Consolidated Financial Statements

As per IFRS applicable to European Union

Auditor's Report

To the Board of Directors,
Dabur India Limited

We have audited the accounts of Dabur India Ltd. group compiled as per requirement of International Financial and Reporting Standards applicable to European Union.

The said group accounts comprised of the consolidated Balance Sheet as on 31st March, 2011, consolidated statement of income for the year ended 31st March, 2011, Statement of Cash Flow for the year ended on 31st March, 2011, restated stock holders Equity, Reserves and Other comprehensive income and related notes.

These financial statements are the responsibilities of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standard generally accepted in European Union. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examination on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principle used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that audit provides a reasonable basis for our opinion.

In our opinion the Company's accounts read with the Notes and schedules attached thereto, barring deviation mentioned, therein give a true and fair view of the financial position of the said group as at 31st March, 2011 and the results and cash flow for the year ended 31st March, 2011 in accordance with the International Accounting Standards and complying with the financial reporting requirements incorporated in the said standards and IFRS pronouncements.

For **G. BASU & COMPANY**
Chartered Accountants

(Manoj Kumar Das)
Partner
M. No. 013783

Place: New Delhi
Dated: 27th April 2011

Consolidated Statement of Financial Position as at March 31, 2011

(All amounts in Indian Rupees in lacs except share data)

	Note No.	As at March 31, 2011	As at March 31, 2010
ASSETS			
Property, Plant and Equipment	B8	72,024	61,964
Goodwill	B10	97,399	23,906
Intangibles	B11	2,094	1,881
Assets held for sale		0	61
Investments (not readily marketable equities)	B9	958	158
Other non-current assets	B12	4,737	3,580
Deferred Tax Asset (non current)	B13	2,192	2,577
Total Non-Current Assets		**179,404**	**94,127**
Cash and Cash equivalents	B4	27,242	19,232
Other Investment (readily marketable securities)	B9	42,147	26,318
Accounts Receivable, net of allowances	B5	35,547	11,986
Inventories	B6	70,853	42,622
Other current assets	B7	45,970	32,559
Deferred Tax Asset (current)	B13	85	58
Total Current Assets		**221,844**	**132,774**
Total Assets		**401,248**	**226,901**
Equity			
Share Capital	B21	17,407	8,690
Share Premium		4,247	3,173
Other Reserve		21,809	21,809
Stock Option Reserve		4,266	1,946
Retained Earnings		115,911	89,157
Other Comprehensive Income		(1,227)	(850)
Total Equity attributable to Equity Holders		**162,413**	**123,925**
Non Controlling interest	B18	**355**	**323**
Total Equity		**162,768**	**124,249**
LIABILITIES			
Long term debt, excluding current portion	B14	66,214	828
Other non-current liabilities	B17	59,506	32,694
Deferred Tax Liability (non current)	B13	2,578	5,360
Total Non-Current Liability		**128,298**	**38,883**
Short term debt and current portion of long term debt	B14	38,257	16,347
Trade accounts payable	B15	33,906	12,996
Current Liability under disposal group		0	4
Accrued expenses and other current liabilities	B16	38,021	34,316
Deferred Tax Liability (current)	B13	(2)	105
Total Current Liabilities		**110,182**	**63,768**
Total Liabilities		**238,480**	**102,651**
Total Equity and Liabilities		**401,248**	**226,901**

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

As per our report of even date attached
For **G. BASU & CO.**
Chartered Accountants

Manoj Kumar Das
Partner
Membership Number: 013783

Place: New Delhi
Dated: 27th April, 2011

For **Dabur India Ltd.**

Dr. Anand Burman - Chairman
P.D. Narang - Whole time Director
Sunil Duggal - Whole time Director

A.K. Jain - GM (Finance) & Company Secretary

Consolidated Income Statement for the year ended March 31, 2011

(All amounts in Indian Rupees in lacs except share data)

Particulars	Note No.	For the year ended March 31, 2011	For the year ended March 31, 2010
Revenue	B23	405,004	338,859
Cost of revenues	B25	221,524	180,177
Gross profit		**183,480**	**158,682**
Operating expenses			
Selling, General and Administrative expenses	B26	89,632	79,209
Personnel expenses	B27	20,133	15,633
Depreciation and Amortisation	B28	6,338	6,250
Total operating expenses		**116,103**	**101,092**
Results from Operating Activities		**67,377**	**57,590**
Financial Cost	B29	2,738	1,059
Other income, net	B24	5,217	2,680
Profit before Income Tax		**69,856**	**59,211**
Income Tax expenses			
Current Income tax	B30	13,296	9,359
Deferred Income tax	B13	421	902
		13,717	**10,261**
Profit after Income Tax		**56,139**	**48,950**
Minority Interest		**32**	**-81**
Retained Profit		**56,107**	**49,031**
Profit attributable to :			
Owners of the Company		56,107	49,031
Non Controlling Interest		32	-81
		56,139	**48,950**
Earning per Equity share			
Basic		3.22	2.83
Diluted		3.21	2.82

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

As per our report of even date attached
For **G. BASU & CO.**
Chartered Accountants

Manoj Kumar Das
Partner
Membership Number: 013783

Place: New Delhi
Dated: 27th April, 2011

For **Dabur India Ltd.**

Dr. Anand Burman - Chairman
P.D. Narang - Whole time Director
Sunil Duggal - Whole time Director

A.K. Jain - GM (Finance) & Company Secretary

Consolidated Statement of Cash Flow for the year ended March 31, 2011

(All amounts in Indian Rupees in lacs except share data)

	For the year ended March 31, 2011	For the year ended March 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	**56,107**	**49,031**
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities		
Depreciation and amortization	6,338	6,250
Provision for Taxation	13,296	9,359
Deferred tax benefits	422	902
Loss / (gain) on disposal of property, plant and equipment	(142)	(60)
Loss / (gain) on disposal of investment	(913)	(1,268)
Amortization of employees stock option plan expenses	3,394	520
Minority interest	32	(81)
Interest expenses	2,738	1,059
Unrealised Gain / Loss on Currency Fluctuation	1,247	(169)
	26,412	**16,512**
Changes in operating assets and liabilities		
(Increase) / decrease in accounts Receivable	(23,561)	6,483
(Increase) / decrease in Inventories	(28,231)	(4,089)
Decrease / (increase) in other non current assets	(1,157)	(587)
Decrease / (increase) in other current assets	(13,411)	(7,255)
Increase / (decrease) in account payable	21,123	(2,049)
Increase / (decrease) in other Current Liabilities	3,705	628
Increase / (decrease) in other non current liabilities	26,811	10,381
	(14,721)	**3,514**
Dividend Tax	(3,252)	(2,574)
Income tax paid	(12,496)	(10,447)
Interest paid	(2,738)	(1,059)
Net cash provided by operating activities	**49,312**	**54,976**
Cash flow from Investing activities		
Expenditure on property, plant and equipment	(19,501)	(15,861)
Proceeds from sale of property, land and equipment	529	2,518
Purchase of intangibles	(74,129)	(22,456)
Purchase/Sale of Securities (Net)	(15,715)	6,675
Net cash issued in investing activities	**(108,816)**	**(29,125)**
Cash flows from financing activities		
Proceeds from exercise of stock option	13	25
Repayment/Proceeds of short term debts (net)	21,910	(6,154)
Repayment of long term debts (net)	65,386	(1,000)
Payment of dividend	(19,581)	(15,148)
Net cash provided by financing activities	**67,728**	**(22,277)**
Net increase in cash and cash equivalent during the year	**8,224**	**3,573**
Translation adjustment	**(214)**	
Cash and cash equivalent at the beginning of the year	**19,232**	15,659
Cash and cash equivalent at the end of the year	**27,242**	19,232

Note :

1. The total Purchase consideration in discharging the obligation for acquisition of business (Hobi Group of Companies) include Rs 30502 in cash / cash equivalent. The Purchase consideration for discharging acquisition obligation of business (Namaste Group of Companies) include Rs 59525 in cash / cash equivalent.
2. Cash Flow from discontinued operation is negligible and hence has been ignored.

As per our report of even date attached
For **G. BASU & CO.**
Chartered Accountants

Manoj Kumar Das
Partner
Membership Number: 013783

Place: New Delhi
Dated: 27th April, 2011

For **Dabur India Ltd.**

Dr. Anand Burman - Chairman
P.D. Narang - Whole time Director
Sunil Duggal - Whole time Director

A.K. Jain - GM (Finance) & Company Secretary

(All amounts in Indian Rupees in lacs except share data)

Statement of Stock Holders' Equity as at March 31, 2011

Closing Balance 31.03.2010	**Note**	**868,970,450**	**8,690**	**3,173**	**21,809**	**1,946**	**89,157**	**323**
Issue of Share against exercise of stock option	B21	1,391,449	13	0	0	0	0	0
Premium amount against exercise of stock option	B22	0	0	1,074	0	-1,074	0	0
Bonus Shares		870,361,899	8,704	0	0	0	-8,704	0
Stock option amortisation	B22	0	0	0	0	3,394	0	0
Payment of Dividend		0	0	0	0	0	-22,833	0
Unrealised Profit on Inter Group Transaction.		0	0	0	0	0	0	0
Deferred Tax	B13	0	0	0	0	0	2,184	0
Net Income		0	0	0	0	0	56,107	32
Closing Balance 31.03.2011		**1,740,723,798**	**17,407**	**4,247**	**21809**	**4,266**	**115,911**	**355**

Consolidated Statement of other Comprehensive Income for the year ended March 31, 2011

	Note	2010-11	2009-10
Opening balance as on 01.04.2010		**-850**	-229
Translation adjustment	B36	-1,247	169
Unrealised gain on Readily Marketable Securities	B9	-8	65
Unrealised Loss on Not Readily Marketable Securities	B9	-27	-27
Unrealised gain on Short term Liability restatement	B9	0	122.5
Unrealised loss on Derivative Instruments (net of deferred tax of Rs 31)	B9(b)(6b)	-97	0
Deferred Tax	B13	1,002	-950
Closing balance as on 31.03.2011		**-1227**	**-850**

(All amounts in Indian Rupees in lacs except share data)

Operative Segment report and related information March, 2011 in Conformity with IFRS 8

