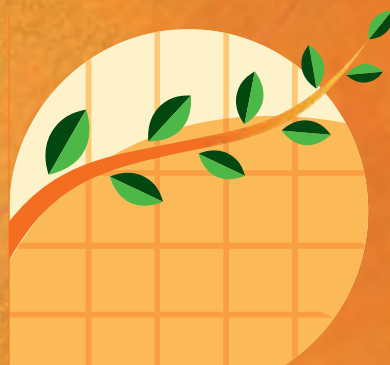




Dabur India Limited
Annual Report 2008-2009



**Challenging
Times**



**Credible
Performance**



Even when the world was gripped by despair and depression,
Dabur continued to march ahead with energy & enthusiasm.

Even while the FMCG sector was faced with pressures of rising input costs and price hikes, **Dabur was reporting strong volume-based growth, quarter after quarter.**

Even when times were most uncertain,
Dabur continued to deliver robust & consistent performance.

Across **categories** and **geographies**.

Across **brands** - existing and new.

Across product **innovations** & **new introductions**.

Across **product packaging, propositions & promotions**.

Evident from our **18.3%** growth in consolidated sales driven largely by increase in volumes both in domestic and international markets.

In short, an apt manifestation of what Dabur truly stands for.





C ontents

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Ten Year Highlights

| Rs. crore | FY00 | FY01* | FY02* | FY03 | FY04* | FY05 | FY06* | FY07^ | FY08 | FY09 |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| Operating Results: | | | | | | | | | | |
| Sales | 982 | 1100 | 1200 | 1285 | 1236 | 1417 | 1757 | 2080 | 2396 | 2834 |
| Other Income | 34 | 19 | 12 | 7 | 9 | 9 | 13 | 26 | 34 | 47 |
| EBITDA | 128 | 137 | 144 | 162 | 164 | 217 | 300 | 376 | 443 | 517 |
| EBITDA Margins (%) | 13.0 | 12.5 | 12.0 | 12.6 | 13.3 | 15.3 | 17.1 | 18.1 | 18.5 | 18.3 |
| Profit Before Tax (PBT) | 81 | 85 | 82 | 106 | 124 | 176 | 257 | 319 | 384 | 445 |
| Taxes | 4 | 7 | 14 | 14 | 15 | 19 | 30 | 39 | 52 | 54 |
| Tax Rate (%) | 4.5 | 8.5 | 16.6 | 13.3 | 12.0 | 10.8 | 11.7 | 12.1 | 13.4 | 12.1 |
| Profit After Tax (PAT) | 77 | 78 | 64 | 85 | 107 | 156 | 214 | 282 | 333 | 391 |
| PAT Margins (%) | 7.9 | 7.1 | 5.4 | 6.6 | 8.6 | 11.0 | 12.2 | 13.5 | 13.9 | 13.8 |
| Financial Position: | | | | | | | | | | |
| Fixed Assets (Net) | 251 | 243 | 371 | 257 | 250 | 295 | 512 | 379 | 465 | 559 |
| Current Assets, Loans & Advances | 412 | 393 | 504 | 522 | 340 | 408 | 471 | 640 | 774 | 951 |
| Current Liabilities & Provisions | 108 | 158 | 183 | 241 | 294 | 400 | 436 | 452 | 732 | 808 |
| Net Working Capital | 304 | 235 | 322 | 281 | 46 | 8 | 35 | 189 | 42 | 143 |
| Days of Sales | 113 | 78 | 98 | 80 | 14 | 2 | 7 | 33 | 6 | 18 |
| Total Assets | 609 | 558 | 705 | 640 | 433 | 543 | 624 | 670 | 749 | 1081 |
| Share Capital | 29 | 29 | 29 | 29 | 29 | 29 | 57 | 86 | 86 | 86.5 |
| Reserves & Surplus | 292 | 334 | 365 | 388 | 257 | 335 | 440 | 393 | 531 | 731 |
| SHARE HOLDERS' FUNDS | 320 | 362 | 393 | 417 | 286 | 364 | 497 | 480 | 618 | 818 |
| Loan Funds | 289 | 196 | 304 | 964 | 132 | 164 | 121 | 160 | 99 | 228 |
| Total Capital Employed | 609 | 558 | 705 | 640 | 433 | 543 | 624 | 670 | 749 | 1081 |
| ROCE (%) | 17.0 | 19.5 | 12.6 | 16.1 | 28.6 | 31.3 | 39.0 | 45.7 | 47.6 | 38.8 |
| RONW (%) | 24.7 | 22.0 | 16.6 | 20.6 | 38.1 | 43.5 | 46.1 | 61.3 | 55.3 | 48.4 |
| Equity Share Data: | | | | | | | | | | |
| Earnings Per Share (Rs.) | 27.1 | 2.7 | 2.3 | 3.0 | 3.7 | 5.4 | 3.7 | 3.3 | 3.9 | 4.5 |
| Dividend Per Share (Rs.) | 10.0 | 1.0 | 0.5 | 1.4 | 2.0 | 2.5 | 1.8 | 1.42 | 1.5 | 1.75 |
| No of Shares (In cr.) | 2.9 | 2.9 | 28.6 | 28.6 | 28.6 | 28.6 | 57.3 | 86.3 | 86.4 | 86.5 |

Sales refer to Gross Sales Less Net of Sales Tax/VAT

* Stock split from Rs. 10/share to Rs. 1/share

* Consolidated results from FY02 onwards

* Dabur Pharma got de-merged

* Bonus issue of 1:1 was issued during the year

* Bonus issue of 1:2 was issued during the year



Corporate Information

Board of Directors

Dr. Anand Burman
Chairman

Mr. Amit Burman
Vice Chairman

Mr. Pradip Burman
Director

Mr. Mohit Burman
Director

Mr. P. D. Narang
Director

Mr. Sunil Duggal
Director

Mr. Analjit Singh
Director

Mr. R. C. Bhargava
Director

Mr. P. N. Vijay
Director

Dr. S. Narayan
Director

Mr. Albert Wiseman Paterson
Director

GM (Finance) & Company Secretary

Mr. Ashok Jain

Auditors

M/s G. Basu & Co.
Chartered Accountants

Internal Auditors

Price Waterhouse Coopers Pvt. Ltd.

Bankers

Punjab National Bank
Standard Chartered Bank
HSBC Ltd.

State Bank of India
ABN Amro Bank NV
Citibank NA

HDFC Bank Ltd.
IDBI Bank Ltd.

Corporate Office

Dabur India Limited,
Dabur Tower,
Kanshambhi, Sahibabad,
Ghaziabad - 201010,
Uttar Pradesh, India.
Tel.: 0120 - 3982000, 3001000
Fax : 0120 - 4374935
Website: www.dabur.com
Email: investors@dabur.com

Registered Office

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



C hairman's message

Dear Shareholders,

It is with great pleasure, and a sense of satisfaction, that I write to you at the end of yet another path-breaking year for Dabur.

It was indeed a momentous year for your Company, which successfully withstood the downturn that swept through the global and the Indian economy, to move ahead firmly on the growth trajectory. Despite various negatives such as slow down in the economy, mounting cost pressures and sharp currency fluctuations, 2008-09 saw Dabur move ahead on the growth track and remain on the upswing in every aspect of its business. On a consolidated basis, revenues have increased by 18.3% to Rs. 2,834.1 crores and Net Profit has grown by 17.5% to Rs. 391.2 crores.

A good part of this growth has been driven by the successful introduction of a host of new products and variants, which ensured that Dabur not just retained, but even enhanced its leadership position in key product categories. Boosted by a series of such initiatives, and led by a far-sighted and forward-thinking management team, your Company not only maintained, but enhanced its market position in several key highly competitive categories across the Fast Moving Consumer Goods (FMCG) space.

Details of most of these initiatives and your Company's achievements for the year 2008-09 have been elaborated in the Management's Discussion and Analysis section of this report. Here, I would like to address some of key factors that helped your Company tackle the challenges of the year and which shall enable it to make the most of the opportunities in the years to come.

Even though the Indian economy had gone into depression during the year, the FMCG sector did not witness any visible signs of

demand contraction. On the contrary, the sector has been moving ahead at a healthy pace as consumer spending on everyday use products at popular price points have continued to attract good demand, both from rural and urban India. The rural consumers – thanks to increased spending power on account of higher agri-commodity realizations and investments in the rural economy — have, in fact, been the key driving force for the sector.

For Dabur, it's imperative that we take cognizance of the changing dynamics of the market and appropriately build these into our plans in order to address the challenges and take advantage of the emerging opportunities.

One such change that happened during the year was the churn in organized retail industry. There was a sharp slowdown in this sector, which led to several retail chains facing a severe resource crunch and pressure on sales and profitability. Since many of these chains are our channel partners, the Company needed to take cognizance of the issues and address them effectively so that the impact on our business was minimal. Dabur addressed this by putting in place appropriate strategies in working capital management, terms of trade and sales force focus. This has helped us maintain our shares and grow our business in modern trade in spite of a general slow down in this distribution channel.

The Company saw strong demand emerging in rural and semi urban markets and took advantage of this through its diverse product basket, extensive

distribution network that penetrates even remote geographical markets and its unique herbal and natural heritage. This is in recognition of the fact that almost 70% of India's population resides in rural and semi urban areas and the rural economy accounts for close to 50% of India's GDP. Dabur has always catered to these markets by providing relevant products and increasing its penetration, reach and contact with the consumers.

Your Company also gives due share of attention to its urban consumers who have much higher spending power and disposable incomes. Aligning its products to meet the ever-changing needs of the urban customer remains a corner stone of Dabur's operational strategy. Dabur has always kept itself firmly focused on identifying and developing products that are in line with the changing consumer needs in terms of variety, quality, packaging and communication. New communications strategies, with a host of new brand ambassadors, further contributed significantly to Dabur's brand and market enhancement initiatives during the year.

In line with its stated strategy of pursuing inorganic growth through synergistic acquisitions, your Company initiated the process of acquiring 72.15% of Fem Care Pharma Ltd (FCPL), a leading player in the women's skin care products market, for Rs 203.7 crore in an all-cash deal. The acquisition process will be completed by the first quarter of the 2009-10 fiscal and is likely to open new vistas of growth for Dabur in the fast-growing mainstream skin care segment.

Your Company's International Business Division was another key driver of growth with a strong 40% increase in revenue. We have built strong capabilities to tap emerging opportunities in the overseas markets. Expansion of existing markets and foray into new geographies will continue to drive growth in the international business. Having established its presence in the Middle East and North African markets, your Company is now looking at expanding its presence to other parts of Africa and Asia.

Your Company's healthcare portfolio received a boost with the Consumer Health Division clocking a good rate of growth and succeeding in launching a range of OTC products for everyday health needs in line with changing lifestyles and health requirements. The Company will increasingly leverage its huge expertise in this area to provide safe and efficacious remedies which address the modern day health needs.

That the growth opportunities are huge needs no elaboration. While the year 2008-09 had ended strong, we foresee several challenges ahead. While input cost fluctuations and growing competition are likely to continue to pose serious challenges, I can assure you that your Company is fully geared to tackle the situation and continue to grow, both in volume and value terms. Dabur's inherent strengths ensure that Dabur will continue to pursue its long-term growth strategy – both organic and inorganic – in the years to come.

2009-10 is a historic year for Dabur as it marks the completion of 125 years of Dabur's journey that started in 1884 in Kolkatta. This annual report highlights some of the milestones of this wonderful and exciting journey and we shall be celebrating "125 years of Dabur" through a series of events during the year.

The quality, drive and expertise of our employees are second to none. With their dedication, and your encouragement and support, I am confident that Dabur will continue to achieve many more such years of exceptional progress. I would like to take this opportunity to thank all our employees, associates, suppliers, distributors and shareholders for being part of this journey with us.

Dr. Anand Burman
Chairman



Know us better

Dabur India Limited is the world's largest Ayurvedic & Natural Health Care Company & among India's leading Personal & Health Care Companies.

Business structure

Dabur operates through three focused Strategic Business Units

Consumer Care Division (CCD)

Addresses consumer needs across the entire FMCG spectrum through four distinct business portfolios: Personal Care, Health Care, Home Care and Foods.

