd. UltraTech Cement Co. Ltd.  Aditya Birla Sunlife Asset Management Co. Limited Taj Asia Limited	Audit Committee Audit Committee  Shareholders Grievance Committee  Shareholders Grievance Committee	Audit Committee  Audit Committee  Audit Committee
<b>Albert Wiseman Paterson ID</b>		Nil	Nil	Nil
<b>Analjit Singh</b>	<b>ID</b>	Max India Limited, IDBI Limited Hero Honda Motors Ltd., Tata Tea Limited Max New York Life Insurance Co. Ltd Max Healthcare Institute Limited Indus Towers Limited, Vodafone Essar Limited Malsi Hotels Limited, Malsi Holdings Limited Malsi Estates Limited, Max Neeman Medical International Ltd Max Bupa Health Insurance Limited Max Speciality Products Limited		
<b>Dr Ajay Dua</b>	<b>ID</b>	Areva T&D India Ltd.  Aviva Life Insurance Co.India Ltd. J K Lakshmi Cement Ltd.  HSBC Invest Direct Ltd.  HSBC Invest Direct Securities Ltd. HSBC Invest Direct Finance Ltd.	Audit Committee Shareholders Grievance Committee Audit Committee Shareholders Grievance Comm.  Audit Committee	Audit Committee Shareholders Grievance Committee  Audit Committee