	Consumer Care Business		Consumer Health Business		Foods		Retail		Others		Unallocated		Total Consolidated	
	Current Year	*Previous Year*	*Current Year*	*Previous Year*	*Current Year*	*Previous Year*	*Current Year*	*Previous Year*	*Current Year*	*Previous Year*	*Current Year*	*Previous Year*	*Current Year*	*Previous Year*
REVENUE														
External Sales	315,044	260,381	31,062	27,726	48,767	41,239	2,020	910	8,111	8,601	0	0	**405,004**	**338,857**
Other Income											5,217	2,680	**5,217**	**2,680**
Inter-segment sales														
Total Revenue	**315,044**	**260,381**	**31,062**	**27,726**	**48,767**	**41,239**	**2,020**	**910**	**8,111**	**8,601**	**5,217**	**2,680**	**410,221**	**341,537**
RESULT														
Segment result	76,341	66,681	7,252	6,847	8,550	6,744	-851	-861	555	539	5,217	2,680	**97,064**	**82,630**
Unallocated Corporate expenses											-24,471	-22,361	**-24,471**	**-22,361**
Operating profit	**76,341**	**66,681**	**7,252**	**6,847**	**8,550**	**6,744**	**-851**	**-861**	**555**	**539**	**-19,254**	**-19,681**	**72,593**	**60,269**
Interest expense (Net)											2,738	1,059	**2,738**	**1,059**
Income Tax (Current + Deferred)											13,717	10,261	**13,717**	**10,261**
Profit from ordinary activities	**76,341**	**66,681**	**7,252**	**6,847**	**8,550**	**6,744**	**-851**	**-861**	**555**	**539**	**-35,709**	**-31,001**	**56,138**	**48,949**
Minority Interest											32	81	**32**	**81**
Net profit	**76,341**	**66,681**	**7,252**	**6,847**	**8,550**	**6,744**	**-851**	**-861**	**555**	**539**	**-35,742**	**-31,082**	**56,106**	**49,029**
OTHER INFORMATION														
Segment assets	188,694	106,704	15,740	8,901	28,761	16,264	2,729	1,543	4,380	2,477			**240,304**	**135,888**
Unallocated corporate assets											160,944	88,378	**160,944**	**88,378**
Total assets	**188,694**	**106,704**	**15,740**	**8,901**	**28,761**	**16,264**	**2,729**	**1,543**	**4,380**	**2,477**	**160,944**	**88,378**	**401,248**	**224,266**
Segment liabilities	94,446	40,653	5,185	2,232	776	334	829	357	137	59			**101,373**	**43,637**
Unallocated corporate liabilities											137,107	56,213	**137,107**	**56,213**
Total liabilities	**94,446**	**40,653**	**5,185**	**2,232**	**776**	**334**	**829**	**357**	**137**	**59**	**137,107**	**56,213**	**238,480**	**99,850**
Capital Expenditure														
Business Combination	73,493	16,835		0		0		0		5,612		0	**73,493**	**22,447**
Addition to Property	3,573	1,645	286	132		0		0		0	3,286	1,513	**7,145**	**3,290**
Plant & Equipment	5,890	6,283	471	503	825	880	118	126	177	188	4,300	4,587	**11,780**	**12,566**
Intangible Assets	2,432	5		0		0		0		0	1,945	4	**4,377**	**9**
	85388	**24768**	**757**	**635**	**825**	**880**	**118**	**126**	**177**	**5800**	**9531**	**6104**	**96,795**	**38,312**
Depreciation & Amortisation	**2676**	**2,638**	**285**	**281**	**1293**	**1,275**	**53**	**52**	**399**	**393**	**1632**	**1,611**	**6338**	**6,250**

	2010-11	2009-10
Geographical Revenue :		
India	316366	273502
Outside India		
Dubai	49448	42821
Egypt	9723	8420
Others	29467	14114
	405004	**338857**

Note : Sales of the Group reflected in the Operational Segment are effected through distributors globally numbering more than 8500 and hence Customer information not furnished.

(All amounts in Indian Rupees in lacs except share data)

Accounting Policies & Notes of consolidated financial statement compiled under IFRS applicable to European Union for the year ended 31.3.2011

A. ACCOUNTING POLICIES

1. Business combination :

Dabur India Limited (DIL) along with it's subsidiaries (collectively known as Group) situated in India and abroad constitutes a FMCG Conglomerate.

The company was incorporated on 16th September 1975 with the object of manufacturing and marketing FMCG, Ayurvedic & Pharmaceutical products. The pharmaceutical division of the company was demerged from the existing entity on 1.4.2003. DIL has manufacturing facilities in eight States of India. The group entities presently have manufacturing facilities in ten countries, namely India, Bangladesh, Nepal, Dubai, Sharjah, Ras-Al-Khaima, Egypt, Nigeria, Turkey and USA. Major markets of the group include India, Middle East, Nepal, Bangladesh, USA and UK.

The growth of the company has been phenomenal since early ninety rarely shared by any other FMCG company in this subcontinent.

The consolidated financial statements include the financial statements of DIL and its subsidiaries. An entity in which DIL has directly or indirectly, through other subsidiary undertakings, has taken a controlling interest or is in a position to control composition of directors is classified as a subsidiary. All material inter-company accounts and transactions have been eliminated on consolidation.

Consolidated herein are the group companies (all engaged in FMCG business) whose particulars are furnished below :

Name of Subsidiary :	Country of incorporation	Ownership
Dabur Nepal Pvt. Ltd.	Nepal	97.5% stake by Dabur International Ltd.
Dabur (UK) Ltd.	British Virgin Island	100% stake by Dabur International Ltd.
Dabur International Ltd.	Isle of MAN	100% stake by Dabur India Ltd.
Weikfield International (UAE) LLc, *	United Arab Emirate	38.41% stake by Dabur International Ltd.
H&B Stores Ltd.	India	100% stake by Dabur India Ltd.
Dabur Egypt Ltd.	Egypt	76% stake by Dabur (UK) Ltd. & 24% stake by Dabur International Ltd.
African Consumer Care Ltd.	Nigeria	90% stake by Dabur International Ltd. & 10% stake by Dabur (UK) Ltd.
Asian Consumer Care Pvt. Ltd.	Bangladesh	76% stake by Dabur International Ltd. 24% stake by ACI Ltd. Bangladesh
Asian Consumer Care Pakistan Pvt. Ltd.	Pakistan	99.99% stake by Dabur International Ltd.
Naturelle LLc	Emirates of Ras Al Khaimah	100% stake by Dabur International Ltd.
Dabur Egypt Trading Ltd.	Egypt	99% stake by Dabur International Ltd. & 1% by Dabur Egypt Ltd.
Hobi Kozmetik Imalat Sanayi Ve	Turkey	100% stake by Dabur International Ltd.
Zeki Plaztik Imalat Sanayi Ve	Turkey	100% stake by Dabur International Ltd.
Ra Pazarlama Ltd. Sirket	Turkey	100% stake by Dabur International Ltd.
Dermoviva Skin Essentials Inc.	USA	2.21% stake is held by Dabur India Ltd. and 97.79% stake is held by Dabur International Ltd.
Namaste Laboratories LLc		100% right is exercised by Dermoviva Skin Essentials Inc.
Urban Lab International LLc		100% right is exercised by Namaste Laboratories LLc
Hair Rejuvenation & Revitalization Nigeria Ltd.**		100% stake is held by Urban Lab International LLc
Healing Hair Lab International LLc**	USA	100% right is exercised by Namaste Laboratories LLc

* Control on composition of Board of Directors by parent company is raison di etre of subsidiary status.

** Above two companies have no assets or liabilities.

(a) Since the date of transition from Indian GAAP to IFRS meant for EU is 1.4.2006 and the practice of preparation of consolidated financial statement (CFS) under pooling method has been in vogue since much longer period under Indian GAAP, the

(All amounts in Indian Rupees in lacs except share data)

stipulation of IFRS-3 laying down purchase method of incorporating consolidated accounts had to be done away with for business combination lasting since before transition date.

(b) Pursuant to take over of seven body corporate, three in Turkey under Hobi group and three in USA & one in Nigeria under Namaste group by two existing body corporates w.e.f. 7th Oct, 2010 and w.e.f. 1st January, 2011 respectively, all these body corporates have become part of the group. The takeover of Assets and Liabilities has been made under Purchase method at their book values as against Fair values laid down under IFRS – 3.

(c) To the extent of (a) and (b) above and non-identification of major components for separate accounting and determination of useful lives as they are in case of fixed assets remain deviated from IFRS – 3 and IAS – 16 with consequent impact on statement of shareholders equity & value of property, plant and equipment.

2. Adoption of International Financial Reporting Standards (IFRS)

The group had adopted IFRS as applicable to European Union (EU) with effect from 1st April 2007 with a transition date with effect from 1st April, 2006 and has been complying with the IFRS standards to make the group fairly compliant with the IFRS except the deviations dealt separately elsewhere in the Notes and Financial Statements.

Consequently, the various heads of accounts including stockholder's equity under Indian GAAP had been duly recast so as to conform to exigencies of IFRS-1 since transition date.

3. Basis of presentation and use of estimates :

The accompanying CFS include Dabur India Limited and its subsidiaries and are prepared in accordance with accounting principles generally accepted in IFRS read with IASB pronouncements, International Accounting Standards and IFRIC interpretations. The preparation of consolidated financial statement in conformity with IFRS requires management to make estimates and assumption. These estimates and assumptions affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent assets and estimation of contingent liabilities. Actual result could differ from these estimates. The management's estimates of charge back, rebates, discount, returns and the useful life of tangible, impairability of fixed assets, treatment of goodwill and intangibles with estimable lifespan, realization of deferred assets present restatement of deferred and long term liabilities in particular warranting sensitive estimates.

4. Concentration of Customer:

The products of the groups meant for indigenous usage predominantly find outlet through dealers' networks widely spread across the length and breadth of the country. None of the dealers control significant percentage of total indigenous sale. Exports are predominantly destined to West Asia, South Asia and South East Asian Countries.

Products constituting lion's share of the total revenue include Chyawanprash, Hajmola, Hair Oil, Fruit Juice, Honey, Shampoo, Toothpaste and other Cosmetics.

5. Foreign currency translation :

Reporting currency of DIL is Indian rupee (INR) in which the group accounts have been presented. The accompanying financial statements are reported in INR accounted for under re-measurement method. Monetary assets and liabilities of Overseas group Companies are translated in INR at the appropriate year end exchange rates. Income and expenses are translated using monthly average exchange rate in effect during the year under report. The gains or loss as a result of translation adjustment are recorded as component of other comprehensive income. Fixed Assets, equities and non monetary items are carried at fair value, have been accounted for in terms of exchange rate ruling on the date of transaction. In the Consolidated Financial Statements that include Foreign Operation exchange transactions in OCI (Other Comprehensive Income) is recognized in the Profit & Loss on disposal of net investment as required in IAS – 21.

6. Taxation :

Taxation is that chargeable on the profits for the current period as Foreign and domestic taxes together with deferred taxation.

Deferred taxation is provided in full using the liability method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the Tax base, being the amount used for taxation purposes in conformity with IAS 12. Deferred tax is provided on temporary differences arising on investments in Group undertakings, except where the

(All amounts in Indian Rupees in lacs except share data)

timing of the reversal of the temporary difference is controlled by the Group and it is probable that it will not reverse in the foreseeable future. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. As envisaged under IAS 12, deferred tax assets and liabilities are not discounted. Deferred tax is determined using the tax rates that have been enacted or substantively enacted by the balance sheet date. Temporary differences include timing differences.