Brand portfolio & architecture

The Company's brand portfolio comprises of over 350 products positioned across the herbal and natural space. Dabur India's FMCG portfolio includes four flagship brands with distinct brand identities.

| | | | |
|--|---|---|---|
|  <p>Herbal & Ayurvedic Health Care</p> |  <p>Natural Personal Care</p> |  <p>Tasty Digestives</p> |  <p>Fruit-based Beverages</p> |
| <p>A trusted name in natural healthcare for the past 125 years, Dabur is known for providing a range of efficacious and time-tested health care products based on the principles of Ayurveda</p> | <p>A premium personal care brand & a leader in its category, Vatika is a popular name in the natural personal care space offering a whole range of nature-based solutions</p> | <p>Tasty fun-filled digestives available in interesting formats like tablets and candies, Hajmola appeals to all age groups</p> | <p>India's leading brand of packaged fruit juices, Real provides the largest range of refreshing & healthy fruit juices that are 100% natural and free of preservatives</p> |

Backed by a 125-year legacy built on quality and experience, Dabur is dedicated to the health and well-being of every household.

2

Consumer Healthcare Division (CHD)

Offers a range of ethical and OTC products that deliver the age-old benefits of Ayurveda in modern ready-to-use formats.

3

International Business Division (IBD)

Caters to the health & personal care needs of customers across different international markets spanning Middle East, North & West Africa, EU and US through its brands Dabur and Vatika.

Leadership & excellence

It is apt to say that not a day in the lives of people is complete without using Dabur's products. And it is the Company's commitment to evolve with the changing needs of its customers that has helped a 125-year-old Dabur emerge a favourite among even the modern Indian consumer and win market share across categories.



Dabur Chyawanprash is the largest selling Ayurvedic health supplement with over 65% market share.



Dabur Honey is the market leader in the branded honey market in India.



Vatika ranked as the fastest growing shampoo brand in 2008-09, making it to the top of the charts for the third year in running.



Dabur Amla Hair Oil continues to be a high growth brand in urban and rural markets by winning away users of mustard and other unbranded oils.



Hajmola commands over 80% market share in the herbal digestives category.



Real Fruit Juices command market leadership in pure juices category with 50% share.



With brands like **Dabur Red Toothpaste**, **Babool** and **Meeswak**, Dabur controls 16% share of the oral care market and has doubled its share in the last 5 years.



Gulabari skin range outperforms the market becoming one of the fastest growing brands in skin care.

Operations & distribution

The Company's manufacturing activities spanning various consumer products categories are carried out in 17 factories spread across India and abroad. The company recently operationalised its new plant at Ras-al-Khaimah in the UAE.

Dabur's domestic distribution network comprises 50 C&F agents and about 4,500 distributors. Driven by the sheer popularity of its product portfolio, Dabur finds a place of pride in over 2.5 million retail outlets in India with geographic footprint spanning over 60 countries.

The billion rupee brands



People power

Dabur India employs about 3000 employees across all areas of operations. The Company has a team of well qualified scientists,

Ayurvedic doctors, pharmacists, agronomists, botanists, tissue culture specialists to drive its R&D operations.



Celebrating
125 Years
OF HEALTH &
WELL BEING
 1884 - 2009



1884

Dabur founded by Dr. S. K. Burman as an Ayurvedic Pharmacy in Kolkata.

Early 1900's

First Company to provide health care through scientifically tested & automated production of formulations based on traditional science.

1940

Launches Dabur Amla Hair Oil which becomes the largest selling hair oil brand in India.

1949

First company to brand Chyawanprash and market it extensively.

1984

Completes a century of bringing health and well-being to consumers across the country.

1986

Becomes a Public Limited Company.

1994

Comes out with its first public issue. The Company's shares issued at a premium and oversubscribed more than 21 times, a testimony of investor confidence in the Company.

1996

Launches Réal Fruit Juices - a new concept in the Indian foods market. The first Indian brand of 100% pure natural fruit juices made to international standards, Réal becomes the fastest growing and largest selling juice brand in the country.

2006

Figures in the 'Top 10 Great Places To Work'.

Crosses the \$2-billion mark in market capitalization & adopts US GAAP in line with its commitment to follow global best practices.

2007

Ranked among 'Asia's Best Under A Billion' enterprises by Forbes.



1970

Forays into the Oral Care & Digestives segments.

1972

Company shifts base to Delhi from Kolkata.

1978

An Ayurvedic medicine used as a digestive aid is branded and launched as Hajmola tablet, which became one of the most popular products in digestives category.

1979

Commissions one of the largest, most modern and best equipped production facilities for Ayurvedic medicines at that time.

1998

To inculcate a spirit of corporate governance, professionalism and to compete in changing business times, the Burman family appoints professional CEO to manage the company.

2000

Surpasses the Rs.1,000 crore turnover mark and assumes its position amongst the top FMCG companies.

2005

As part of its strategy to supplement growth through inorganic route, acquires Balsara's Hygiene and Home products businesses.

Receives the "ICSI National Award for Excellence in Corporate Governance", an award given by an eminent jury constituted by the ICSI.

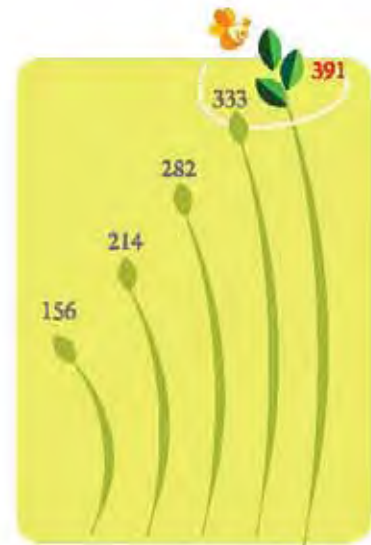
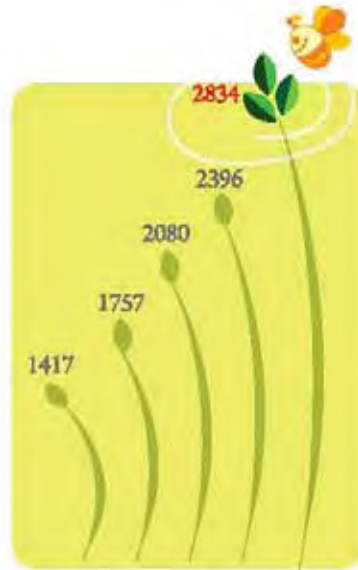
2008

Steps into organized retail market with the setting up of **newu** stores in Delhi, Hyderabad & Bangalore.

Acquires Fem Care Pharma Limited, a company operating in the beauty care segment with well established brands.

P

erformance at a glance



Based on consolidated financials of Dabur India Limited for the 5-year period from 2004-05 to 2008-09

Net Sales (Rs. cr.)

Profit After Tax (Rs. cr.)

A

ccolades 2008-09

Dabur India Ltd. bags the NDTV Profit Business Leadership Award in the FMCG category - Personal Care category, beating several big multinationals

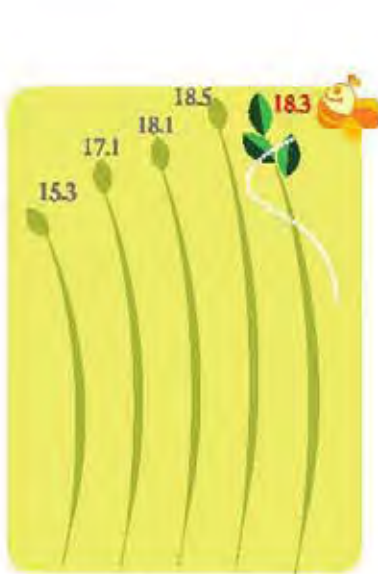
NDTV
PROFIT
India's No. 1 Business News Channel



BUSINESS
LEADERSHIP
AWARDS
2008

BRAND EQUITY
MOST TRUSTED BRANDS
2008

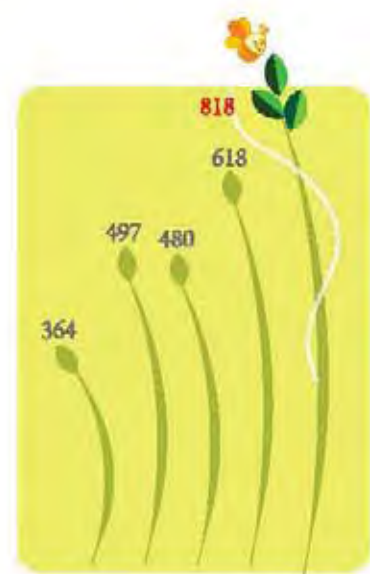
Hajmola, Dabur Amla, Vatika & Dabur Foods feature in the Most Trusted Brands in India list prepared by Economic Times-Brand Equity



EBIDTA Margins (%)



EPS (Rs.)



Shareholders' Fund (Rs. cr.)



Consumers vote Dabur's flagship fruit juice brand Réal as Trusted Brand in the fruit juice space for the third year in a row

Dabur India Ltd. ranks amongst India's Most Innovative Companies in a Business Today-Monitor Group survey



Dabur India Ltd CEO Mr. Sunil Duggal is named the Best Corporate Leader of 2008 at the B&E Leadership and Excellence Awards

The Buzz at Dabur

Buzzing with
new ambassadors



M.S. Dhoni is
youth ambassador
for Dabur
Chyawanprash



Zaheer Khan
adds pace to
Dabur
Glucose
this summer

Dabur Honey
is also Disney's
Winnie
the Pooh's
favourite now



Dabur Vatika
Dandruff
Control Shampoo
signs
Preity Zinta
as brand
ambassador

Sakshi Tanwar
endorses
Sanifresh
Toilet Cleaner





Dabur steps into mainstream skin care market with the launch of three new products - **Moisturising Cream, Moisturising Lotion & Face Freshener Spray** - under the Gulabari brand



Dabur launches **Vatika Dandruff Control Shampoo** range



Buzzing with new products



Dabur introduces age-old Ayurvedic remedies in modern, ready-to-use formats with products like **Active Blood Purifier, Active Antacid** etc.



Dabur enters hard surface cleaner market with **Dazzle**

Dabur shakes up malted food drink market with **Chyawan Junior**



Nikita Narayan is 'Dabur Gulabari Miss Fresh Face' of Hyderabad

Clinical Trial says **Dabur Lal Tail** offers twice faster growth among infants



Dabur Amla organises rural beauty pageant with the aim of empowering women in rural India



Buzzing with activities



Dabur India Ltd. acquires 72.15% of Fem Care Pharma Ltd. for Rs. 203.7 cr. in an all-cash deal



Dabur rolls out an advanced sales training programme, **Astra**, that seeks to empower the sales force to deal with the growing complexities of the retail landscape



IMA, Dabur join hands to fight **Dengue, Chikungunya**

Dabur strengthens attack against spurious products makers

Making a difference

For growth to be responsible, it should go beyond numbers... it should do good to the society, create a better world. That's just the kind of growth that Dabur India believes in, and constantly strives for.

At Dabur, our commitment to good governance, ethical conduct and social responsibility is core to our way of doing business, and is strongly aligned with our drive to create and increase value for all stakeholders. We define Corporate Social Responsibility (CSR) as conducting business in ways that provide social, environmental and economic benefits for the communities and geographies where we operate. Our CSR initiatives are driven through Sustainable Development Society or SUNDESH, an outcome of the vision of Dabur India Ltd founder Dr. S.K Burman.

SUNDESH is sworn to the mission of ensuring overall socio-economic development of the rural & urban poor on a sustainable basis, through different participatory and need-based initiatives. It aims to reach out to the weaker and more vulnerable sections – such as women and children, illiterate and unemployed – of the society.

Today, SUNDESH operates in Ghaziabad and Gautam Budha Nagar district of Uttar Pradesh, and has more recently established presence in Rudrapur district of Uttarakhand. Over the years, it has contributed to many worthy causes, addressing children's literacy, improving healthcare services, skill development, and environment, to name a few.

Rural Health Care Services

SUNDESH's Health Post at village Chouna offers primary health services to the poor and

the marginalized rural people at a reasonable cost. Broad category of services offered include Out Patient Department (OPD) services, diagnostic facilities and mother & child health care, reproductive & child health care guidance. Besides organizing eye and women's health check-up camps, the center also provides free of cost cataract operations throughout the year.

SUNDESH – in association with CARE India Trust and the Uttar Pradesh State AIDS Control Society – has been running awareness drives on HIV-AIDS with the migrant population. Under this initiative – which seeks to cover a migratory population of about 25,000 people in the urban areas of Ghaziabad – workshops & street plays are organized to create awareness and to sensitize the community.

Women Empowerment

Women are important agents of sustainable development and their equality & empowerment through education, better health awareness and skill development are central to a holistic development of the society. With this in mind, SUNDESH has rolled out a host of educational initiatives that focus on preventing gender bias in the family and giving equal importance to the girl child. Workshops are also organized to make the community aware about the importance of the girl child and prevent female foeticide.

Education

For an emerging and developing country like India, development of underprivileged children holds the key to the progress of the nation itself. SUNDESH works towards educating poor & under-privileged children and school dropouts between the



"What is that life worth which cannot bring comfort to others"

**-Dr. S K Burman
Founder,
Dabur India Ltd.**

www.sundesh.org



age group of 6-14 years by holding classes at non-formal education centres in villages. After completing their basic education, these children – who either have never had a chance to see a school from inside or have dropped out from school - are encouraged to get enrolled in formal schools. Till date, 2,110 children have benefited from the programme, and 824 kids have joined formal schools.

SUNDESH also runs **adult literacy programmes** for people above the age of 18 years, and even encourages rural women in the age group of 14-35 years to join such programmes.

Q Skill Development

Taking into account the changing employment scenario and emerging opportunities of self-employment, a host of capability enhancement programmes have been introduced offering vocational training in cutting & tailoring, machine & hand embroidery, bee keeping, mushroom farming, mehandi application and vermi-composting.

Women are particularly encouraged to take up income-generation programmes and are awarded certificates after the completion of training. Almost 1981 women have till date been offered such training and they are now supplementing their household income.

Q Self Help Groups

As part of efforts towards poverty alleviation, SUNDESH has set up Self Help Groups of 15 people each, who are trained to develop their capability to address and solve problems through ongoing interactions. Besides, the habit of regular savings is inculcated within the group, and capital raised is mobilized to improve their livelihoods and living standards.

Today, 73 such groups have been formed among below poverty line families and 93 among general families. These groups have been linked with

banks, and the loans raised are utilized for setting up new businesses like dairy units, grocery shops, mobile repair units, medical stores, poultry units, small dhabas, sweet shops, etc. The success of this initiative can be gauged by the fact that repayment of bank loans is almost 100%.

Q Still a long way to go...

A beginning has been made but there still miles to go before the huge disparity is bridged and a better future delivered to both the rural and urban poor.



Sustainability Report

At Dabur, environment and nature is the lifeline of our business. With a portfolio of Ayurveda and nature-based products, conservation of nature & natural resources is deep rooted in our organizational DNA, and in every aspect of our ever-growing business.

We, at Dabur, have not merely incorporated the concept of sustainability into the core of our business but have, in fact, expanded it to encompass our aspirations and responsibilities to the society and to the environment. It is this concept that inspires us to optimize our business performance to tackle the new and growing challenges of environment and technology.

Technology Absorption, along with Health, Safety and Environment Protection.

Conservation of Energy

The year 2008-09 was a landmark one for Dabur in terms of the various energy conservation measures undertaken by the Company. Successful implementation of various energy conservation projects led to a 13.8% reduction in the Company's energy bill. What was noteworthy was the fact that this reduction has come despite an 8-9% volume increase in manufacturing, and an average 11.7% increase in cost of key input fuels.

and improve hygiene conditions & productivity.

Technology Absorption

During the year, Dabur has also made continuous efforts towards technology absorption and innovation, which have contributed towards preserving natural resources. These efforts include:

- Minimum use of water in process by pre-concentration of herbal extract and reduction in concentration time
- Uniform heating using hot water as against steam earlier, resulting in 30%



It is a concept on which we aspire to build an organization that will continue to increase value for all our stakeholders for generations to come, through intensive focus on Conservation of Energy and

The host of measures – key among them being use of bio-fuels in boilers, generation of biogas and installation of energy efficient equipment – helped lower the cost of production, besides reduce effluent

reduction in bulk wastage by using non-stick coating and formulation change

- Improvement in water treatment plant through introduction of RO (Reverse Osmosis) system for DM water,

reutilization of waste water from pump seal cooling and RO reject waste-water management

- Introduction of water efficient CIP system with recycling of water in fruit juice manufacturing

Health Safety & Environmental Review

Renewing the commitment to Health Safety and Environment, Dabur has



- Development of in-house technology to convert fruit waste into organic manure by using the culture *Lactobacillus burchi*

Simultaneously, the Company undertook a series of innovative packaging concepts, relating to distinctive repackaging of some of the top brands and launch of new products in unique cost-effective packs.

As a result, the Company achieved a host of significant benefits in terms of product improvement, cost reduction, product development, import substitution, cleaner environment and waste disposal, amongst others.

formulated a policy focusing on People, Technology and Facilities. A dedicated "Safety Management Team" has also been put in place to work towards the prevention of untoward incidents at the corporate and unit level, besides educate & motivate employees on various aspects of Health, Safety and Environment.

The Company is also continuously monitoring its waste in adherence with the pollution control norms. In pursuance of its commitment towards the society, efforts have also been initiated to conserve and maintain the ground water level. The efforts include implementation of

rainwater harvesting, which has delivered encouraging results and has put the company on the path to becoming a Water-Positive Corporation.

Dabur also initiated a Carbon Foot Print Study at the unit level with an aim to become a carbon positive Company in years to come.

At Dabur, we are committed to sustainable development throughout our diverse operations. And, we will strive to translate the good intentions into concrete and lasting results, contributing to the ultimate good of the society.

M

anagement Discussion and Analysis

The strength of the Company's business strategies and competence in execution were demonstrated in its strong performance during 2008-09, when it not only weathered the storm unleashed by the global economic meltdown but successfully delivered consistent growth, quarter on quarter.

The economic well-being of any country and the spending power of its people play an important role in defining the characteristics of its FMCG sector. In India, for four consecutive years till 2008, it was a dream run for the economy, with the Gross Domestic Product (GDP) recording an increase of 7.5%, 9.5%, 9.7% and 9% from fiscal 2004-05 to 2007-08. This prosperity augured well for the people, with per capita income growing at 7.4% p.a., representing the fastest ever improvement in living standards over a four-year period. The gross domestic savings rate too shot up from 29.8% to 37.7% during the period 2003-04

to 2007-08.¹ The key growth drivers for this period were agriculture, services, manufacturing, along with trade and construction.

This phase of strong growth has been impacted in 2008-09 by one of the worst economic crises witnessed in the history of the world. The banking crisis which started in the US sub-prime property market triggered the collapse of several large financial institutions, including banks, mortgage and insurance companies. The crisis deepened further impacting other sectors of the US economy and



spreading beyond the boundaries of US as well. Global growth and output plummeted leading to a sharp fall in asset values across advanced and emerging economies, decrease in household wealth and incomes and thereby putting downward pressure on consumer demand. These problems were exacerbated by the volatile price of various commodities, crude and mineral oil. While commodity and oil prices eased in the latter part of the fiscal, the slowdown intensified with the US, Europe and Japan sliding into recession.

Probably no economy of the world can emerge completely unscathed in such an adverse global environment. India, although affected to a lesser extent, has not been insulated from the global events. The credit and fiscal markets in the country have tightened and asset markets have declined sharply. The growth rate in its GDP has slowed down and the Central Statistical Organization (CSO) of India has pegged GDP growth for Fiscal 2008-09 at 7.1 per cent, which would be the lowest in the last 5 years.

India's Industrial output has seen a major contraction with growth coming down to 2.8% during April 2008-February 2009 as compared to 8.8% in the corresponding period in the previous year. The year-on-year growth in bank credit to the commercial sector slowed down to 16.9% during 2008-09, compared with 20.3% in 2007-08. The year also saw a period of commodity-led high inflationary environment, which was followed by an acute correction in the commodity prices globally following the crash on the world

Did you know?

Dabur Vatika is the fastest selling shampoo brand in the country for three years in a row





financial markets due to liquidity and demand concerns. Inflation in India measured through Whole Sale Price Index (WPI) rose to as high as 12% during September, 2008 before cooling off to 0.26% by the end of March, 2009.

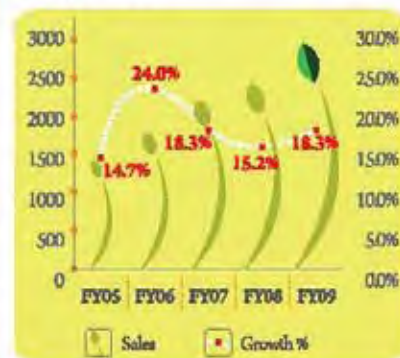
In these uncertain and bleak market conditions, your Company has posted one of its strongest performances in the last 5 years, growing the Revenues by 18.3% and Net Profit by 17.5%. In fact, the growth in Net Profit excluding the loss in the retail venture is 19.6%. The highlights of the Company's performance in 2008-09 on a consolidated basis are:

- Consolidated Sales increased to Rs. 2834.1 crore in 2008-09 from Rs. 2396.3 crore in 2007-08, registering a growth of 18.3%.
- Earnings before interest, depreciation, taxes and amortization (EBIDTA) increased to Rs. 517.3 crore in 2008-09 from Rs. 443.3 crore in 2007-08, registering growth of 16.7%

- Consolidated Profits After Tax (PAT) went up to Rs. 391.2 crore in 2008-09 from Rs. 332.9 crore, going up by 17.5%.
- Earnings per share (EPS) went up to Rs. 4.5 in 2008-09 from Rs. 3.8 in 2007-08.

The strength of the Company's business strategies and competence in execution were demonstrated in its strong performance during 2008-09, when it not only weathered the storm unleashed by the global economic meltdown but successfully delivered consistent growth, quarter on quarter. The 18.3% growth in Consolidated Sales was driven largely by increased volumes, which accounted for almost three fourths of the total revenue growth. This has been one of the highest growths recorded during the last 5 years with the exception of 2005-06, the year in which growth was boosted by the Balsara acquisition that added additional 10% to the topline. (See Chart A)

Chart A: Consolidated Sales and growth during last 5 years



In spite of the highly uncertain market conditions and apprehensions of a slowdown, the Company continued to drive its key strategic initiatives and invest aggressively behind its brands and businesses during 2008-09.

Pursuing its strategy of inorganic growth through acquisitions that provide significant cost and revenue synergies and enhance its market position, the Company announced

the acquisition of 72.15% of Fem Care Pharma Ltd (FCPL), a leading player in the women's skin care products market, for Rs.203.7 crore in an all-cash deal. The process of regulatory approvals for the acquisition, including an open offer for an additional 20% of the equity, is underway and is likely to be completed in the first quarter of next fiscal. The Company believes this acquisition will open new vistas of growth in the fast-growing mainstream skin care segment and will accrue significant cost and revenue synergies.

On the operational front, one of the major challenges faced during the year was the significant inflationary environment fuelled by upward movement of crude and agri-commodity-based raw materials. Due to this, inflation touched a peak of 12-13% in September 2008 (See Chart B). Responding to this challenge, the Company

embarked on a number of proactive measures to manage the cost pressures. An aggressive planning, forecasting and hedging strategy on the one hand, and efficient management of cost on the other helped curtail the impact of inflation. Calibrated price increases taken by the Company also helped in protecting the operating margins and yet maintain its strong volume-driven growth. While the Company increased the

prices of its products to pass on some of the increase in costs, these were quite moderate as compared to the average price hikes in the industry. In fact, the price increases taken by the Company were among the lowest in the industry thereby ruling out the need for any roll back of prices post the correction in input costs, which has been the case in some categories where steep price increases of 15-25% were witnessed.

Chart B : Movement of WPI during 2008-09



In addition to excellent material cost management, a series of strategic initiatives helped the Company deliver even in these difficult times. Product innovation and superior packaging coupled with effective communication initiatives and a host of consumer activations enabled the company drive double-digit growth across its categories. While many of the Dabur offerings became more modern and contemporary with the introduction of new packaging and look and feel, the portfolio remained aligned to the Company's core strategy of offering brands and products on the herbal and natural platform.

The national launch of Dabur Chyawan Junior, a malt-based nutritional drink

incorporating the goodness of Chyawanprash, was one of the milestones in this journey and also marked the Company's entry into the large and growing Malted Food Drink (MFD) market with a unique and well-researched product offering. For the third year in a row, the Company's Vatika Shampoo brand remained the fastest growing shampoo brand in the country with growth of 31.5%, significantly outperforming the category. Dabur Amla Hair Oil, one of the largest brands in Dabur portfolio, posted its best-ever growth of 20.4% with its revenues crossing the Rs.300-crore mark. The Company's international business reported strong growth of 40% during the year increasing its contribution to 18.5% of total

consolidated sales from 15.7% in the previous year.

Some of the other key achievements during the year were:

- Successful extension of Gulabari brand to a range of skin care products accelerating the brand's growth to over 40%.
- Dabur Red Tooth Paste, a unique toothpaste based on Ayurvedic knowledge, became a Rs.100 crore brand within a period of 5 years of its launch.
- Consumer Health Division, Dabur's original and oldest business division bounced back with strong 20% growth aided by aggressive OTC launches.

Did you know?