In conformity with IAS – 12, deferred tax is recognized in respect to the following:

(a) Revaluation of Non-monetary assets.

(b) Fair Value adjustments in Business Combination where Carrying values are adjusted but tax base remain unaffected.

(c) Eliminated unrealized profit on intra group transactions.

(d) Recognized Surplus / Deficit in a (Funded) Defined benefit plan.

(e) Hedging Loss/Gain.

(f) Impairment Loss.

The recognition of deferred tax liabilities on undistributed profits of Foreign body corporate in the group has been done away with considering the fact that no dividend is distributed on the distributable profits held by the body corporate. To that extent of change in accounting policy has been given effect retrospectively through Equity Statement (Other Comprehensive Income).

7. Research and Development :

Research and Development is dealt by the conditions prescribed under IAS – 38 when the recognition criteria are met. Research expenditure is charged to income statement in the year in which it is incurred. Development Costs are capitalized only after technical and commercial feasibility of the asset for sale or use have been established meaning where the asset will start generating future economic benefits in conformity to the Standard.

8. Impairment of Assets :

Assets are reviewed for impairment whenever events indicate that the carrying amount of a cash-generating unit may not be recoverable. In addition, assets those have indefinite useful lives like Goodwill / (Intangible Assets) are tested periodically for impairment. An impairment loss is recognized to the extent that the carrying value exceeds the higher of the asset's fair value less costs to sell and its value in use.

A cash generating unit is the smallest identifiable group of assets that generates cash flows which are largely independent of the cash flows from other assets or groups of assets. At the acquisition date, any goodwill generated is allocated to the relevant cash generating unit expected to benefit from the acquisition, which is subject to periodic test of impairment.

9. Inventories :

Inventories are stated at the lower of cost and net realizable value in conformity with IAS - 2. Cost is based on the weighted average cost incurred in acquiring inventories and bringing them to their existing location and condition, which will include raw materials, direct labour and overheads, where appropriate. Any write-down to NRV (Net Realisable Value) and any inventory losses are also recognized as an expense when they occur in conformity to the standard. Net realizable value is the estimated selling price less costs to completion for sale.

10. Financial Instruments :

(a) In accordance with IAS-39, in the Group presentation, the Investments, Loans and Advances, all other Monetary Assets and Liabilities including Derivative Instruments are classified as Financial Instruments.

Investments include:
Assets Held For Trading (AFT)
Assets available for Sale (AFS)
Held to Maturity (HTM)

The unrealized gain/losses for the first two cases – recognized at Fair Value are accounted in the Equity under Other Comprehensive Income. The impairment losses of the securities are recognized in the Profit and Loss for the period irrespective of categories of the Financial Instruments.

(All amounts in Indian Rupees in lacs except share data)

On Sale of the securities, the realized gain/losses are taken in the income statement, subject to adjustment of unrealized gain/ losses earlier accounted for in the Other Comprehensive Income in respect of said security.

The HTM (Held to Maturity) assets are measured at amortised cost. The impairment loss, if any, are reversed before maturity, to the extent of the amortised cost or less for such assets, Debt Securities are Financial Instruments which are recorded at cost initially and valued on the Balance Sheet date at Amortised Cost. Amortisation is done on the effective rate of the yield (YTM) different from the nominal rate of interest.

(b) The Long Term Loans and Receivables are valued at Amortised Cost in the Balance Sheet date. The interest income, foreign currency gains / losses for Investments held in foreign currency are accounted in the Income Statement.

For the financial instruments – Liabilities / Assets measured at Fair Value, the changes in Fair Value and the interest cost / income are taken in the Income Statement.

(c) Long Term Liabilities, Deferred Credits are valued at amortised cost and the difference is adjusted in the Income Statement in the year of determining the amortised cost of the Financial Instrument concerned. Subsequently to unwound the discounted cost, charge is taken to Income Statement.

(d) Cash, cash equivalent and restricted cash – The carrying amount proximates fair value because of the short term maturity (upto months) of such instruments.

(e) Accounts receivable – The carrying amount proximates fair value due to their short term nature and historical collectability.

(f) Accounts payable – The carrying value of accounts payable proximates fair value due to the short term nature of obligations.

(g) Derivative Instruments

The Company enters into Derivative transaction of the nature of Currency FUTURES or FORWARD Contracts with the object of Hedging against adverse currency fluctuation only. (not for trading or speculation) in respect to IMPORT / EXPORT commitment and exposure in foreign currency. The contracts are by and large mark to market basis. Loss or profit sustained / earned on open contract is recognized in OCI (Other Comprehensive Income) having regard to the fair value of the Instrument.

11. Property, Plant and Equipment :

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight-line method over the estimated useful life of the respective assets in terms of IAS-16.

Expenditure for additions and improvements are capitalized, while costs for repairs and maintenance are charged to operations as incurred. Advances paid for the acquisition of property, plant and equipment outstanding at the balance sheet date and the cost of property, plant and equipment not put to use before such date are disclosed as “capital work-in-progress”. The cost and the accumulated depreciation for assets sold, retired or otherwise disposed of are removed from the amounts disclosed in the balance sheet and the resulting gain or loss is included in the Income Statement.

When a property is damaged or lost, impaired, claims for reimbursement is accounted for separately. Disposal (of damaged or otherwise impaired assets) are accounted for consistently as per provisions of IAS 16. Compensation from third parties which are of the nature of gain contingencies are recognized as Profit in the Income Statement when actually realisable (in conformity with IAS 16).

Estimated cost of sale is reduced from carrying amounts of assets when the same is held, for disposal. No further depreciation is provided after the asset become idle whether on the ground of temporary suspension of use or poised for sale. Assets classified as Held for Sale are carried at the lower of carrying amount and Fair value less costs to sell and classified separately as “Non Current Assets held for Sale” and shown in the Statement of financial position accordingly. Such assets are removed from the Balance Sheet on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount and are recognized in the Income Statement.

The Group Companies have determined the estimated useful lives of assets for depreciation purposes.

(All amounts in Indian Rupees in lacs except share data)

Assets held & used 31.03.11 :

Type of Assets :	Estimated useful life for charging depreciation :
Leasehold Land	20 years
Buildings	10-15 years
Plant and Machinery	6-15 years
Furniture and Fixtures	10-15 years
Office Equipment	15 years
Vehicles	5 years

Depreciation for the asset of the Group is charged on Straight Line basis on useful life adjusted by residual value.

12. Other Intangibles (Patent and Software) :

Patents and Trademarks being indefinite Lived intangible assets, are periodically subjected to impairment test. Software is amortized over the useful lifetime of the asset on straight-line method subject to periodic review of utility. The useful life considered is 5 years.

13. Lease and Hire purchase Contract :

In accordance with IAS – 17 Lease contract, the substance of transaction of the Lease are reviewed to assess the extent to which risk and rewards of ownership and substance transferred to lesser to qualify to being a Finance Lease. The rental expenses in Operating Lease are expensed in Profit & Loss account over the lease term on a straight line basis. Classification of a lease (either Finance Lease or Operating Lease) is made at the inception of lease. In classifying a lease of Land and Building, Land and Building element are normally treated separately. The land element is classified as operating lease unless title passes to the lessee at the end of the lease term. At the commencement of lease term, the finance lease payments should be apportioned between finance charge and reduction of outstanding liability.

14. Biological Asset:

The biological asset held by the company in the Consolidated Financial Statement is of insignificant value (Rs. 0.11) which forms part of Fixed Assets (Property, Plant and Equipment) with the group and duly charged of as the asset concerned is insignificant in existence and value.

15. Goodwill :

Goodwill arises out of consolidation of subsidiaries or merger of body corporate with group companies being the excess of value of investment over proportionate stake in net assets of subsidiaries/merged entities which are indicated in the consolidated balance sheet. Goodwill is not amortized but subjected to periodic impairment test. Goodwill assessment of business combination, if works out to negative, is recognized as income.

16. Share-based payments :

The Group has equity-settled share-based compensation plans.

Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity settled share based payments is expensed over the vesting period, based on the group's estimate of awards that will eventually vest. For plans where vesting conditions are based on total shareholder returns, the fair value on date of grant reflects these conditions, whereas in earning per share vesting conditions are reflected in the calculation of awards that will eventually vest over the vesting period. Fair value is measured by the use of the Black Scholes option pricing model.

17. Advertising Cost :

Expenditure on advertising is expensed when incurred.

18. Earnings per share :

In accordance with IAS-33, "Earning per Share" (EPS), basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earning per share is computed using the weighted average number of

(All amounts in Indian Rupees in lacs except share data)

common and diluted common equivalent shares outstanding during the period. The effect of change in accounting policy and fundamental errors adjustable retrospectively is given effect to EPS in both Basic and Diluted computations.

19. Revenue Recognition :

19.1 Revenue encompasses only the gross inflow of economic benefits received or receivable on its own account.

19.2 Customers of the Group Companies consist primarily of large wholesalers and dealers network who sell directly into the retail channel. Revenue from product sales is recognized when the merchandise is sold or shipped to customers and all four of the following criteria are met : (i) persuasive evidence that an arrangement exists (ii) delivery of the products has occurred, (iii) the selling price is both fixed and determinable and collectibility is reasonably assured. (iv)Risk and Reward of the ownership have been transferred.

Recognition for sales discounts, damaged product returns, exchange for expired product are established as a reduction of product sales revenues at the time such revenues are considered. Certain charge backs and rebate programmes extended to customers pursuant to industry standards are recognized as a reduction from product sales revenues. Besides taxes/duties incidental to sale are recognized as a reduction from product sale revenue.

19.3 Interest, Royalty, Dividend **–**

Dividend is recognized at the point of declaration of Dividend by investee entity. Interest is accounted for on time proportion basis. Royalty is provided on accrual basis based on agreement of receipt option as per IAS 18.

20. Borrowing Costs :

The borrowing costs include interest on bank overdrafts and borrowings, amortization of discounts or premiums on borrowings, finance charges on finance lease and exchange differences on foreign currency borrowings where they are regarded as an adjustment to interest costs. When the funds are part of a general pool, the eligible amount is determined by applying as capitalization rate to the expenditure on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the general pool. The borrowing costs as per IAS-23 on the bench mark treatment that borrowing costs could be recognized as expenses in period in which they are incurred. When the borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets, such costs are capitalized in terms of the criteria in Revised IAS 23. Where the interest rate of the borrowing is less than the commercial interest rate prevailing in the local currency borrowing, the resultant exchange loss on account of Foreign Exchange is added to the borrowing cost and the same is capitalized if the loan is taken for acquisition of the qualifying assets.

21. (a) Operating Segment and related information :

Segment Report is drawn in application of IFRS-8. Reportable Segments are operating segments having separate financial information evaluated regularly by chief decision makers from the standpoint of management for identification of operating segments. The operating segment report is furnished on the basis of reportable industries segment. Major industrial segment include consumer care business, consumer health business, food business, Retail business and others.