Dabur Chyawan Junior is the first Ayurvedic malted food drink in India, incorporating the goodness of Chyawanprash in a chocolate-flavoured granular format



- The company entered the fast growing hard Surface Cleaners category with the national launch of Dazzl floor and kitchen cleaners

Rural India has been the key growth driver for the FMCG market during the year. Recognizing the huge growth opportunity residing in rural & small town India, Dabur undertook specific initiatives to strengthen its rural penetration. These included the roll-out of a rural-focused sales initiative across eight key states that contribute to a majority of overall rural sales, sprucing rural distribution reach, developing innovative trade promotions, launching consumer activation programmes and introducing special product packs for these markets. These initiatives paid good dividends leading to a strong momentum in the Company's rural markets.

Lastly, one of the Company's biggest successes during the year has been its operational excellence, which is evident in its EBIDTA margins remaining at 18.3% vis-à-vis 18.5% in the previous year. This has been a result of its unwavering focus on maximizing efficiency in all its operations – be it sourcing, manufacturing, sales & distribution, supply chain, advertising & media costs and other indirect costs. With this, the company delivered a good growth in its Net Profit, which increased by 17.5% for the consolidated business and by 19.6% after excluding the losses on account of the newly launched retail venture.

Strategic Business Units

The Company's business is structured in three strategically aligned strategic business units:

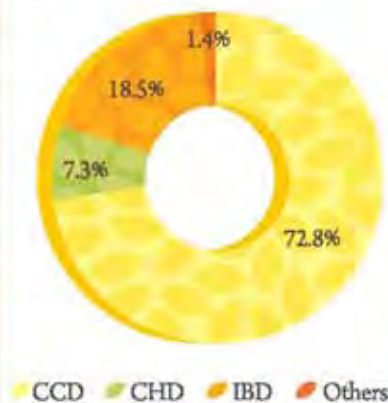
- Consumer Care Division (CCD) which markets a wide range of products across various consumer categories. This

division accounted for 72.8% of the Company's consolidated sales in 2008-09. (Refer Chart C)

- Consumer Health Division (CHD) which offers over-the-counter (OTC) products, branded ethical and classical products based on the Ayurveda platform. This Division accounted for 7.3% of Consolidated Sales in 2008-09.
- International Business Division (IBD) which has made rapid strides and become a key growth driver for the Company. With its business spread over Middle East, North Africa, West Africa and South Asia, the division contributed to 18.5% of the Consolidated Sales in 2008-09.

Dabur's product portfolio is spread over a good mix of less penetrated and high growth categories. The Company's positioning on the 'health and wellness' platform, backed by its ANH (Ayurvedic/Natural/Herbal) platforms provides it a unique distinctiveness and consumer appeal. This, combined with the Company's ability to create new categories and sub-categories, make it uniquely positioned to capture lifestyle and demographic changes-led growth in the FMCG space.

Chart C : Division-wise Consolidated Sales



Consumer Care Division (CCD)

Extension of existing brands to more sub-categories and making more choice available to consumers, coupled with increased focus on rural penetration, was the key platform on which CCD leveraged its growth during 2008-09. The division reported growth of 13.8%, supported by strong performance across various segments. The CCD business is divided into four key portfolios: healthcare, personal care, home care and foods. These cater to a number of consumer market segments including hair care, oral care, baby and skin care, health supplements, digestives, home care and foods. Share of these product segments in CCD sales is presented in Chart D.

Chart D : Category-wise share of CCD Sales



Health Care

With a share of 44%, the Health Care segment continued to be the largest contributor to CCD's sales during the fiscal, reporting impressive growth across all its three categories: Health Supplements, Oral Care and Digestives.

Did you know?

Dabur Chyawanprash is the first branded Chyawanprash and is the largest selling Ayurveda-based product in India



Health Supplements

This category reported an 11.3% growth during 2008-09.

Dabur Chyawanprash, which is the flagship brand in this category, recorded good gains in market share which went up from 62.3% in 2007-08 to 64.1% in 2008-09 (volume share as per A C Nielsen). This was supported by a number of initiatives taken to enhance the brand image and increase consumer awareness. The key among them was enlisting a new brand ambassador, youth icon M.S.Dhoni in addition to Amitabh Bachhan, coupled with the unveiling of a new, modern and attractive packaging format that enhanced the product appeal while retaining its traditional legacy.

Chyawan Junior, a malted food drink

format (MFD) with the benefits of immunity, was rolled out in the North, East and West regions. The product performed well, gaining 1% share of the MFD segment in these key markets in just three months of launch. This breakthrough product, which marked Dabur's entry into the large Rs.1900 crore MFD market, will be one of the avenues for bringing in new and younger consumers into the Chyawanprash fold and expanding its franchise.

The sugar-free variant Dabur Chyawanprakash also performed well during the year as consumer acceptance increased for this product.

Dabur Honey, the largest selling brand of honey in the country, continued its steady performance on the back of its compelling

anti-sugar, high nutrition proposition. For the first time in the history of advertising, the Amitabh Bachchan-MS Dhoni combine was leveraged to take the Dabur Honey brand campaign to a new level. The duo takes forward Dabur's message to 'Drop Sugar & Switch to Dabur Honey' for a healthier life. To drive consumption among kids, Dabur Honey tied up with Disney's popular character 'Winnie The Pooh', which now features on the new trendy Dabur Honey Eazee Squeazy pack. The Company also came out with a coffee table book on honey-based recipes for everyday cooking to increase awareness about the product.

Taking its celebrity-endorsement strategy ahead, the Company signed a new brand ambassador, cricketer Zaheer Khan for its Dabur Glucose campaign. Epitomizing and

exemplifying the 'Total Energy' (energy for the body and for the mind) theme, Zaheer Khan is expected to add pace to the Company's flagship energy drink marketing campaign. Introduction of reusable jars and the launch of two variants (Orange and Lemon) continued to ensure steady growth for Dabur Glucose during the year and helped it maintain its market share.

Oral Care

This category reported a growth of 4.8% during the year with toothpastes segment growing by 11.3%. After three quarters of sluggish growth during fiscal 2008-09, resulting mainly from cost inflation leading to higher product prices of select SKUs, Babool brand bounced back with a double digit growth during the fourth quarter. The

Company further enhanced the brand offerings across various value price points. The Neem variant of Babool, which was launched during 2008-09, gained share in the neem toothpaste category.

A star performer in the toothpaste portfolio, Dabur Red Toothpaste reported 21.4% growth during the fiscal on the strength of effective communication underlining its superior herbal formulation which is based on Ayurveda and has been scientifically validated. With targeted advertising and extensive school activation programmes, the brand's market share went up from 3.0% in 2007-08 to 3.3% during 2008-09 (source: A C Nielsen Retail Audit Report). The fact that the brand has touched the Rs.100 crore mark within 5 years of launch further reinforces the product excellence and popularity.

An important development during the year was the re-launch of Meswak. On the back of new packaging and communication that focused on the wonderful properties of the herb that forms the core of the toothpaste, Meswak recorded an impressive 17.2% growth in sales.

Red Toothpowder declined marginally albeit maintaining its market share. The toothpowder category reported lower growth as usage patterns are changing and consumers are opting for toothpastes rather than toothpowders. Dabur's oral care portfolio offers a variety of choices to the consumers to upgrade to toothpastes and therefore is largely able to retain the consumers in some or other oral care format.

Did you know?

Dabur Red Toothpaste has become a Rs. 100 crore brand within just five years of its birth



Digestives

The Digestives category reported growth of 11.8%. The three key offerings in this category are Hajmola tablets - focusing on the 'tasty digestives' theme; Hingoli - on gas relief; and Hajmola candy - on the tangy and spicy taste. Growth in this category was supported by Hajmola tablets, which grew by 13.7% and Hajmola candy, which reported a robust 17.9% increase for the fiscal 2008-09.

The company launched a new campaign with the theme 'Hajmola kare khana complete', which established Hajmola's post-meal connect and boosted growth for the brand. Alongside, a consumer contact campaign to promote Hajmola among dabbawalas, dhabas, hotels, restaurant chains, food courts etc. emerged as an effective strategy to take the post-meal association further & boost sales. As part of this initiative, the Company adopted 140 dhabas on the five highways connected to Delhi and branded these dhabas, giving

them a new look and feel. Customers at these dhabas were served Hajmola as the post-meal digestive. Dabur is now preparing to extend this initiative to cover over 1000 dhabas across the country. Similar branding and sampling initiatives were also undertaken with the dabbawallahs (tiffin carriers) in Mumbai and branded food retail chains in Delhi-NCR. The Company is now introducing a 50-paise sachet containing two Hajmola tablets, targeted mainly at institutional consumers. The introduction of new variants like Pudina and Nimbu continued to add excitement around the brand, and these flavours have become hugely popular.

A host of advertising and promotion initiatives pushed up sales of Hajmola Candy during the year. The 'audio candy' advertisement campaign was particularly beneficial in promoting Hajmola Candy, especially among children. Innovative marketing and tie-ups with kids' TV channels helped boost the campaign

further. A key initiative undertaken during the year was school activation, which covered almost seven lac students in schools across the country. Another key initiative was the introduction of Mega jars that enabled Hajmola Candy to make its way forcefully back into large retail outlets where it was previously being overtaken by local and other brands.

Personal Care

Comprising Hair Care and Baby & Skin Care, this portfolio is the second largest contributor to CCD sales, with a 37 % share. During 2008-09, this portfolio reported a strong 21.5% growth, of which significant growth came out of higher volumes - a considerable achievement given the intense and challenging inflationary scenario in terms of the input costs that impacted the FMCG industry during the year. Led by impressive growth across brands, the Personal Care portfolio emerged as the fastest growing segment in CCD during the year.

Did you know?

Almost 2.5 crore Hajmola tablets are consumed in India every day



Did you know?

Dabur Amla Hair Oil is Dabur's single largest brand and a market leader in the non-coco hair oil market.



Hair Care

Hair care segment recorded impressive growth of 22.8% during the fiscal 2008-09.

The star performer in the hair oil segment was the flagship brand Dabur Amla hair oil, which reported a growth of 20.4%, while Vatika hair oil turned around from lackluster performance last year to report double-digit growth. Anmol coconut oil reported strong growth during this period on account of its focus on value segment in select geographies.

The strong growth in Amla Hair Oil was led by the brand's focus on conversion of customers from loose mustard oil and a number of customer activation

programmes were launched to bring more consumers into its fold and enhance usage. The brand crossed Rs.300 crore in turnover and ranks as one of the largest and fastest growing brands in the hair oil category. The year also saw the introduction of Dabur Amla Hair Oil in a Re 1 sachet, a move that is expected to add further momentum to the brand's growth.

The growth of Vatika Hair Oil was driven by a total revamp, encompassing qualitative change in the product, new packaging and a new communication strategy, which saw 1.5 lakh households being directly contacted on the new platform of 'scientifically proven to be better than normal coconut oil.'

The growth in the oils segment happened despite a hike in prices, primarily on account of a stronger leverage of the distribution reach and an excellent price proposition, combined with a geographically segmented strategy focusing on East and North India, where the market was previously dominated by smaller discounted brands.

Light hair oil market represents an exciting growth opportunity with category size estimated at around Rs. 500 crore. The Company staged an entry into this sub category with the launch of two variants – Vatika Enriched Almond Hair Oil and Dabur Amla Flower Magic Hair Oil. These two variants are being test marketed in select markets.

Vatika range of shampoos emerged as the fastest growing shampoo brand in India for the third consecutive year reporting 31.5% growth. Its variants, namely Henna Cream, Root Strengthening and Black Shine shampoos, performed exceptionally well adding significantly to the overall growth. Vatika now has a market share of 6.8% (volume share as per A C Nielsen Audit Report) as compared to 5.7% for the previous fiscal 2007-08.

With the anti-dandruff shampoos constituting more than one-third of the total shampoo market in India, the Company sees great growth potential in this category. As a step in this direction, the Company created a new sub-brand Vatika

Dandruff control under which three anti dandruff shampoo variants are being launched.

In order to continue the momentum and take the new initiatives forward, the Company has signed Preity Zinta as the new brand ambassador. This is expected to enhance the brand's connect and saliency among the target consumer segment.

Dabur marked its entry into the health shampoo segment by test marketing a new product - Dabur Total Protect Health Shampoo. This product is formulated with Ayurvedic herbs and provides a natural and healthy alternative to consumers who are wary of using chemicals. The results of the

test market will determine the future strategy for this product.

Baby and Skin Care

The Skin Care category saw impressive growth, with Gulabari brand crossing the Rs.40 crore turnover mark, reporting a growth of 40.6% during the year.