Information on Geographical Segment is provided on the basis of country wise breakup of group turnover.

(b) Joint Venture / Associate

The group has only one Associate with insignificant assets, liabilities, income and expenses which has not been consolidated pending finalization of accounts of the Associate Stake of company in the said Associate (Balsara International) is 99%.

The Group has 14.28% stake in a Jointly Controlled Entity (JCE) namely Forum I Aviation Ltd. formed for the maintenance of aircrafts for use of venturers and otherwise under a Joint Venture arrangement. Proportionate assets, liabilities, income and expenses in said JCE have been consolidated herein in terms of IAS – 31.

22. Accounting Policies, changes in Accounting Estimates and Errors

The Group follows Bench Mark Treatment in conformity with IAS – 8 to effect amount of correction of a fundamental error that relates to prior period by adjusting the opening balance of Retained Earnings (STOCKHOLDERS' EQUITY). The comprehensive information is restated unless impracticable to do so.

The group recognizes the definitions of PRIOR PERIOD ADJUSTMENTS as material adjustments applicable to prior periods arising from changes in Accounting Policy and correction of fundamental errors.

The change in accounting estimate are reflected in the Income Statement of the current year as per requirement of the Standard.

(All amounts in Indian Rupees in lacs except share data)

23. Contingent Liabilities, Contingent Assets and Contingent Provision :

Contingent liabilities as per IAS-37 is possible obligation that arises from past event and whose existence will be confirmed on occurrence or non-occurrence of one or more certain future events not wholly within the control of the entity or present obligation that arises from past events that is not recognized because it is not possible that an outflow of resources embodying economic benefits will be required to settle the obligation or the obligation amount cannot be measured with sufficient reliability.

Contingent liabilities where amount and timing of possible future outflow of resources are not readily ascertainable are not recognized but disclosed in the financial statement. However when past event occurred with resulting possible obligation for which it is likely that there will be a transfer of benefit and reliable estimate can be made for the amount of the obligation, provision is made therefor in terms of its discounted present value of obligation. A contingent asset as per IAS-37 is a possible asset that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the entity. Contingent Assets future economic benefits of which are reliably estimable is recognized in Income Statement in terms of Discounted Present Value.

B. NOTES FOR INFORMATION –

1. The Dividend, Post Balance Sheet Event:

The directors of the parent company have recommended dividend amounting to Rs. 13151 (including dividend tax Rs. 1836) being INR 1/- per share for financial year ended 31.3.2011 not being recognizable under IFRS as laid down in IAS 10 as such maintained as part of the Retained Earnings. Further DIL has paid interim dividend of Rs. 10150 (including Rs 1446 on account of tax thereon) during & for financial year 2010-11 which has been duly recognized as distribution of profit and adjusted in Retained Income. The final dividend of 2009-10 of Rs. 12683 paid during the year including excess provision of Rs 40 of earlier year written back (including tax of Rs. 1846) paid during the year has been charged in the retained income.

2. Status of weighted average equity (basic vis-à-vis diluted)

i)	Weighted average number of basic shares	1740375960
ii)	Weighted average diluted equity share outstanding	1749664278
	Right on equity share arising under grant of option under ESOP exercisable on future dates added to diluted holding.	9288318

3. **Earnings per Share :**

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Profit after Tax (After adjustment of tax for earlier years)	56,139	48,950
Less / Add:		
Profit (-) / Loss (+) of Minority Interest	-32	81
Loss of Discontinued operations		3
A. Profit from Continuing operation attributable to Ordinary equity shareholders of the parent company	56,106	49,034
Number of Shares		
i) Basic	1,740,375,960	1,734,495,558
ii) Diluted	1,749,664,278	1,741,295,067
i) EPS (Basic)	3.22	2.83
ii) EPS (Diluted)	3.21	2.82
* The number of Shares outstanding is adjusted due to bonus issue during the year		
B. Loss from Reported Discontinuing operation		
Loss from Discontinuing Operation		3
Number of Shares		
i) Basic	1,740,375,960	1,734,495,558
ii) Diluted	1,749,664,278	1,741,295,067
i) EPS (Basic)	NIL	Negligible
ii) EPS (Diluted)	NIL	Negligible

(All amounts in Indian Rupees in lacs except share data)

4. **Cash & Cash Equivalents (Financial Instruments) :**

Cash & cash equivalent comprises following –

	2011	2010
Cash in hand	50	25
Remittance in transit	149	57
Balance with Schedule Bank	10,176	5,358
Fixed deposit account (maturing within one year)	16,867	13,791
Total	**27,242**	**19,232**

Cash equivalent represent deposits placed with Banks in the normal course of business operation.

5. **Accounts Receivable (Financial Instruments) :**

The Accounts receivable is stated net of allowance for doubtful debts for Fair Value recognition. The group companies maintain an allowance for doubtful debts on accounts receivable, based on present and prospective financial condition of the customer after considering historical experience and the current economic environment on case-to-case basis.

Total account receivable as at March 31, 2011, net of allowance for doubtful account of INR 1662 (INR 1467 previous year) amounts to INR 35547 (INR 11986 previous year).

6. **Inventories :**

Inventories are comprised of the following:

Raw Materials	22,883	14,494
Packing materials, stores & spares	12,189	6,845
Stock in process	7,811	5,667
Finished goods	27,970	15,616
Total	**70,853**	**42,622**

Inventories are hypothecated to banks and Financial Institution as part of securities.

The company has a policy of regularly identifying and charging off the non usable Finished Goods and as such the relevant cost represents NRV (Net Realisable Value).

7. **Other Current Assets :**

Other current assets comprise of the following:

Advance payment of Tax	33,991	24,845
Advances to suppliers (net of allowance for doubtful account Rs. 86, previous year Rs. 86)	6,888	3,516
Advance to employees (net of allowance for doubtful account Rs. 20, previous year Rs. 20)	602	470
Balances with excise authority	2,443	2,250
Other advances recoverble in cash or in kind or value to be received	2,046	1,478
Total	**45,970**	**32,559**

8. **Property, Plant & Equipment :**

Property, Plant & Equipment comprise of the following:

Freehold Land	4,553	3,889
Leasehold Land	1,678	1,151
Building,Roads & Culvert	39,709	33,808
Plant & Machinery	54,120	44,434
Vehicles	2,030	1,950
Furniture & Off Equipment	5,130	4,242
Computers	4,183	3,936
Capital Work In Progress	4,303	3,010
Total Gross Block	115,706	96,420
Less: Accumulated Depreciation	(43,682)	-34,395
Net Block	**72,024**	**62,025**

(All amounts in Indian Rupees in lacs except share data)

During the year Building, Roads & Culverts, Plant & Machinery, Vehicle, Furniture & Fixture and Computer costing INR 54, INR 554, INR 262, INR 35 & INR 27 were sold / transferred. Accumulated depreciation thereon aggregated INR 552. The net gain of discarded/sold assets amounting to INR 141 (previous year loss INR 30) are taken to Income Statement.

The depreciation expenses relating to Property, Plant and Equipment for the year is INR 5867 (previous year INR 5759).

The charged amount of Depreciation in the Depreciation computation schedule of Rs 10255 include Rs 3917 being the depreciation upto the date of respective acquisition of M/s Hobby Group and M/s Namaste Group namely upto 7th Oct, 2010 and 1st Jan, 2011 resulting in charge of only Rs 6338 (including amortization of intangibles of Rs 471) during the year.

The site restoration / dismantling cost on expiry of lease period is not ascertainable to consider any liability on upfront basis and not dealt with in the accounts.

9. **Financial Instruments: Other than Trade Receivables and Payables**

(a) Investments

(i) Available for Sale (AFS) Readily marketable securities -

	2011	2010
Mutual Fund		
Carrying Cost	8,415	25,071
Gross unrealised holding gain / loss accounted in other comprehensive income	28	65
Fair Value	8,443	25,136
Other Short term Readily marketable securities		
Carrying Cost	33,673	1,182
Gross unrealised holding gain / loss accounted in other comprehensive income	29	-
Fair Value	33,702	1,182
Total Fair Value	42,147	26,318

The gain of Rs. 92 on sale of Mutual Funds, Financial Instruments have been adjusted in the Income Statement.

Other Investments available for sale :

i) Readily marketable equity securities :

Carrying Cost	NIL	NIL
Gross unrealized holding gain is accounted in Other comprehensive income	NIL	NIL
Fair Value	NIL	NIL

ii) Not readily marketable equity securities:

Carrying Cost	985	185
Gross unrealized holding loss accounted in other comprehensive income	(27)	(27)
Fair Value	958	158

(b) Long Term Liabilities include:

(i) Deferred Payment credit for acquiring machines from Tetra Pack.

(ii) Term Loan from SCB (Standard Chartered Bank)

(iii) Term loan from Bank of America.

(iv) Term loan from ANZ Ltd. The detailed calculations are given below:

The respective liabilities of (i), (ii), (iii) and (iv) above have been valued at amortised cost applying the fair interest rates.

(i) Deferred Payment Credit

Date of Investment 20.06.2007	342
Less: Down Payment	57
(Net)	**285**

(All amounts in Indian Rupees in lacs except share data)

Payable in next 4 yearly payments
Fair Rate of Return on domestic loan 12%

The liability of the deferred credit standing at 31st March, 2011 is Rs 133.39 exclusive of interest. The same is to be liquidated in two yearly installments due in Mar, 2012 and Jan, 2013.

(ii) Term Loan from SCB (Standard Chartered Bank)

The differential amount out of restated value Rs 10 has been adjusted partly (Rs 7) during the year and balance Rs 3 is adjustable during 2011-12 commencing from 1.4.2011.

(iii) Term loan from Bank of America

Date of Contract: 27.12.2010	22,295
Less: Down Payments	-
(Net)	22,295

Payable in 9 half yearly payments commencing from December, 2011.
Fair rate of return is 2.01%

The restated value of the loan on 31.03.2011 at the fair rate of return annually, payable half yearly is Rs. 22,265. The difference amount being Rs. 30 is recognized in the interest account which is adjustable in 9 half yearly payments @ Rs 3.3 effective from December,2011

(iv) Term loan from ANZ Limited

Date of Contract: 27.12.2010	11,148
Less: Down Payments	-
(Net)	11,148

Payable in 8 half yearly payments, commencing from June, 2012
Fair rate of return 2.15%

The restated value of the loan on 31.03.2011 at fair rate of return annually, payable half yearly is Rs. 101,292. The differential amount being Rs 19 is recognized in the interest account which is adjustable in 8 half yearly installments @ Rs. 2.38 each effective from June, 2012.

(v) CITI Bank Loan account Dabur International – Subsidiaries

Date of contract: 14.12.2010	11,147
Less: Down Payments	-
(Net)	11,147

Payable in 16 quarterly installments effective from 13th Mar, 2012.
Fair rate of return 1.8%
Restated Value as of 31st Mar, 2011 Rs 11,137
Differential amount of Rs 10 is adjustable in sixteen installments through interest account in the income statement.

(vi) ANZ Bank Loan account Dabur International – Subsidiaries

Date of contract: 24.12.2010	11,147
Less: Down Payments	-
(Net)	11,147

Payable in 8 Half yearly installments effective from 23rd June, 2012.
Fair rate of return 2.2%
Restated Value as of 31st Mar, 2011 Rs 11,125
Differential amount of Rs 22 is adjustable through interest account in the income statement in next eight installments.

(All amounts in Indian Rupees in lacs except share data)

vii) ANZ Bank Loan Account Dabur international – Subsidiaries

Date of contract	Rs 13,377
Down Payment	NIL
Net	Rs 13,377

Fair rate of return 2.2%

Restated Value as on 31st Mar, 2011 Rs 13,352

Differential amount of Rs 25 is adjustable through interest account in the income statement in next eight installments effective from 14th Aug, 2012.

(c) Hedging Instruments

The company enters into derivative transactions of the nature of Currency Futures or Forward Contracts with the object of hedging against adverse currency fluctuation in respect of import / export commitment and exposures in foreign currency. Based on contracts which are by and large marked to market, liability / asset on open contracts are identified on the reporting date and profit and loss if any thereon are recognized under Other Comprehensive Income (OCI), with corresponding debit / credit thereon appearing under Other advances recoverable in cash or in kind or for value to be received / Creditors for expenses and other liabilities account.

Loss sustained during the year in derivative transaction amounts to Rs. 214. The said amount is inclusive of Rs 97 in the open contracts being unrealized and adjusted in the OCI. Remaining Rs 117 is set off against misc receipt in the income statement.

10. **Goodwill :**

	2011	2010
Gross Goodwill	113,554	40,061
Cumulative impairment provision	16,155	16,155
Net Goodwill	97,399	23,906

Components of Goodwill include the followings :

(a) On September 14, 2003, the parent company acquired 100% stake in Dabur International Limited by way of acquiring 100000 numbers of shares therein at a consideration of INR 2,287.50. Excess of consideration money over the net asset value of the investee entity amounting to INR 825.40 has been accounted for as Goodwill.

(b) On September 14, 2003, the parent company acquired 38.41% stake in Weikfield International Limited by way of acquiring 615 number of shares amounting to INR 356.89. Excess of consideration money over the net asset value of the investee entity amount to INR 562.35 has been accounted for as Goodwill. Said Goodwill was impaired subject to due loss of impairment during course of reinstatement of account to IFRS as on 01.04.2006.

(c) On April 01, 2005, Balsara Hygiene Products Ltd., Balsara Home Products Ltd. and Besta Cosmetics Ltd. joined the group after DIL acquired directly or indirectly 99.52%, 100% and 100% stakes in respective entities at aggregate of consideration of Rs. 16,345.20. Rs. 15,582.35, the excess of consideration money over proportionate net asset of these entities were treated as goodwill.

Entire goodwill on consolidation discussed in 'b' & 'c' above along with Rs. 10.30 of goodwill inherited from Balance Sheet of subsidiaries were impaired subject to due test of impairment during reinstatement of account in IFRS.

(d) As on April 01, 2006, three entities, Balsara Hygiene Products Ltd., Balsara Home Prtoducts Ltd and Besta Cosmetics Ltd. were merged with DIL. These companies accounts were consolidated herein upto previous financial year on the basis of three separate financial satatements as subsidiaries of DIL. The merger, contributed to additional goodwill of INR 632.23 in CFS which has beern carried in balance sheet and is subjected to due test of impairment.

(e) (i) Pursuant to implementation of the scheme of merger of subsidiary M/s. Femcare Pharma Ltd. with the company retrospectively since 01-04-2009 and submission of certified copy of judgement of Hon'ble Court to ROC, erstwhile Fem Care Pharma Ltd. has been merged with the group since 01-04-2009.

(ii) The Minority Interest in the said erstwhile subsidiary has been satisfied through equity settled share based payment by issue of 1384620 number of equity shares of Re. 1 each of the company as per the scheme.

(All amounts in Indian Rupees in lacs except share data)

(iii) The excess of consideration of acquisition over proportionate net assets taken over under the deal has been accounted for as 'Goodwill' which works out to Rs. 22,280.

(iv) Following the merger of erstwhile Fem Care Pharma Ltd w.e.f 01.04.2009, the Dermoviva Skin Essentials Inc. (Formerly known as Jaquline Inc.) a body corporate incorporated in USA and whole time Subsidiary of the former has joined the group as whole time Subsidiary of Parent Company w.e.f 01.04.2009.

(f) New Acquisition

(i) Pursuant to takeover by Dermoviva Skin Essentials Inc, one of the subsidiaries under consolidation Namaste Laboratories LLC, Urban Laboratories International LLC, Healing Hair Laboratories incorporated in USA and Hair Rejuvenation and Revitalisation, Nigeria incorporated in Nigeria joined the group on 01.01.2011, the last two body corporates being wholly owned subsidiaries of respec,ive first two body corporates. The last two entities are still defunct with no asset, liability and capital base, which gives rise to Goodwill amount Rs. 52,854.

(ii) Pursuant to takeover by Dabur International Ltd one of the subsidiaries under consolidation, three body corporate incorporated in Turkey named Hobi Kozmetik Imalat Sanayi Ve, Zeki Plastik Imalat Sanayi Ve and Ra Pazarlama Ltd Sirket joined the group on 07.10.2010.

(iii) The assets and liabilities inherited under the deal of acquisition, consideration money paid vis-a-vis Goodwill generated thereon are given below:-

		1	2	3 (1+2)	4	5	6	7 (3+4+5+6)
Particulars		Namaste Lab	Urban Lab	Total	Hobi	Zeki	Ra Pazarlama	Total
A	Assets							
	Fixed Assets	348	0	348	4,572	601	5	5,526
	Investment	0	0	0	0	0	0	0
	Current Assets, Loans & Advances	10,237	886	11,123	6,750	627	5,025	23,526
	Sub Total A	10,585	886	11,471	11,322	1,228	5,030	29,052
B	Liabilities							
	Secured Loan	0	0	0	0	0	0	0
	Unsecured Loan	618	0	618	686	171	101	1,576
	Current Liabilties & Provisions	3,805	122	3,927	2,455	219	4,340	10,941
	Sub Total B	4,423	121	4,545	3,141	390	4,441	12,517
C	Net Assets (A-B)	6,161	765	6,926	8,181	838	589	16,535
D	Consideration Money Paid	61,219	0	61,219	28,474	1,017	1,011	91,721
E	Adjustment for discounting of Contingent Consideration			(1,694)				(1,694)
F	As on date consideration money			59,525				90,027
G	Goodwill (D-C)			52,599	20,293	179	422	73,492
H	Profit added during the year through the sources of newly acquired entities	1,801	96	1,897	425	41	-105	2,258

(figures of previous year are not comparable with those of current year.)

(iv) Except Dermoviva Skin Essentials Inc remaining three body corporate incorporated in USA has zero capital base, 100% right there in accruing in favour of their immediate holding company as per law of country of their incorporation. As such entire assets of relevant entity have been reckoned against the country of the group leaving nothing for the Minority Interest.

(v) The acquisition of all the new companies have been dealt under Purchase Method.

(vi) Contingent Liability of the acquired entities-

(All amounts in Indian Rupees in lacs except share data)

The group recognizes on the date of acquisition Contingent Liability as follows:

(a) In respect of acquisition by Dermoviva Skin Essentials Inc:

- Rs. 33 for general expenses which has been duly accounted for envisaging probable cash outflow in this regard, having regard to liability accruing within one year.

- Rs. 20 for income tax liability arising out of obligation and not measurable reliably and not recognized in the books of account.

(b) During the acquisition of three companies in Turkey, possible outflow against contingent liability arising as a present obligation from the past events can not be measured reliably. Hence the contingent liability disclosed in the books of Hobi Kozmetik Rs. 33 has not been provided for being not measurable at its fair value and treated in terms of IAS – 37.

(vii) The acquisition related cost being in legal fees, consultation fees and their related cost Rs. 260 has been expensed in terms of IFRS – 3.

(viii) Contingent liability of parent company includes the following being brought forward from previous year:

Nature of Liability	Particular of dispute	Closing Provision	Forum where the dispute is pending
VATS	Short payment of VAT	42	IInd appeal filed
Sales Tax	Classification of Laldant Manjan	36	Filed review application with High Court
Sales Tax	Classification of Gulabari	1	Appeal filed before the D.C.Appeal
Entry Tax	Entry tax on car	1	Appeal pending before D.C.
Sales Tax	Classification of Hajmola Candy	28	Appeal pending before S T Appellate
Sales Tax	Tax Paid purchase	29	Pending before High Court
Sales Tax		10	
Excise	Capital Goods removal	30	DC appeal
		177	

In apprehension of crystallization of above liabilities within a year, figures thereon have not been discounted further.

(ix) Contingent Consideration:

Consideration money include Rs. 16316 being the discounted value at fair rate of return (2.5%) against the original goodwill of Rs. 18011. being the contingent consideration money by which the group is liable to erstwhile promoters of Namaste Group, the latter being entrusted with day to day charge of existing management to achieve specified year wise targets set for four years for the purpose of being eligible to relevant consideration amount. Group management more or less is confident of ability of the said erstwhile promoters to achieve the targets thereby entailing provisioning exigency against contingent consideration amount (payable after 4 years) in terms of discounted value and adjustable in the future year.

However any future reduction of liability on account of failure to achieve the targets will be recognized as revenue income.

11. **Details of intangible assets (Patent & Software) :**

	2011	2010
Patents	1,705	1,125
Software	1,771	1,667
Less: Amortisation	(1,382)	(911)
Total Intangibles	**2,094**	**1,881**

(All amounts in Indian Rupees in lacs except share data)

12. **Other non-current assets :**

Other non-current assets include and those segments of current assets, which are not due for realization within a period of one year.