Gulabari's growth was driven by increasing sales of Gulabari rose water and its extension into mainstream skin care with the introduction of new products like Dabur Gulabari Moisturizing Cold Cream and Dabur Gulabari Moisturizing Lotion. The introduction of Dabur Gulabari Premium Rose Touch Face Freshener Spray - a breakthrough product in the





Indian skin care market - also contributed to the growth of the Gulabari franchise.

Skin care is a focus category for Dabur, and moving forward, the Company plans to widen its offerings in this market while continuing to build on its Ayurvedic domain knowledge. The company is planning to launch a range of premium Ayurvedic skin care products in the coming fiscal under a new brand name, further strengthening its presence in this very attractive & high growth market.

These initiatives coupled with the acquired Fem portfolio would give the Company a sizeable presence in the skin care market in the coming years.

Dabur Lal Tail which is a key player in the baby massage oil segment reported strong growth of 19.6% backed by various consumer promotion activities. The product's efficacy was also proven through

an independent clinical trial that rated Dabur Lal Tail as the most effective massage oil for height and weight growth for infants. The study noted that Dabur Lal Tail offers twice faster rate of height and weight growth among infants as compared to no massage at all.

Some smaller brands in the baby care portfolio such as Dabur Janam Ghunti and Gripe Water were transferred to Consumer Health Division (CHD) for enabling better focus and channel synergies.

Home Care

Dabur is a significant player in the evolving and under penetrated Home Care category in India. Home Care portfolio, which came into the Dabur fold with the acquisition of Balsara in 2005, has a share of 5.7% of CCD revenues. The portfolio registered a growth of 9.7% during 2008-09.

The portfolio comprises of 3 categories: Air

Care, Mosquito Repellants and Surface Cleaners.

In the Air Care category, the Company provides a range of products under the Odonil brand. The Company launched Air Freshener Gels in this segment during the year. The brand, though faced with increasing competition from other players as well as private labels, continues to build its equity and strengthen loyalty with its consumers.

In the personal applicator Mosquito Repellent Cream category, Dabur's Odomos is a market leader with 84% share. As part of its efforts to offer consumers a wider choice, the Company has, during the course of the year, expanded the Odomos range with the introduction of a convenient spray format and a new value added format, christened Odomos Naturals. Odomos Naturals comes with the goodness of citronella (a natural mosquito repellent)



and aloe vera. Odomos is now certified by Indian Medical Association (IMA) as safe for use on skin and being highly effective against disease causing mosquitoes.

The year also saw Dabur enter the floor and kitchen cleaners market with the national launch of Dazzl. Two new products - a disinfectant Floor Cleaner and an anti-bacterial Kitchen Cleaner - were introduced under the Dazzl brand. Popular television bahu Smriti Irani has been roped in as the celebrity endorser for the brand.

Dazzl has already garnered a 5% share of the non-phenyl, branded floor & kitchen cleaner market. Dazzl Floor Cleaners are available in Floral, Lemon and Pine fragrances.

Dabur operates in another segment of the surface cleaning market with Sanifresh, a specialized toilet cleaner. The focus was on winning the consumer value equation

through selective advertising, improved product, and providing a better deal to the consumer. A new brand Ambassador, popular TV star, Saakshi Tanwar was signed on for the brand. Scale formation in toilets due to hard water in many parts of India is a big-problem. Towards solving this problem, Sanifresh Extra Power was soft-launched during the year as the most powerful toilet cleaner. All these initiatives resulted in more than 30% growth for this brand.

Our third brand in the surface cleaning category, Odopic dish cleaner, also registered double digit growths.

Foods

Foods division, which was merged with CCD during 2008-09 is now fully integrated with the consumer care division and contributes 13.3% to the CCD sales. This segment comprises mainly fruit

beverages under the Real & Activ brands and culinary additives under the Hommade brand. The foods business recorded a growth of 14.4% for the year, riding on the plank of health & wellness and established superiority.

The growth was driven by a 14.9% increase in the Real and Activ range of fruit juices, while the Hommade brand also recorded a strong growth of 19.6%.

The category achieved this growth despite a month-long shut down at its plant in Nepal, which led to supply disruptions and hence some loss of sales. However, the Company has taken appropriate steps to build a backup plan in case such events re-occur in the future and has built additional manufacturing capacities in India.

On the marketing front, the Company successfully aligned its Activ range of fruit

juices to its 'health & wellness' strategy through a new 'No Sugar' campaign. A new 'Weekend' campaign to promote various flavours of Real was launched during the year which was quite effective in increasing awareness about its range and variety. In an effort to further sharpen the brand positioning of Real fruit juice range, the company has launched a campaign focusing on 'fruit power' and what it means for consumers, especially children. The Company also launched a new flavour 'Apple Nectar' under Real to leverage the growing preference for this variant.

The Dabur culinary range offered under the Hommade brand is performing quite well and the Company is now looking at expanding the range and getting it listed on more and more counters. With increasing consumption of Ready to Cook products and ingredients, the Company sees good potential in this category going forward.

International Business Division

The division, which has been transformed from being a small operation into a multi-location business spreading through the Middle East, North Africa, West Africa and South Asia, grew by 39.9% during the year and emerged as the fastest growing division of the Company.

The division's performance was supported by strong volume-led growth as well as price increases undertaken to offset the impact of high inflation on input costs during the year. This acceleration in growth of IBD led to its contribution to Dabur's consolidated revenue going up to 18.5% for FY09 from 15.7% a year ago.

The key categories accelerating the division's growth are Hair Creams, Toothpastes, Hair Oils and Conditioners. It is pertinent to mention that the brand architecture in the Company's overseas

markets remains similar to that in India, though the products sold under these brands are customized and modified to the requirements of these markets.

A significant contributor to the division's growth during 2008-09 was geographical expansion, resulting from opening up of fresh markets like Lebanon, Turkey, Algeria, Morocco and Mauritania that offer new avenues for growth.

The division's topline growth was boosted by robust performances in key geographies like GCC, Egypt, Nigeria and Bangladesh.

GCC, which is one of the Company's key markets, grew by 46% during the year as a result of excellent offtakes witnessed in the Vatika Hair Oil franchise, and also high growth in Vatika Naturals styling hair cream.

Egypt, which has emerged as another key geography, doubled itself with a growth of

Did you know?

Dabur's international business has grown at a CAGR of 32% in the last 5 years and contributes to 19% of total sales



Did you know?

Dabur ranks among the Top 50 OTC companies in the world and is the largest OTC company in India



99% during the fiscal with strong performances from Vatika Hair Cream and Vatika Olive Lite Hair Oil.

Nigeria, which is predominantly an Oral Care market for IBD, delivered a strong 36% growth for the year. Brands that delivered strong performances during the year in this market were Dabur Herbal Toothpaste and Dabur Herbal Gel.

Asian Consumer Care, Bangladesh, performed exceedingly well, reporting a growth of 56% during the fiscal. The growth was led by increased distribution penetration and focused brand approach.

Nepal which is one of the key markets in the Indian subcontinent, recorded a steady growth of 11%. The Pakistan operations were, however, impacted by the political uncertainty prevailing in the country. The year saw the division continuing to pursue an aggressive new product development strategy, marked by a slew of product launches. The Amla franchise,

which has been strong in the Hair Oil domain, was extended to the Hair Cream Category with the launch of Dabur Amla Hair Cream. The division also launched several attractive shampoo variants and hair conditioners.

The Company is now looking at expanding to other parts of Africa, taking East Africa in the first phase, followed by West and South. The Company's vision is to become one of the biggest FMCG companies in North Africa and the Middle East region.

Consumer Health Division (CHD)

The Consumer Health Division, comprising a range of healthcare products that provide Ayurveda-based solutions for health related issues, continued to be a key focus area for the Company during the year. With both the OTC (Over the Counter) and Classical product categories continuing to drive the Company's CHD business, the focus on consolidation of the business that was initiated during the

previous year continued.

As with other Ayurvedic products of the Company, this division also saw extensive visibility campaigns undertaken across key markets on the plank of 'Asar Dikhta Hai'. The Company's campaign to promote Ayurveda as a healthy and natural way to good health and good life, as validated by scientific principles, gave dividends and the year 2008-09 turned out to be a strong growth year for this division.

During the year under review, CHD registered an 18.9% growth, with both, the Ethical & OTC portfolio doing well across the range driven by packaging upgradation, mass media activities and a whole range of on ground consumer activations including Dabur Ayurvedic Health Camps.

With Juhi Chawla as its brand ambassador, the Women's Health portfolio comprising Dashmularishta and Ashokarishta did well growing by 13.2% and 14.2% respectively. The newly launched Dabur Active Blood

Purifier also gained market share in this segment.

Other new products launched during the year - Dabur Super Thanda Tail and Dabur Active Antacid evoked a good market response. Dabur Badam Tail, launched during the previous year, recorded 20.6% growth, with sales touching about Rs. 6 crore in the second year of its launch.

The Honitus franchise in this segment grew 13.6% during 2008-09 with new variants Mulethi Power and Honey Mint, adding to the brand portfolio.

Some of the brands from digestives & baby care portfolio in CCD have been shifted to CHD towards the latter part of the year to provide them with better distribution alignment and better brand focus. Focused marketing and distribution efforts helped

boost growth for the transferred brands - Hingoli, Janam Ghunti, Pudinhara, Sat Isab Gol, Gripe Water - which almost uniformly recorded a 20% growth during the year and continue to be systematically integrated into the CHD portfolio.

Going ahead, the Company plans to further add to the OTC portfolio through introduction of new Ayurvedic products in modern, ready-to-use formats and re-packaging and re-launch of existing products, coupled with extensive above-the-line marketing activities.

Sales & Distribution

Continued focus on improving penetration, increasing product availability and a realignment of the distribution framework were the key highlights of the Company's sales and distribution strategy during 2008-09.

Significant investments to strengthen market presence, through activation programmes targeted at key urban channels and rural markets, was a major initiative aimed at strengthening the sales and distribution system, that today covers 25 lakh retail outlets across the country.

Further, the integration of Dabur Foods with Consumer Care Division gave the Foods portfolio access to platforms of strategic channel activation programmes created by CCD, besides providing scale and cost benefits to enable greater reach and efficiency for the Foods portfolio.

Going forward, the Company is revamping its sales structure by dividing its foot soldiers into three focus groups of Home & Personal Care, Healthcare and Foods. This division is being effected in 100 key markets, which have been identified as high-



growth business markets. This restructuring is aimed at creating focus groups within the Company's sales force and the sales personnel with the Company's stockist, to enable them to sell products more efficiently and effectively. Christened DARE 2, this initiative is expected to further empower the Dabur sales force and create greater bandwidth to beat any potential slowdown in the market.

Wholesale trade plays a crucial role in ensuring that Dabur brands reach the most inaccessible terrain in a highly cost-effective manner. During the year, the activation programme for wholesale trade was extended to 350 towns covering almost 30% of the CCD business during the year, resulting in increased brand availability across markets.

Special market activation initiatives, including the 'Dabur Parivaar' programme was rolled out for the Grocery Trade during

the year. Under this scheme, the Company adopted and nurtured top 10,000 stores across the country, providing a strong platform for building brand awareness and consumer activation. This initiative sought to build long-term relationships with grocery stores by offering them special discounts and rewards, as well as merchandizing solutions to strengthen shelf presence and create customized displays.

In order to combat the widening turbulence in the modern retail market and sustain growth in this scenario, the Company has developed a comprehensive strategy focused on share gains in key categories. The thrust was on the creation of a distinct identity for Dabur brands - core being its herbal expertise - that is relevant for shoppers. Building an effective servicing and activation system to address complexities of multiple formats and supply chain configurations were critical elements

of this approach.

The Company also widened its presence in the rural markets - which have been resilient to the slowdown - to further build on its already strong small town and rural franchise presence. The Company rolled out a special rural focused sales initiative across eight key states - UP, Punjab, MP, Chhattisgarh, Bihar, West Bengal, Maharashtra and Gujarat - that contribute to approximately 70% of the rural potential. Rural distribution reach was stepped up in these states by penetrating into villages with population under 3,000. Under this initiative, field resources were significantly increased in the high potential districts of these states to increase contact frequencies and improve coverage by over 30%. The rural trade opportunity was also leveraged through 'Dabur Apanao, Lakshmi Laao' programme for the sub stockist network in these focus states.



Did you know?

Rural markets contribute to almost 50% of Dabur's total sales in India



Besides, a dedicated sales training initiative-ASTRA - was also launched in order to enhance the quality of field execution. The programme is aimed at managing channel complexities with respect to sales and distribution and is undertaken through 'train the trainer' programme using 75 professional actors to train more than 2,000 channel partners across the country. The Astra training consultancy module has been created in five vernacular Indian languages - Bengali, Tamil, Telugu, Malayalam and Kannada.