	2011	2010
Schedule H other non-current assets		
Security deposits with various authorities	4,737	3,580
Total	**4,737**	**3,580**

13. **Deferred Tax:**

		31.03.2010	Inherited	Adjustment				31.03.2011
				Income Statement	Other Comprehen-sive income	Retained Earnings	Total	
A	**Deferred tax liability (NonCurrent)**							
	Depreciation of Plant & equipment	2,142	232	231			231	2,605
	Reinstatement of Long term investment	9					0	9
	Undistributed Profit of Subsidiaries	3,151			-967	-2,184	-3,151	0
	Reinstatement of Loans	59		-95			-95	-36
	Deferred Tax liability (NonCurrent)	**5,361**	**232**	**136**	**-967**	**-2,184**	**-3,015**	**2,578**
B	**Deferred Tax assets (Non Current)**							
	Service benefits	2,091		-391			-391	1,700
	Contingent Liability	60		3			3	63
	Doubtful Debts/Advances	425		4			4	429
	Deferred Tax assets (Non Current)	**2,576**	**0**	**-384**	**0**		**-384**	**2,192**
C	**Deferred tax liability (current)**							
	Unrealised Profit of Intra Co. transaction	42		-62			-62	-20
	Hedging Gain - Packing Credit	41		-41			-41	0
	Reinstatement of Readily Marketable Securities	22			-4		-4	18
	Deferred tax liability (current)	**105**	**0**	**-103**	**-4**	**0**	**-107**	**-2**
D	**Deferred Tax assets (Current)**							
	Hedging loss on Derivative Instruments	0			31		31	31
	Disallowance	58		-4			-4	54
	Total Deferred tax Assets (Current)	**58**	**0**	**-4**	**31**	**0**	**27**	**85**
E	**Deferred Tax Asset (D-C)**	**-47**		**99**	**35**	**0**	**134**	**87**
F	**Total Deferred tax liability**	**2,832**	**232**	**421**	**-1,002**	**-2,184**	**-2,765**	**299**

14. **Borrowing :**

a) Short Term Debt (including current portion of long term debt) working capital and short term loan from banks comprises following :

Name of Entity	Name of Bank	Amount in INR	Rate of Interest per annum	Nature of Security
Dabur Nepal Pvt Ltd	Standard Chartered Bank Nepal Ltd.	1,152	Libor +0.7%	Stock,movable properties & Guarantee by Dabur India Ltd
Dabur India Ltd	Consortium of IDBI, SCB, SBI, HDFC	922	10%	Stock,book debts
Dabur Egypt	HSBC	166	11.70%	Guarantee by Dabur India Ltd.
African Consumer Care Ltd.	SCB	216		Guarantee by Dabur International Ltd.
Naturelle LLC	ABN AMRO	267	Libor+1.5%	Guarantee by Dabur International Ltd.
Dermoviva Skin Essentials Inc	Bank of America	981	Libor+1.25%	Guarantee by Dabur India Ltd.
Dabur Nepal Pvt. Ltd.	Barclays Bank Plc, Mauritius	3,752	1.76%	Guarantee by Dabur International Ltd.
Hobi Kozmetik	Bank	389		Building & Plant & Machinery
Zeki Plastik	Bank	94		Building & Plant & Machinery

(All amounts in Indian Rupees in lacs except share data)

Dabur India Limited	AXIS Bank	10,000	8.75%	Unsecured
	AXIS Bank	5,000	8.25%	Unsecured
	YES Bank	1,500	9.00%	Unsecured
	YES Bank	4,500	8.25%	Unsecured
Dabur India Limited	Packing Credit Loan	2,319		Unsecured
Dabur International	Short term Loan	2,930	2.21%	Unsecured
Add:	Current portion of long term debt	4,069		Point no. 35(b)
	Total	**38,257**		

(b). Long Term Borrowing (including loans at Restated Value)

Particulars	Payable after one year	Payable within a year	Security
Standard Chartered Bank	235	463	Mortgage of factory at Nashik
Deferred Payment Credit	63	70	Charge on specific machinery
Sales Tax Loan Scheme (interest free)	228	31	Unsecured
Bank of America	19,502	2,763	Unsecured
ANZ Ltd.	11,129	0	Unsecured
CITI A/C Dabur International	10,394	742	Unsecured
ANZ A/C Dabur International	11,125		Unsecured
ANZ A/C Dabur International	13,352		Unsecured
	66,028	4,069	
Others insignificant loans at current value Rs 186			
Total Long term loan	**Rs 66,214**		

15. **Trade Accounts payable :**

Trade accounts payable of INR 33906 (PY INR 13000) comprise trade creditors for goods & services which include notes payable of INR 6042 (PY. INR 6080).

16. **Accrued expenses & other current liabilities :**

	2011	2010
Security deposits from dealers & others	519	457
Creditor for expenses & other liabilities	35,622	33,365
Advance from customer	1,456	164
Interest accrued but not due on loans	60	25
Investor education and protection fund	364	304
Total	**38,021**	**34,316**

The agreement with dealers are renewed from time to time and the dealers security deposit is treated as current liabilities due to unpredictable contractual termination period.

17. **Other non-current liabilities :**

Leave salary	308	570
Housing, Gratuity & Others	8,765	7,861
Taxation	34,116	24,263
Contingent consideration	16,317	0
Total	**59,506**	**32,694**

18. **Minority Interest :**

Stock holder's equity	203	203
Share Premium	9	9
Other Reserve	138	138
Retained earnings	5	(27)
Total	**355**	**323**

The share of gain of Minority Stake holders of financial year 2010-11 amounting to INR 33 has been credited to Minority Interest account.

(All amounts in Indian Rupees in lacs except share data)

19. **Leasing Contract (excluding Land) :**

(i) The future minimum lease payment under non-cancellable operating lease -

	Not later than 1 year	Later than 1 year but not later than 5 years	Later than 5 years
Building	914	1992	400
	(261)	(499)	(59)
Cars	46	66	Nil
	(45)	(69)	(Nil)

(ii) Lease Rent charged to Income Statement for the year Rs. 595 (Previous Year Rs. 278)
(iii) Contingent rent recognized as income – NIL
(iv) The non cancellable lease agreement related to Flat & Vehicle, the period of lease not exceeding 5 years in each case.

20. **Contingent Asset**

The company's freehold land at Sahibabad measuring about 7.38 acres was acquired by the U.P. Govt. under land Acquisition Act and the State Govt. has allotted and given possession of about 4.72 acres of land on lease to the company from the acquired land. The company has filed a claim of compensation of Rs. 572 before the officer of special acquisition officer, Ghaziabad against the land so acquired. The economic benefits of the claim, however, lacks virtual certainty and hence not considered as contingent asset in confirmity to IAS – 37.

21. **Stockholders' Equity :**

(a) Common Stock :

DIL has only one class of common stock i.e. Equity Share of INR 1/- each. Shareholders enjoy voting power in accordance to the number of Equity Shares held by it. Common Stock has been enhanced during the year by INR 25 towards exercise of stock option by minority.

(b) Employees Stock options:

The position of Equity Capital as on 31.03.2011 is as furnished below:

	As at 31.03.2011	As at 31.03.2010
Authorised:		
Equity Shares of Re.1 each		
2000000000 number of shares	20,000	14,500
Issued and Subscribed:		
Equity Shares of Re. 1 each fully called up, 1,740,723,798 number		
of shares (previous year 867,585,830 number of shares at Re. 1 each)	17,404	8,676
Share Suspense A/c	-	14
	17,407	**8,690**

Note :

a) Of the above shares issued and subscribed 1,740,723,798 (Previous Year 8,610,721) shares have been allotted upto 31.03.2011 under ESOP scheme.

b) Of the above shares 870,361,899 (previous year 755,717,743) shares have been allotted as fully paid up bonus shares from Share Premium account Nil (286,651,392) and capitalization of Free reserves 870,361,899 (469,066,351) shares.

c) Movement of Equity :

Particulars	Number of shares
Opening number of shares	867,585,830
Issuance against exercise of options in ESOP	1,391,449
Allotted against pending issue of previous year	1,384,620
Bonus issue	870,361,899
	1,740,723,798

(All amounts in Indian Rupees in lacs except share data)

22. **Employees Stock Option :**

The parent company has an Employees Stock Option Scheme (ESOP), which provides for grant of stock options in DIL to eligible management employees of group companies. The ESOP is administered by the Management Committee of the Board ('The Committee'). The criteria for granting options are essentially on the basis of the management grade of the employee. Exercise price of option is the fair value of shares on grant date.

	2011	2010
Outstanding,beginning of the year	1,745,965	3,995,407
Granted	19,517,244	413,842
Exercised	1,610,820	2,509,581
Cancelled	25,153	153,703
Outstanding at the end of the year	19,627,236	1,745,965

Particulars of disclosure regarding share based payments :

		For the year:	Cumulative:
1.	Number of Options granted	19517244	32,405,644
2.	Pricing formula Black Scholes Pricing Option	Each option carries the right to the holder to apply for equity shares of the company at par	
3.	Options vested	1,610,820	9,746,436
4.	Options exercised	1,610,820	9,719,782
5.	Total number of shares arising as a result of exercise of option	1,610,820	10,221,541
6.	Options lapsed/cancelled	25,153	3,058,626
7.	Variation in terms of options	None	None
8.	Money realized by exercise of options INR		8,610,721
9.	Total number of options in force	19,627,236	19,627,236
10.	Weighted average exercise price (per option) weighted average fair value of per option :		**(Rs. In lacs)**
	(per intrinsic value method)		59.47
	(per black scholes model)		65.83
11.	The fair value of each option is estimated using the Black Scholes model after applying the following weighted average assumptions :		
	-Risk free interest rate		6.50
	-Expected life		1 to 5 years
	-Expected Volatility		15.92%
	-Expected Dividend yield		2.05%
	-Price of underlying shares in the Market at the time of option grant		
12.	Share based payment led to charge of Rs. 3394 on Profit & Loss account with corresponding rise in Stock Option Reserve account in balance sheet		

a) Fair Value of Grant of Stock option under Black Schole Pricing Option model amortised during the year 10-11 works out to Rs. 3,394.

b) Consequent to making share base payment, fair value of Premium Component of equity shares issued on exercise of option by the beneficiaries during the year determined on BLACK SCHOLES METHOD, aggregate Rs. 1074 has been charged off to stock option reserve with corresponding credit to Share Premium account.

c) Of the above shares issued 1610820 (Previous Year 2509581) shares have been allotted during the year and 19627236 (Previous Year 1745965) shares are outstanding under Employees Stock Option Scheme.

(All amounts in Indian Rupees in lacs except share data)

d) Of the above shares issued and subscribed, 1610820 (Previous Year 9565961) shares have been allotted upto 31st March, 2011 under Employees Stock Option Scheme.

23. **Revenue :**

	2011	2010
Domestic Sale	370,940	308,557
Less: Sales Tax	830	308
Less: Excise duty	3,242	2,530
Less: Commission & Discounts	2,741	1,248
Domestic sales less returns	364,127	304,471
Export sales	39,600	33,110
Subsidy	431	533
Sale of scrap	846	745
Total	**405,004**	**338,859**

24. **Other Income :**

Rent Realised	595	142
Misc Receipt	1,527	1,015
Profit on sale of investment	1,019	1,268
Profit / loss on sale of fixed assets	229	255
Restated Interest Adjustment / received	1,847	-
Total	**5,217**	**2,680**

25. **Cost of Revenue :**

Raw Material consumed	113,922	81,098
Packing Materials consumed	66,821	52,027
Purchase of Finished goods	23,340	24,264
Increase(-) / Decrease in stock in process & finished goods	-12,156	-1,028
Mfg. Expenses	15,471	10,366
Workmen & staff welfare	14,126	13,450
Total	**221,524**	**180,177**

26. **Selling, General & Administrative Expenses :**

Rent	3,220	2,451
Rates & Taxes	560	566
Insurance	658	531
Freight & forwarding charges	7,959	4,940
Commission , Discount	1,827	2,427
Advertisement & Publicity	53,456	49,348
Travel & Conveyance	4,002	3,514
Telephone	612	586
Legal & Professional	3,983	2,277
Security expenses	640	547
General expenses	11,203	10,905
Directors fees	13	14
Auditors' remuneration	149	152
Donation	718	613
Contribution to scientific research expenses	368	50
Bad debts	174	92
Fixed Assets written down	2	0
Loss on sale of fixed assets	88	195
Total	**89,632**	**79,209**

(All amounts in Indian Rupees in lacs except share data)

27. **Personnel Expenses :**

	2011	2010
Directors' remuneration	1,006	1,740
ESOP Directors	1,357	
Salaries & benefits	15,733	13,373
ESOP Employees	2,037	520
Total	**20,133**	**15,633**

Consequent upon preponing the date of exercise of option right under Employees Stock Option with corresponding decline in vesting period for a part of option Rs. Nil (previous year Rs 61) has been added to Personnel expenses during the year.

28. (i) **Depreciation & amortization :**

	2011	2010
Depreciation on Property, Plant & Equipment	5,818	5,760
Amortisation of Software	420	331
Assets discarded/impaired	100	159
Total	**6,338**	**6,250**

(ii) **Prior period adjustment:**

Under circumstances of any prior period effect calls for being accounted for profit / (loss) of the year, the adjustment relates to is reinstated after consideration of impact of the said adjustment with due disclosure on the reason of such adjustment whether arising out of error, change in accounting policy or otherwise.

In view of continuing practice of the group not to distribute profits of its subsidiaries, deferred tax created into 2009-10 or undistributed profit of the subsidiaries of the group has been reversed.

In view of this Other comprehensive Income and Retained Earnings in CFS of 31.03.2010 restated during the year works out to Rs. 117 (credit) and Rs. 91341 (credit) respectively.

29. **Financial Expenses :**

	2011	2010
Interest paid on		
Fixed period loan	697	171
Others	1,477	317
Bank charges	564	571
Total	**2,738**	**1,059**

30. **Income Taxes :**

Income tax provision of INR 13296 (previous year INR 9359) includes foreign income tax provision of INR 286 (previous year INR 239) for Dabur Nepal Pvt. Ltd. and INR 76 (previous year INR 48) for Asian Consumer Care Pakistan Pvt. Ltd and INR 431 (previous year INR 288) for Dabur Egypt Ltd and INR 8 (previous year INR NIL) for Asian Consumer Care Pvt. Ltd., Bangladesh and INR NIL (previous year INR 12) for Dabur International Ltd and INR 11(previous year INR 3) for African Consumer Care Ltd, INR 424 (previous year INR Nil) for Dermoviva Skin Essentials Inc. and INR 100 (previous year INR Nil) for Hobi Kozmetik Imalat Sanayi Ve and INR 10 (previous year INR Nil) for Zeki Plastik Imalat Sanyai Ve and INR (12) (previous year INR Nil) for Ra Pazarlama Ltd, Sirket. and INR 23 (previous year INR Nil) for Namaste Laboratories LLC.

(All amounts in Indian Rupees in lacs except share data)

31. **Related party transaction in conformity with IAS – 24 :**

a. Rent paid INR 6 (previous year INR 7) to ACI Ltd., Bangladesh, a joint venture partner and INR 60 (previous year INR 68) to Key management personnel.

b. Remuneration to key management personnel INR 972 (previous year INR 1323).

c. Director Fees INR 13 (previous year INR 14).

d. Interest paid on loan taken from director amounting to INR Nil (previous year INR 3).

e. Payment to post employment defined benefit plan INR 1080 (previous year INR 1,056) (Balance as on 31.03.11 INR 8261) (previous year 7916). Share based payment to key management personnel (ESOP) INR 1357 (previous year INR 353).

f. Guarantee Bond furnished to Bank on behalf of JCE INR 714 (previous year INR 714).

Note :

i) Key Management personnel include Mr. Pradip Burman, Mr. Amit Burman, Mr. Mohit Burman, Mr P.D.Narang, Mr Sunil Duggal, Mr. Siddharth Burman, Mr. Peter Baker, Mr R.S.Rana, Mr. Anup Sharma, Mr. Gaurav Burman, Mr. Saket Burman, Mr. Sarabjeet Singh, Mr. Sunder Krishnan, Mr . Mohd khan, Mr. Sikandar Tiwana, Mr Mete Buyurgan, Mr Gary Gardner and Mr Clyde Burks all directors of group companies.

ii) Relatives of key management personnel include Mr V.C.Burman. Mr. A C Burman, and Mr. Kyle Gardner.

iii) Forum I Aviation Ltd – a Jointly Controlled Entity.

32. **Other contingency & capital commitment :**

a) The group company is involved in certain claims, fiscal assessments and litigation arising in the ordinary course of business. None of the liabilities are measurable to the extent of recognition of any liability.

The group has given in the normal course of business the guarantees as stated. Group assesses in most of cases no extra liabilities, as a result of guarantees or counter guarantees/ Indemnification bonds furnished.

List of contingencies are as follows :

	2011	2010
Claims not acknowledged as debts	856	772
In respect of Guarantees furnished		
Current	1,073	2,752
Bills purchased/discounted under letter of credit	5,102	5,622
Demand for taxes pending disposal of appeal(s)	7,255	2,764
In respect of capital Commitment for unexpected contract	7,011	3,192

b) The closing provisions of various tax liabilities pending in the forums of taxing authorities amounting to Rs. 175.68 which result into outflows on the basis of outcome of the decisions of Sales Tax / Tribunal / CCT's in the succeeding year. The penal interest in the above cases are not readily ascertainable. The dues being the dues to Govt Dept and crystallisable within a year amounts are not restated to Present Value.

c) There are other disputed claims not accounted for include:

i) Civil Suits filed by third parties Rs. 826 (Previous Year Rs. 755).

ii) Claims by employees Rs. 30 (Previous Year Rs. 17) for which reliable outflow of the liabilities are not measureable.

iii) Rs. 20 for income tax liability arising out of obligation and not measurable reliably and not recognized in the books of account.

(All amounts in Indian Rupees in lacs except share data)

d) Break up of current guarantees furnished along with other particulars :

Guaranteed Party	Name of party on whose behalf guarantee issued	Carrying Amount As on 31/03/2011	Fair Value As on 31/03/2011
HDFC Limited	Forum I Aviation Ltd.	714.29	714.29
Credit Agricole Corporate	Dabur International Ltd.	2,229.50	2,229.50
Citi Bank	Dabur International Ltd.	4,459.00	4,459.00
HSBC,New Delhi	Dabur Egypt Limited	265.90	265.90
Citi Bank	Dabur International Ltd.	11,147.50	11,147.50
National Societe Generale	Dabur Egypt Limited	1,226.23	1,226.23
ANZ Bank	Dabur International Ltd.	12,485.20	12,485.20
ANZ Bank	Dabur International Ltd.	14,714.70	14,714.70
Bank of America	Dermoviva Skin Essentials Inc	29,875.30	29,875.30
Bank of America	Dermoviva Skin Essentials Inc	2,898.35	2,898.35
ANZ Bank	Dermoviva Skin Essentials Inc	12,485.20	12,485.20

None of the parties favoring whom guarantees have been furnished is related party.

Non-current Loans and Advances includes INR 48.64 paid by the company to Excise authorities on behalf of Sharda Boiron Laboratories Limited, now known as SBL Limited, in respect of excise duty demand of INR 68.13 raised by the District Excise Officer, Ghaziabad, against the company and Sharda Boiron Laboratories Limited. The Hon'ble Supreme Court of India had concurred with the order of the District Excise Officer, Ghaziabad.

The Company had filed the review petition before Division Bench of the Hon'ble Supreme Court of India, which was also decided against the company. Pursuant to the indemnity bond executed by M/s Sharda Boiron Laboratories Limited in favour of the company and as per the terms and conditions of the contract executed with them, the recovery proceedings have been initiated by the company against Sharda Boiron Laboratories Limited for INR 48.64 by invoking the arbitration clause. The matter is pending before Hon'ble High Court of Delhi for the appointment of an arbitrator. The balance amount of INR 24.46 along with interest demanded by the Excise Authorities has been paid directly by Sharda Boiron Laboratories Limited to Excise Authorities. During the year 1991-92 the company has received a refund of INR 5.95, pursuant to the decision of Hon'ble Supreme Court in this regard. Fate of the arbitration proceedings not being readily ascertainable, no adjustment or recognition of income or expenses have been made concurring the issue.

33. **Employees post retirement benefit :**

A) Defined Benefit Plan

Pursuant to adoption of IAS-19 treatment of defined benefits obligations have been changed in terms of standard with the following adjustments incorporated in accounts.

Expenses recognized during the period

Particulars	Gratuity (funded)	Leave Salary (funded)	Post Separation benefits of director (funded)	Total
A. Expenses recognized during the period:				
A. Past Service Cost	34	0	0	34
B. Current Service Cost	350	228	122	699
	-394	-252	-115	-761
C. Interest Cost	227	79	278	583
	-180	-57	-271	-508

(All amounts in Indian Rupees in lacs except share data)

Particulars	Gratuity (funded)	Leave Salary (funded)	Post Separation benefits of director (funded)	Total
D. Expected return on Plan Assets	-153	-48	0	-201
	(-14)	(-28)	0	(-42)
E. Accumulated Loss/Gain	-193	-59	217	-36
	(-70)	-72	(-173)	(-171)
F. Total expenses recognized during the year	265	199	616	1,080
(A+B+C+D+E)	-490	-353	-213	-1,056
B. Reconciliation of opening & closing balances of obligations :				
I. Obligation as on 01.04.2010	3,032	1,047	3,700	7,779
	-2,799	-922	-3,617	-7,338
II. Past service cost	34	0	0	34
	0	0	0	0
III. Current service cost	350	228	122	699
	-536	-318	-114	-968
IV. Interest cost	227	79	278	583
	-180	-57	-271	-508
V. Actuarial Gain/ (Loss)	-306	-51	217	-140
	(-71)	-44	(-173)	(-200)
VI. Settlement	-292	-220	-182	-695
	(-316)	(-253)	(-129)	(-698)
VII. Obligation as on 31.03.2011	3,045	1,083	4,133	8,261
	-3,128	-1,088	-3,700	-7,916
C. Change in Plan Assets :				
(Reconciliation of opening and closing balances)				
I. Fair Value of Plan Assets as on 01.04.2010	1,658	539	0	2,197
	-1,120	-355	0	-1,475
II. Expected Return on Plan Assets	153	48	0	201
	-92	-28	0	-120
III. Actuarial Gain/ (Loss)	-112	8	0	-104
	(-78)	(-28)	0	(-106)
IV. Employer Contribution	588	326	0	914
	-498	-312	0	-810
V. Settlement	-173	-147	0	-320
	(-65)	(-149)	0	(-214)
VI. Fair value of Plan Assets as on 31.03.2011	2,113	775	0	2,888
	-1,567	-518	0	-2,085
D. Obligation vis-a-vis Planned Assets				
I. Obligation as on 31.3.2011	3,045	1,083	4,133	8,261
	-3,128	-1,088	-3,700	-7,916
II. Planned Assets as on 31.3.2011	2,113	775	0	2,888
	-1,567	-518	0	-2,085
	932	308	4,133	5,373
	-1,561	-570	-3,700	-5,831

(All amounts in Indian Rupees in lacs except share data)

III. Investment detail of plan assets as on 31.03.2011

100% in reimbursement right from insurance company for fund managed by it.