During the year, the Company also significantly enhanced the foot print of its transaction software 'Drishti' for stockists, integrating the real time market information into its IT network. The Drishti foot print now covers almost 70% of business and is helping the Company improve field efficiencies and quality of decision-making in sales, while also helping it reduce costs.

Development of a comprehensive IT package 'MITR', integrating all aspects of the modern trade channel, has also been rolled out to enable tracking of service levels and prioritizing investments. Technologies like SMS enterprise solutions have been harnessed to provide field teams with real time information on sales updates and stock status, thereby improving efficiencies.

The Retail Business - new

In March 2008, Dabur had launched a chain of health and beauty retail stores under the new brand. During the year, the Company opened 9 stores in the Delhi NCR region and South India. However, the organized retail industry went through a severe crunch with slowdown in offtake and financial pressures leading to closure of a few players. Also, the continued churn in retail has seen many players put their expansion plans on hold. This has brought

the sector to a standstill with new store rollouts coming to a halt and most retail chains looking at rationalization of stores to improve business viability. Dabur's retail venture has also been impacted resulting in lower than expected sales velocity. Moreover, due to high prevailing rental costs it was decided to postpone some of the store openings till a more opportune time. Although the initial experience indicates that specialized health and beauty retailing has good long-term potential and will gain currency with revival of this sector, the Company has slowed down the pace of expansion keeping in view the turmoil in the industry. In addition, the Company is fine tuning the store format, location strategy and renegotiating the rental costs in line with the decline in real estate prices. All this is expected to lead to a quicker break even at store level and reduce the loss incurred by the business.

Operations

Dabur's businesses have a strong back-end support in Procurement, Manufacturing, Research & Development and Human Resource management, all of which witnessed several key initiatives to boost performance during the year.

Procurement

Controlling costs in the prevailing inflationary scenario was one of the biggest challenges faced by the Company during the year under review. The Company effectively tackled this challenge on the strength of its strategic futuristic planning,

use of calibrated hedging mechanisms and e-sourcing initiatives.

One of the key factors that enabled the Company to keep costs under control was the short and medium-term planning programme that ensured regular forecasts from its team of strategic planners within each division and department. Three-month forecasts on the industry scenario were provided by these planners to the brand teams for taking effective measures to combat inflation.

Concurrently, the creation of a Dabur Inflation Basket focusing on the

commodities most relevant to the Company's operations helped maintain and manage costs effectively. The Dabur Inflation Basket, which was linked to WPI, helped the Company come out with actual Inflation figures that enabled it to plan ahead in a more focused manner.

Participation in the Futures Exchange also helped prepare the Company adequately against inflationary trends. Apart from incorporating more commodities, the Company enhanced its activity on this front by participating on international exchanges for procurement required in its International Business Division.



Manufacturing

Domestic

Dabur has 11 production facilities in India, out of which two main units are at Baddi (Himachal Pradesh) and Pantnagar (Uttaranchal); and seven factories which are located at Sahibabad (Uttar Pradesh), Jammu, Silvassa, Alwar, Katni, Narendrapur and Pithampur. The Foods business is serviced by manufacturing facilities at Newai (Rajasthan) and Siliguri (West Bengal).

Capacity expansion & facility up-gradation: During the year, the Company scaled up its operations in its Pantnagar facility and expanded sourcing in both Pantnagar and Baddi. It increased capacity considerably for production of Oral Care, Shampoo, Hair Oils, Creams and Lotions and Health Supplements. The Company is also in the process of expanding its Glucose facilities at Uttaranchal.

In the fruit juice segment, the Newai (Rajasthan) facility, which was an acquired unit, has witnessed doubling of volumes through increase in capacity of the sterilizer.

Since water in the region was scarce, the Company went in for extensive conservation and recycling of water and also got sanction from the state government for drawing more water. De-bottlenecking of some of the manufacturing systems also contributed in a big way to capacity enhancements at this facility.

Environment protection: A key thrust area at the manufacturing facilities was environment protection, with structured initiatives undertaken to control carbon emissions. The Company, after extensive screening of several agencies, has tied up with a reputed consultant to study carbon greenhouse gas emissions at three of its sites, namely Pantnagar, Baddi and Newai.

Efficiency enhancement: The Company continued to improve productivity at all its manufacturing locations through various cost reduction and energy saving initiatives. In Baddi, the Company initiated Total Productivity Management (TPM) principles through an external consultant, moving towards increased automation and multi-operator concept.

A number of cost reduction and process improvement projects were undertaken to reduce costs in manufacturing of a number of products. The Company also implemented alternate fuel technologies for steam generation at its units at Sahibabad and Katni.

In the future, the Company plans to set up new manufacturing facilities at Baddi, Himachal Pradesh to cater to its future growth requirements in addition to expanding its facilities at other locations.

International Operations

During 2008-09, the Company expanded its capacities in IBD with the commencement of operations at Ras-al-Khaimah in the UAE, enabling it to re-organize its operations in the Middle East. The timely commissioning of this plant helped support the Company's strong growth in IBD. During the year, the Company also started its Nigeria operations by refurbishing an acquired unit for the oral care segment.

Egypt is an important destination for the Company with strong growth coming from this market. The manufacturing facilities in Egypt have been expanded and enhanced to meet the future growth requirements. Further, to service the growing Egypt market, the Company plans to set up another greenfield facility by 2010-11. The Egypt facilities, catering to North Africa and parts of East and Central Africa (Comesa region), will focus on manufacture of Hair Care products, along with some Oral Care products.

Nepal turned out to be a significant contributor to the Company's growth despite the political turmoil in the country. The focus in Nepal was on getting more out of the existing assets, which was managed

International Footprint



Map not to scale

★ Key Markets | ★ Manufacturing Facilities

Did you know?

Dabur introduced over 20 new products and variants across categories in 2008-09



through improved efficiencies and de-bottlenecking. Despite a month-long strike, political uncertainty and severe power cuts, which resulted in both energy and labour costs going up significantly, the Company managed to increase production volumes in Nepal.

R&D and Innovation

At Dabur, R&D lies at the heart of everything the Company does. From strengthening the Company's presence in the herbal niche, to innovating on newer and differentiated herbal and natural products spanning newer categories; from making a 3000-year old science contemporary to suit the needs and aspirations of today's modern and urban consumers through path-breaking packaging and product proposition, to

scientifically validating the widespread benefits of science for increasing acceptance of the Company's products, R&D's role is axiomatic.

In terms of product and packaging innovations, the Company successfully developed new variants in Hajmola, a new range of surface cleaners, new variants in shampoo, a range of natural conditioners and light hair oils, new packaging for Meswak toothpaste, Amla Hair Oil in sachet format, new OTC products such as Harde Goli, Honitus chewable tablets and Antacid.

Up-gradation of quality was another focus area and the Company's thrust was on measuring and monitoring quality end-to-end - from suppliers to marketing. Several

products were repackaged and upgraded to better designs and formats during the year as part of this exercise. These included Odonil Gel, Chywan Junior pack, Meswak, Gulabari, Light Hair oil (Amla Flower Magic & Vatika Enriched Almond Hair Oil), Re 1 hair oil sachets.

Human Resources

People always have been, and shall continue to be, central to Dabur's growth story. Always at the forefront in terms of employee engagement and HR initiatives, the Company is continually investing in the development of its human resources through a series of employee-friendly measures aimed at talent acquisition, development, motivation and retention.

Dabur's new rewards programme for

employees - 'Applause' - seeks to reward employees in various categories like the Rising Star (best newcomer), Honours Club (employee of the year), Trailblazer (employee of the year) and Eureka (for the best idea generation).

Besides, spot awards are also given to recognize employees at any time for demonstration of actions, which are innovative, save cost, promote team spirit, institute new initiatives and raise standards of performance. The rewards, presented at the annual Utsav function, go beyond cash and include goodies like LCD TV, iPod, music system as well as BlackBerry handsets. Employees are also given a citation and other rewards.

With this system of employee rewards, the Company's game plan is to increase employee engagement levels and create more employee touch points and opportunities to recognize talent, both on a formal and informal basis.

The company had also rolled out the 'Astra' programme, as detailed earlier. Besides, a new programme was launched in March 2009 to address the business complexities arising out of the increasing number of products and SKUs by bringing a category focus into the organization, for which about 100 personnel were recruited.

A key HR initiative at Dabur is internal communication. Apart from Intranet, each manufacturing facility and regional office has its own newsletter, with a local language component. Also, annual scholarships are given to children of employees under the Dabur Protsahan programme as a part of which 197 children were awarded scholarships.

In its overseas offices, the Company achieved a significant milestone in the staffing of its Ras-al-Khaimah factory, which was designed for two shifts but had to be expanded to include three shifts soon after operations started.

The Company believes in total transparency and has put in place a number of formal and informal processes to get employee feedback, along with a system of holding a bi-annual survey.

A vibrant culture, average employee age of 31-32 years, direct recruitment from some of the top B-schools in the country under the Young Managers' Development Program and Conduct of Competency Development Centres for elevation are some of the other important HR initiatives of the Company. As of 31 March 2009, the company employs 4,222 people in various parts of its business.

Industrial Relations

The Company has an excellent track record of industrial relations, which, by and large, remained good during the year. Though events outside the Company's control

impacted industrial relations in the Nepal facility, this did not affect the performance, with the unit, in fact, delivering good growth and output.

Corporate Social Responsibility

As a responsible corporate citizen, the Company has put in place several initiatives to fulfill its social responsibility and contribute actively to the growth of the society. These have been covered in detail in a separate section of this report.

Financial Review (on a consolidated basis)

The Company reported healthy growth and profitability during 2008-09. Table 1 below provides the abridged profit and loss account for the Company on a consolidated basis.

With the strategic and operational initiatives outlined herein above, the Company increased its Consolidated Sales by 18.3% to Rs. 2834.1 crore in 2008-09 from Rs. 2396.3 crore in 2007-08.

While the environment remained quite inflationary for most part of the year, the

Table 1: DIL's Abridged Profit and Loss Statement, on a consolidated basis (Rs.crore)

| | 2008-09 | 2007-08 | Change |
|-------------------------------|---------|---------|--------|
| Sales | 2834.1 | 2396.3 | 18.3% |
| Other Operating Income | 25.6 | 24.0 | 6.8% |
| EBIDTA | 517.3 | 443.3 | 16.7% |
| Depreciation | 49.2 | 42.1 | 16.9% |
| Interest | 23.2 | 16.8 | 38.1% |
| PBT | 444.9 | 384.4 | 15.7% |
| PAT (after minority interest) | 391.2 | 332.9 | 17.5% |

Company was able to mitigate the impact of inflation and maintain its EBIDTA margin at 18.3% in 2008-09 as compared to 18.5% in 2007-08 (See Table 2). In fact the EBIDTA margin for the core FMCG business after excluding the loss of the retail venture touched 18.9% (See Table 3).

Table 2: Key financial ratios of DIL, on a consolidated basis (Rs.crore)

| | 2008-09 | 2007-08 |
|----------------|---------|---------|
| EBIDTA / Sales | 18.3% | 18.5% |
| PAT / Sales | 13.8% | 13.9% |
| ROCE | 38.8% | 47.6% |
| RONW | 48.4% | 55.3% |

During the year, the Company announced the acquisition of 72.15% of Fem Care Pharma Ltd (FCPL) for Rs. 203.73 crore in an all-cash deal. This amount has been deposited in an escrow account on which the beneficial interest is accruing to the transferors. The acquisition process including the open offer for additional 20% of FCPL's equity is underway and post the completion of this process, FCPL will become a subsidiary of DIL. Therefore the DIL financials for FY2008-09 do not include the sales and profitability of FCPL. As the funds have already been deposited in the escrow and the corresponding returns are not yet accruing to the Company, the ROCE of the company was impacted. However the ROCE will improve once the acquisition of FCPL gets completed and its profits get consolidated with DIL. The acquisition has been funded out of internal accruals of the Company.

The ROCE was also impacted to some extent by the Retail Venture which has been set up under H&B Stores Limited, a 100% subsidiary of DIL. 2008-09 was the first full year of operations for this business. As the venture is at an initial stage, the subsidiary

incurred a loss of Rs.17.9 crore during the year. Excluding the impact of Retail the profitability and financial ratios of the core FMCG were even better which are presented in Table 3 below:

Table 3: Key financial ratios of DIL, excluding Retail (Rs.crore)

| | 2008-09 | 2007-08 |
|----------------|---------|---------|
| EBIDTA / Sales | 18.9% | 18.8% |
| PAT / Sales | 14.5% | 14.2% |
| ROCE | 42% | 47.8% |
| RONW | 50.6% | 55.2% |

The net working capital of the company was at 18.4 days of sales as compared to 6.4 days in 2007-08. However this increase was on account of surplus cash to the extent of Rs.100 crore excluding which the net working capital was at 5.5 days of sales.

The Company declared a total dividend of 175% for the financial year 2008-09 which translates into a payout ratio of 45% of consolidated net profit.

Internal Control Systems

Dabur has a robust internal audit and control system manned and managed by qualified and experienced people. PriceWaterhouse Coopers is the internal auditor for the company and its subsidiaries.

The Company follows Standard Operating Procedures (SOPs) that are in line with the best global practices, and have been laid down across the process flows, along with authority controls for each activity.

Dabur has also introduced the COSO framework for internal controls and adequacy of internal audit. Under this framework, various risks facing the Company are identified and assessed

routinely across all levels and functions, and suitable control activities are designed to address and mitigate the significant risks.

The internal audit department reports to the Audit Committee of the Board of Directors, which recommends control measure from time to time. To read the report of the Audit Committee on internal control and adequacy, refer to the section on Corporate Governance of the Annual Report.

Risk Management

Dabur like any other enterprise having national as well global business interests, is exposed to business risks which may be internal as well as external. In the broadest sense, we define risk as the eventuality of not achieving our financial, operative, or strategic goals as planned. To ensure our long-term corporate success, it is therefore essential that risks be effectively identified, analyzed and then mitigated by means of appropriate control measures. We have a comprehensive risk management system in place, which enables us to recognize and analyze risks early and to take the appropriate action. This system is implemented as an integral part of our business processes across the entire Dabur operations and includes recording, monitoring, and controlling internal enterprise business risks and addressing them through informed and objective strategies.

The risk management system is spearheaded by the Chief Risk Officer (CRO) of the Company, who is responsible for, and ensures, effective risk management - both risk identification and mitigation. A team of risk officers at each Company location supports the CRO. Each employee is entitled to identify risk and report it to the concerned risk officer, who in turn reports it to the CRO.

Did you know!

Dabur Honey is the largest branded honey in the country, accounting for over 75% of the organized market.



The risks are reported in the Risk Register and classified in terms of their impact and probability of occurrence. The Risk Register is an inventory of risks affecting Dabur, and covers various functions like marketing, operations, regulatory affairs, finance and human resource development. The risks are further mapped in terms of mitigation action to be taken and the people who are responsible for taking such actions. The Risk Register is reviewed periodically by senior management and is presented to the Audit Committee on a quarterly basis.

One of the key risks faced by the company in today's scenario is continued economic slowdown and deterioration of macro economic indicators which can impact the

spending power of consumers and put pressure on their incomes and consumption. A poor monsoon, if it happens, can impact rural incomes and dampen rural consumption and spends. Increase of imitation / fake products and brands can hamper our growth. Any unexpected changes in regulatory framework pertaining to fiscal benefits and health related issues which may impact parts of our business or profitability is one of risks faced by the company.

However the Company is well aware of these risks and challenges and has put in place mechanisms to ensure that they are managed and mitigated with adequate timely actions.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downward trend in the domestic FMCG industry, rise in input costs, exchange rate fluctuations, and significant changes in political and economic environment in India, environment standards, tax laws, litigation and labour relations.



Dabur withstands gloom with organic strength

Co's Strategic Move To Explore Non-Western Export Markets Pays Off

Ratna Bhushan
NEW DELHI

FOR the Rs 2,396-crore home-grown Dabur India, nature has paid rich dividends. The global financial slowdown that has nudged consumer spending worldwide left Dabur products relatively untouched thanks to smart moves by the FMCG major to explore non-western export markets and the general shopping trend of going organic.

A year back, when it was considering expanding in MENA (Middle East & North Africa) markets, Dabur decided to set up a new manufacturing facility in Ras al Khaimah (UAE). The plant was commissioned in July '08 to manufacture personal care products. Soon, output from this facility could not keep pace with demand and

markets—which have remained insulated from this slowdown—and traditional trade channels," Mr Duggal says. During the course of the year, the company heightened investments behind brands and products with a strong small town and rural franchise focus on the legs—these were more likely to surge ahead even in a slowdown.

It rolled out a special rural-focused sales initiative across seven key states—UP, MP, Bihar, Punjab, West Bengal, Maharashtra and Gujarat, stepping up rural reach by going into villages with pop-



विकास की ओर ड़ाबर

शरत चेलव्ही

मौजूदा समय में जब बाजार में अस्थिरता का माहौल है, तो ड़ाबर इंडिया में निवेश को उपयुक्त दिखता है। कंपनी का विकास रिकॉर्ड देखकर भी यही कहा सकता है कि उसने लगातार बेहतर रिजल्ट दिए हैं और जिन ब्रांडों में भी उससे किसी भी दमन है। पिछले 5 सालों में कंपनी को सर्वोच्च विकास में 18 फीसद और मुद्रा मुद्रा में 23 फीसद की वृद्धि देनी पड़ी है। कंपनी ने मुद्रा को एक अत्युत्पीड़न बनाने वाली कंपनी को ड़ाबर से निकालकर देवी से विकास करने वाली एकमात्र कंपनी में बदल कर लिया है। इसमें भी यह दिखी कंपनी है, जिसके पास हर तरह के उपकरण

(कोटिंग, असेम्बली) और हींग क्लेन सेटिंग में अडैप्टेबिलिटी। यही ही कंपनी को संभालने में कंपनी को सबसे अधिक राखने लगा है। पर फिर भी कंपनी विमर्श में इस क्षेत्र को विज्ञान में 13 फीसद का उन्नत हुआ है। पिछले पांच वर्षों की औसत विकास दर 16.4 फीसद की तुलना में कम है। हालांकि कंपनी का ध्यान इन क्षेत्रों पर है और शायद जहां बजट है कि कंपनी इस क्षेत्र में फिर से काम करने में जुट रही है और ड़ाबर केयर, ड़ाबर कॉस्मेटिक्स, ड़ाबर और विकास केयर सेक्टोर्स पर विशेष ध्यान दे रही है। कंपनी की योजना मुद्रावारी बल मुद्रा विकत केयर उपकरणों के विकास का भी है और इस क्षेत्र में कंपनी केयर प्रिन्सिपल, केयर से, कोलर, कोम और माइक्रोबायोलॉजी सेक्टर

Dhoni, Big Bee join hands to sweeten Dabur honey

Saurabh Turakhia
Mumbai, December 1

MORE people getting conscious of health and hazards of sugar in honey companies are wasting no time in pushing the natural sweetener as a better alternative with lesser calo-



ries; which has been projecting Dabur Honey as a healthier alternative is now driving the message hard. Latest commercial features Manjira Singh Dhoni, who was recently

industry in Dabur switch to

Dabur Q4 net up, sees steady growth in FY10

By C. L. KUNCHERIA
feedback@livemint.com
NEW DELHI

Quarterly consolidated profit at Dabur India Ltd rose 31% to Rs1.04 crore, led by increased sales in its two key units, and its finance chief on Wednesday said the firm would maintain its growth pace in 2009-10 too. Revenue rose by a fifth to 7.37 crore.

The maker of Dabur Amla hair oil and Vatika shampoo would improve its core margins by up to 1 percentage point in the year that began 1 April on cooling commodity prices and cost

the next year will mirror this year's growth, again on a higher base," Verma said over the telephone.

Asked about commodity prices, which had hit record levels in the September quarter, Verma said Dabur's raw material costs had come down in the March quarter from the previous quarter, and would continue to decline.

"Coupled with other initiatives we have taken in managing our costs...we will see some marginal growth in margins this financial year," he said. "But nothing dramatic will happen."

Dabur picks up 72.15% in Fem Care for Rs 203.7cr

Values Skincare Co At Rs 282.4 Cr, To Make Open Offer For Additional 20% Shares

The Business
MUMBAI

DABUR India on Friday announced the acquisition of 72.15% of women's skin-care company Fem Care Private (FCPL) for Rs 203.7 crore in an all-cash deal.



The transaction involves a 100% premium over Fem Care's pre-announcement price of Rs 203.4 crore and an average valuation of approximately Rs. 282 crore of Fem Care Skincare. Dabur will make an open offer for 20% additional shares in FCPL.

The acquisition of Fem Care Private is an all-cash deal and strategic to aggressively expand Dabur's leadership in women's skin-care products in the FMCG space. This transaction would give Dabur an entry into the high-growth skin-care market with an established brand. Further, Dabur also has the potential to expand the brand into several other related skin-care categories," Dabur Chairman Anand Sankaran said in a statement.

'Dabur Vatika emerges as fastest selling shampoo'

Manika Gupta | TNN

New Delhi: Dabur India's premium shampoo, Vatika, has emerged as the fastest selling brand in the first six months (April-Sept) of the current financial year. According to the latest AC Nielsen ORG Marg data, Vatika reported a 38% growth in sales (volume terms) during April-September 2008 as compared to an industry average of 10%. In value terms also, it emerged as the fastest growing shampoo brand with a growth rate of 33% as against

Corporate Governance refers to the blend of law, regulations and voluntary practices that are able to attract the best of capital and talent. Strong corporate governance is indispensable for safeguarding the interests of shareholders and other stakeholders. The Company understands and respects its fiduciary role and responsibility towards shareholders and strives hard to meet their expectations.

Effective Corporate Governance needs to internalise and adopt a core set of values which further strengthen the Management and the decision-making process, resulting in creation of value and wealth for the shareholders on sustainable and long-term basis. Corporate Governance is the key factor in attaining fairness for all stakeholders and achieving organizational efficiency. A detailed policy is established to provide a direction and framework for managing and monitoring the Company in accordance with the principles of good Corporate Governance, thus ensuring fairness in all transactions within and outside the Company with investors, customers, employees, partners, competitors and the society at large.

Dabur's Board of Directors and Management are deeply committed to pursuing growth by adhering to the highest national and international standards of Corporate Governance. As a Company, Dabur believes good Corporate Governance and transparency in actions of the Management to be the key to building strong trust with the Company's stakeholders. Good governance practices in the Company include adoption of best Board practices, respect and protection of minority views and interests, and institutionalization of fair and transparent reporting systems in true spirit, beyond merely complying with mandatory requirements. The Company's commitment towards adoption of sound governance, at par with global standards,

on a sustained basis is evident from the fact that it had put in place systems and procedures well before these become mandatory. This attitude of Dabur has strengthened the bond of trust with its stakeholders, and also with 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 and highlights the additional initiatives taken in line with international best practices.

Corporate Governance Philosophy

Dabur's philosophy of Corporate Governance is based on preserving core values and ethical business conduct. Corporate Governance is integral to the philosophy of the Company in its pursuit of excellence, growth, and value creation. The Company's philosophy is to achieve business excellence and optimize long-term value for its shareholders on a sustained basis 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 government.

In line with Dabur's commitment to good Corporate Governance practices, the main role of the Company's Board of Directors is to oversee how the Management is serving the interests of all stakeholders. The Company has been focusing, and always will focus, on long-term value creation for all its shareholders, employees, creditors and regulatory bodies. Commitment to maximising shareholder value on a sustained basis, while looking after the welfare of multiple stakeholders, is a fundamental shared value of Dabur's Board of Directors,

Management and employees, and critical to the Company's success. This value system translates into institutionalizing structures and procedures that enhance the efficacy of the Board and inculcate a culture of transparency, accountability and integrity across the Company. Dabur'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.

Board of Directors

Composition of the Board

As on March 31, 2009, Dabur's Board consists of 11 members. Besides the Chairman, who is a Non-Executive Promoter Director, the Board comprises three Executive Directors (of whom one is Promoter Director), two Non-Executive Promoter Directors and five Non-Executive Independent Directors.

During the year, there was a reorganization of the Board. HH Maharaja Gaj Singh resigned from the Board on October 30, 2008 and on the same day Mr. Albert Wiseman Paterson and Mr. Anajit Singh were appointed to the Board as Non-Executive Independent Directors.

As regards 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 Non-Executive Directors, and where the Non-Executive Chairman is the promoter of the Company, at least one-half of the Board of the Company consisting of Independent Directors, it is informed that two Independent Directors have already been appointed by the Company on October 30, 2008 and the appointment of one further Independent Director is under process and shall be completed shortly.



Number of Board Meetings

The Board of Directors met five times during the year: on April 30, 2008, July 28, 2008, October 30, 2008, November 21, 2008 and January 28, 2009. 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 the 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, 2009.