IV. Actuarial Assumption :

Discount rate (%)	7.50%
Estimated rate of return on plan assets	9.00%
Salary escalation ratio inflation (%)	10.00%
Method	Projected unit credit method.

V. The basis used for determination of expected rate of return is average return on long term investment in government bonds.

VI. The estimate of future salary increase take in-to account regular increment, promotional increases and inflationary consequence over price index.

VII. Demographics assumptions take in to account mortality factor as per LIC (1994-96) ultimate criteria, employees turnover at FS 20%, GS 20%, Director, MS, OS-12% and SM, APP 6% normal retirement age at 58.

B) Defined Contribution Plan :-

Company's contribution to different defined contribution plans :-

Particulars	2010-11	2009-10
Provident Fund	768	712
Employee State Insurance	119	60
Employees Superannuation Fund	355	318
Payroll Taxes	56	-
401K Match	22	-

In view of the uncertainty on the date of outflow of fund towards other employee benefits, forming part of defined contribution plan, the liability accruing thereon, has not been discounted as on date.

34. **Impairment of Goodwill :**

Gross goodwill amounting to INR 16155 has arisen against consolidation / merger of Weikfield International LLc, UAE and Balsara Group, and has been impaired.

Goodwill has been accounted for in appropriate cash generating units (CGU's) being represented by each of independent manufacturing units, for the purpose of impairment.

Recoverable value of assets of referred CGU's have been arrived at on the basis of value in use method.

Based on assumption of life span of CGU'S and discount factor (applied for determination of as on date discounted value of future cash inflow of CGU's) at five years and 8% respectively, goodwill of Weikfield International and Balsara Group of Industries have been impaired by INR 562 and INR 15593 respectively being the short fall in recoverable value of CGU's vis-à-vis corresponding carrying amount of assets.

Life span of the CGU's has been assessed on the basis of technical evaluation. Discount factor has been assumed on the basis of market borrowing rate (6%) plus 2% against risk factor.

No impairment is called for against any other assets of CGU's forming part of the group.

35. Total Assets includes INR Nil (previous year INR 61) held for Sales with reference to IFRS 5. Total Liabilities includes INR Nil (previous year 4) held for sales in disposal with reference to IFRS 5.

(All amounts in Indian Rupees in lacs except share data)

36. Exchange Gain works out to INR 142 (previous year INR 52) which has been recognized in income statement and included in General Charges. All resulting exchange differences of foreign operations amounting to INR 1247 (previous year INR 169) has been adjusted to Comprehensive total income statement.

37. **Interest in Joint Venture IAS-31 :**

(a) The company is a party to the joint venture agreement controlling the management of Forum I Aviation Limited, a domestic Jointly Controlled Corporate Entity (JCE) with part of its operation like Jointly Controlled Operation. The main objective of the JCE being maintenance of aircraft for use of venturers or otherwise. The contributions of venturers are towards capital building of the JCE and periodic contribution towards cost of maintenance of aircraft. Variable Component of cost of maintenance is borne by user of the aircraft in proportion to their actual usage and fixed component is shared by all the venturers in proportion to their capital contribution. The participation of the venturers in the management of the JCE is through representation in the composition of Board of Directors as stipulated in the Joint Venture Agreement.

(b) The stake of the company in total Subscribed and Paid Up Capital of the JCE is 14.28% (amount Rs 456) is accounted for in Investment (Financial Instruments - Available for Sales- Securities) in the separate financial statements.

(c) The Company's Share of revenue expenditure of JCE amounting to Rs. 452 is expensed in General Charges in the Income Statement.

38. **Assets and Liabilities of JCE as on 31.03.2011 as incorporated herein :**

Particulars	31.03.2011	31.03.2010
Secured Loan	467	577
Creditors	27	16
Fixed Assets	823	872
Investment	30	79
Advance to employee	-	1
Cash & Bank	20	13
Debtors	36	16
Other Advances	291	260

Income and Expenses for 8 months period ended 31.03.2010 incorporated herein:

Particulars	For the year ended 31.03.2011	For the 8 months ended 31.03.2010
INCOME		
Misc Receipt (include revenue from flying Rs. 422)	422	399
Total	422	399
EXPENSES		
Operation Expenses	97	80
Payment to and provision for employees	41	50
Administrative Expenses	159	113
Financial Expenses	60	60
Total	357	303
Profit (Forms part of profit in consolidated Profit & Loss A/c)	65	96

39. **Interest in Partnership Firm- Associates- IAS-28 :**

(a) The Company has invested Rs.Nil (Previous Year Rs. 49) against Capital Contribution during the year (Previous Year NIL) towards 99% interest (balance 1% is represented by one individual as partner investing Rs. 0.50 on account of his capital).

(All amounts in Indian Rupees in lacs except share data)

(b) Pending finalization of the accounts of the firm, income and expenses of the said partnership firm have not been accounted for during the year, having however not material impact on the profitability of the Company.

(c) Assets and Liabilities pertaining to interest of the Group in The partnership firm as on 31.03.2011 amount to be Rs. 80 (previous year Rs. 81) & Rs. 9 (previous year Rs. 9.22) respectively.

Share of the Company in assets, outside liabilities, income and expenses not being allocated herein worked out to Rs 1200 (previous year Rs. 1,240), Rs. 494 (Previous Year Rs. 593), Rs. 422 (Previous Year Rs. 399), and Rs. 357 (Previous Year Rs. 303) respectively in respect of year under audit and as per unaudited accounts of JCE.

40. No deferred tax has been recognized in respect to subsidiaries at Bangladesh and Pakistan due to Continuing absence of taxable income and absence of virtual certainity of future profits to adjust said unprovided deferred tax assets against accumulated loss.

41. **Discontinued Operation :**

The assets present in the discontinued operation has been transferred for operation, hence no discontinued operation (assets held for sale) is reportable.

Note

(a) The brackets indicate Previous Year

(b) The above informations relate to parent body only.

As per our report of even date attached
For **G. BASU & CO.**
Chartered Accountants

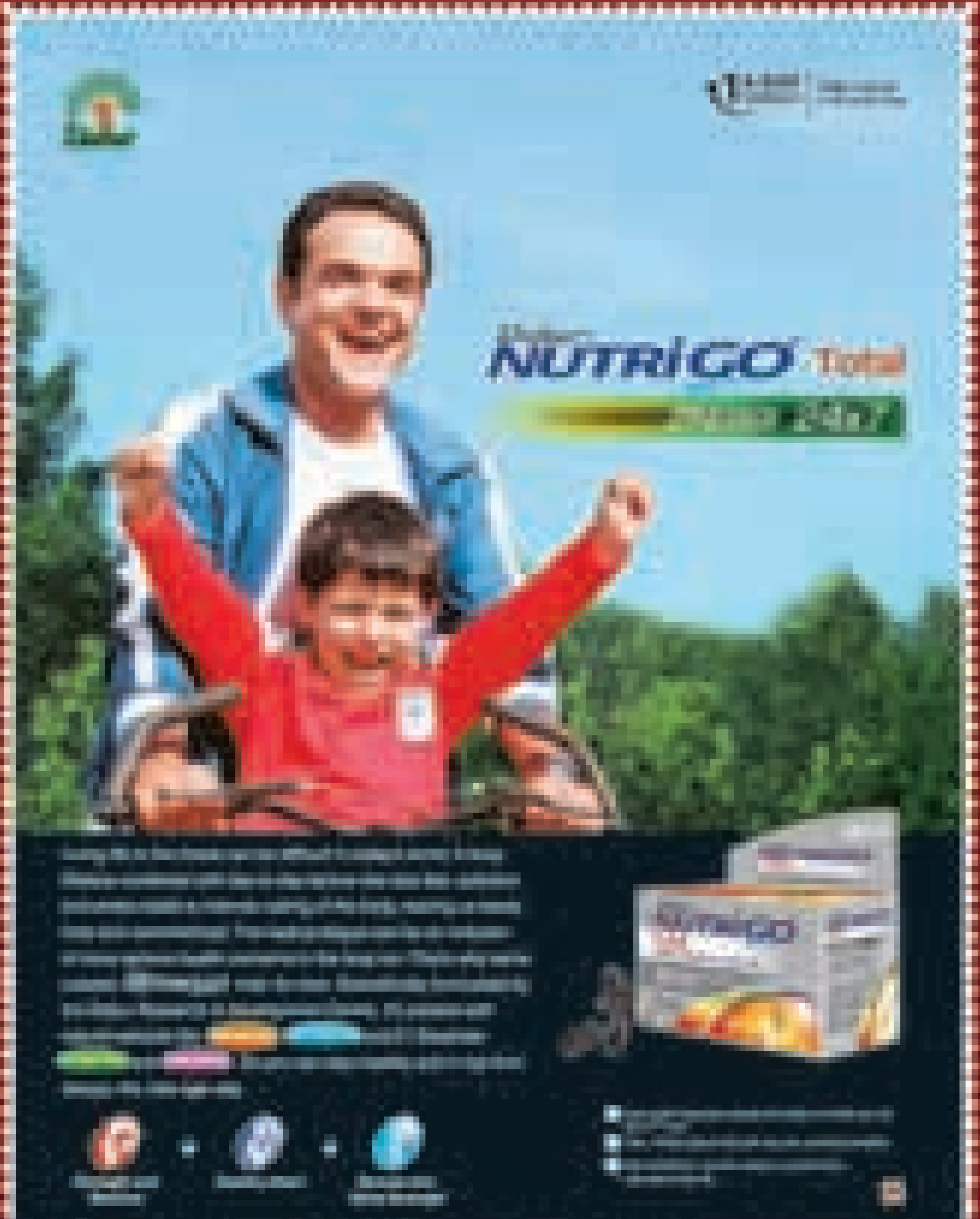
Manoj Kumar Das
Partner
Membership Number: 013783

Place: New Delhi
Dated: 27th April, 2011

For **Dabur India Ltd.**

Dr. Anand Burman - Chairman
P.D. Narang - Whole time Director
Sunil Duggal - Whole time Director

A.K. Jain - GM (Finance) & Company Secretary


NUTRIGO Total

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