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 Held | Attended | Last AGM | Other Directorships | Committee Memberships | Committee Chairmanships |
| Dr. Anand Burman | Chairman /PD / NED | 5 | 5 | Yes | 5 | 2 | 0 |
| Amit Burman | Vice Chairman/ PD / NED | 5 | 4 | Yes | 5 | 1 | 0 |
| Pradip Burman | PD / ED | 5 | 4 | Yes | 3 | 1 | 0 |
| Mohit Burman | PD/NED | 5 | 4 | No | 7 | 3 | 0 |
| P D Narang | ED | 5 | 5 | Yes | 3 | 0 | 1 |
| Sunil Duggal | ED | 5 | 5 | Yes | 1 | 1 | 0 |
| HH Gaj Singh* | ID | 2 | 0 | No | NA | NA | NA |
| P N Vijay | ID | 5 | 4 | Yes | 1 | 0 | 0 |
| S. Narayan | ID | 5 | 4 | Yes | 3 | 0 | 0 |
| R C Bhargava | ID | 5 | 5 | No | 8 | 4 | 4 |
| Albert Wiseman Paterson\$ | ID | 3 | 0 | NA | 0 | 0 | 0 |
| Analjit Singh\$ | ID | 3 | 0 | NA | 13 | 0 | 0 |

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

* Ceased to be a Director w.e.f. October 30, 2008.

\$ Appointed as additional Director w.e.f. October 30, 2008.

** 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'.

Table 2 gives details of Shareholding of Non-Executive Directors.

Table 2: Shareholding of Non-Executive Directors

| Name of Director | Category | No. of shares held (Re. 1 paid up) |
|---------------------------|----------|------------------------------------|
| Dr Anand Burman | PD / NED | 111000 |
| Amit Burman | PD / NED | 0 |
| Mohit Burman | PD / NED | 0 |
| HH Gaj Singh* | ID | 6000 |
| R C Bhargava | ID | 0 |
| P N Vijay | ID | 0 |
| Dr. S. Narayan | ID | 0 |
| Albert Wiseman Paterson\$ | ID | 0 |
| Analjit Singh\$ | ID | 0 |

*Ceased to be a Director w.e.f. October 30, 2008.

\$Appointed as additional Director w.e.f. October 30, 2008.

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.

- 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 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 Directors. There is clear demarcation of responsibility and authority among 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 monitoring the core Management team and in 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. All 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 will be 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 and 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 in the professions of accountancy, finance and law for the office of Directors of the Company.

| Key Skill Area | Essential | Desirable |
|---------------------------------------|--|---|
| Strategy/Business Leadership | 2-3 years experience as a CEO, preferably of an MNC in India | FMCG experience |
| Corporate Strategy Consultant | Consultant/Academician with experience in FMCG Industry and business strategy. | Basic understanding of Finance |
| Sales and Marketing experience | 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 |
| Corporate law | Expert knowledge of Corporate Law | Experience in trade/ consumer related laws |
| Finance | At least 5 years as a CFO or as head of a merchant banking operation | FMCG experience |
| Trade Policy & Economics | Expert Knowledge of Trade & Economic Policies | FMCG experience |
| Administration & Government Relations | Retired bureaucrat | Basic understanding of finance and business. |
| Ayurvedic specialist | 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 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 3: gives details of remuneration paid to Directors for the year 2008-09

| Name of the Director | Sitting Fees | Salary and Perquisites | Superannuation Fund | Stock Option | Commission | Total |
|---------------------------|----------------|------------------------|---------------------|-----------------|------------|-----------------|
| Dr. Anand Burman | 135000 | 0 | 0 | 0 | 0 | 135000 |
| Amit Burman | 105000 | 0 | 0 | 0 | 0 | 105000 |
| Pradip Burman | 0 | 4272178 | 353466 | 0 | 0 | 4625644 |
| Mohit Burman | 60000 | 0 | 0 | 0 | 0 | 60000 |
| P D Narang | 0 | 21301926 | 1657337 | 14714522 | 0 | 37673784 |
| Sunil Duggal | 0 | 21212796 | 1484017 | 13997857 | 0 | 36694670 |
| HH Gaj Singh* | 0 | 0 | 0 | 0 | 0 | 0 |
| P N Vijay | 300000 | 0 | 0 | 0 | 0 | 300000 |
| S Narayan | 225000 | 0 | 0 | 0 | 0 | 225000 |
| R C Bhargava | 195000 | 0 | 0 | 0 | 0 | 195000 |
| Analjit Singh** | 0 | 0 | 0 | 0 | 0 | 0 |
| Albert Wiseman Paterson** | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1020000 | 46786899 | 3494820 | 28712379 | 0 | 80014098 |

* Ceased to be a member from October 30, 2008. **Appointed as additional Director w.e.f. October 30, 2008.

An amount of Rs. 429.21 Lac has been provided towards post-separation benefits of Executive Directors namely Mr. Pradip Burman and Mr. P.D. Narang.

During 2008-2009, the Company did not advance any loans to any of its Directors.

Mr P.D. Narang and Mr Sunil Duggal were issued 81,382 and 72,659 Stock Options respectively during the year, having vesting period spread from 1 to 5 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 and July 13, 2007, 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 states 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. All Board members and senior Management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this 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 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.

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, 2009, the Audit Committee comprises three Independent Directors. They are Mr. P N Vijay (Chairman), Mr. R. C. Bhargava and Dr. S. Narayan.

Meetings

The Audit Committee held eight meetings during 2008-09:- on April 30, 2008, July 7, 2008, July 28, 2008, September 23, 2008, October 30, 2008, January 28, 2009, February 10, 2009 and February 25, 2009.

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 4:

Table 4: Attendance record of Audit Committee

| Name of Members (Category) | Status | No. of Meetings Held | |
|----------------------------|----------|----------------------|----------|
| | | Held | Attended |
| Mr. P N Vijay (ID) | Chairman | 8 | 8 |
| Mr. R C Bhargava (ID) | Member | 8 | 8 |
| Dr. S Narayan (ID) | Member | 8 | 7 |

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 July 10, 2008 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 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.
- 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, 2009

To the Shareholders 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 Management Discussion and Analysis, 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 2009-10.

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

Sd/-
P N Vijay
Chairman,
Audit Committee

New Delhi
April 29, 2009

b) Remuneration cum Compensation Committee

Composition

As of March 31, 2009, the Remuneration cum Compensation Committee comprises Mr. P. N. Vijay (Chairman) and

Mr. S. Narayan, being independent Directors, and Dr Anand Burman, a Non-Executive Promoter Director.

Meetings

The Remuneration cum Compensation Committee held four meetings during 2008-09:- on April 30, 2008, July 28, 2008, October 30, 2008 and January 29, 2009.

Attendance record

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

Table 5: 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 |
| Mr. S. Narayan (ID) | Member | 4 | 4 |
| Dr. Anand Burman(PD/NED) | Member | 4 | 4 |

The Remuneration cum Compensation Committee of the Company, inter-alia, recommends to the Board the compensation terms of Executive Directors, approves and evaluates the Executive Directors and senior Management 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 ESPS/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 ESPS/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, 2009

To the Shareholders of Dabur India Limited:

The Remuneration cum Compensation Committee comprises 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.

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 2008-2009. 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.

Sd/-

P N Vijay

Chairman,

New Delhi

Remuneration cum

April 29, 2009

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. During the year, H H Maharaja Gaj Singh had resigned from the Board on October 30, 2008 and consequently ceased to be member of the Nomination Committee w.e.f. October 30, 2008.

Meetings

The Nomination Committee held one meeting during 2008-09 on October 30, 2008.

Attendance Record

The details of attendance of the



Committee Meeting are given in Table 6 below:

Table 6: Attendance Details of Nomination Committee

| Name of Members (Category) | Status | No. of Meetings | |
|------------------------------------|--------|-----------------|----------|
| | | Held | Attended |
| Dr Anand Burman(PD/NED)Chairman | | 1 | 1 |
| Mr Pradip Burman (PD/ED) Member | | 1 | 1 |
| Mr Amit Burman (PD/NED)Member | | 1 | 1 |
| H H Maharaja Gaj Singh (ID)*Member | | 1 | 0 |

* Ceased to be member w.e.f. October 30, 2008

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, 2009, the Committee consists of three members, Mr. P. N Vijay, Independent Director as Chairman, 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 30, 2008, July 28, 2008, October 30, 2008 and January 28, 2009.

Attendance Record

The details of attendance of the Committee Meeting are given in Table 7 below:

Table 7: Attendance Details of Shareholders/Investor Grievance and Share Transfer Committee

| Name of Members (Category) | 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 | 3 |

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.
- Dematerialisation/ 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 2008-09 are given in Table 8.

There were no complaints which were pending as on March 31, 2009.

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, dematerialization, sub-division, consolidation and exchange, 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), subject to a maximum of 5,000 shares per case.

Shareholders/Investor Grievance and Share Transfer Committee Report For the year ended March 31, 2009

To the Shareholders of Dabur India Limited:

The Shareholders'/Investors Grievance and Share Transfer Committee comprises three 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,



Table 8: Nature of complaints received and attended to during 2008-2009

| Nature of Complaint | Pending as on April 1, 2008 | Received during the year | Disposed during the year | Pending as on March 31, 2009 |
|--|-----------------------------|--------------------------|--------------------------|------------------------------|
| 1. Transfer / Transmission / Duplicate | Nil | 6 | 6 | Nil |
| 2. Non-receipt of Dividend | Nil | 360 | 360 | Nil |
| 3. Dematerialisation /Rematerialisation of shares | Nil | 1 | 1 | Nil |
| 4. Others (Non receipt of bonus shares/ POA/ change of signatures/ address etc.) | Nil | 119 | 119 | Nil |
| 5. Complaints received from: | | | | |
| - Securities and Exchange Board of India | Nil | 15 | 15 | Nil |
| - Stock Exchanges | Nil | 6 | 6 | Nil |
| - Registrar of Companies/ Department of Company Affairs | Nil | Nil | Nil | Nil |
| Total | Nil | 507 | 507 | Nil |

issue of new and duplicate share certificates and allied matter(s).

The Committee approved 93 cases of transfer, 75 cases of re-materialisation, 26 cases of sub-division and 18 cases of issue of duplicate share certificates. The Committee reviewed the status of investors' grievances on quarterly basis. As at the close of the Financial Year there were no complaints pending for redressal.

Sd/-
P N Vijay

Chairman, Shareholders/
Investor Grievance and
Share Transfer Committee
New Delhi
April 29, 2009

Investor Relations – Boosting Investor Confidence

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

The IR function plays a pivotal role by acting as the 'bridge' between the Company and its stakeholders, leading to a fair assessment of the Company's value relative to that of the overall market.

At Dabur, 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 reliability 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 a one way traffic 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.

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

1. Disseminating authentic and correct information to the stakeholders and potential investors.
2. Managing Shareholder queries, feedback and opinions and informing the management regarding the same.
3. Providing inputs on the FMCG market, performance of other players, economic environment, latest developments in industry and economy and general market intelligence.
4. Analysing and understanding the company's changing shareholder profile and underlying trends.

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.



5. Communicating important corporate developments such as mergers and acquisitions with appropriate details in order to give a complete perspective to investors.
6. Building Investor Confidence through regular, structured and validated communications.
7. Being a part of the company's disclosure team.

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:

1. One-on-one meetings and quarterly conference calls - To show case the company's performance and also highlight the company's forward-looking strategy.
2. Web casting - Webcasts are done for Dabur's quarterly result presentations which are available on corporate web site for upto one month after the webcast.
3. Group Analyst Meetings to share our vision and plans at a strategic level with the analysts and fund managers.
4. Participating in investor conferences organized by leading institutional brokerage houses. During 08-09 we attended, to name a few, conferences hosted by CLSA, ICICI Securities, JP Morgan, UBS and HSBC. During these conferences, the management had the opportunity to share their strategy with a number of institutional investors both Domestic and Foreign. These meets enable the investors to understand the strategy and operations at Dabur in a much better manner.

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.

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

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

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.

Related Party Transactions -

Significant related party transactions are summarised herein below:-

1. Subsidiaries:

- Equity contribution have been given by the Company to H & B Stores Ltd amounting to Rs.19.50 crores.
- Goods worth Rs.4.92 crores were sold to Dabur International Limited.

2. Fellow Subsidiaries (subsidiary of a subsidiary):

- Goods worth Rs.3.31 crores were sold to Asian Consumer Care Private Limited.
- Goods worth Rs.7.83 crores were sold to Dabur Nepal Pvt Ltd.
- Goods worth Rs.1.54 crores were sold to Dabur Egypt Ltd.
- Goods worth Rs.7.06 crores were sold to Weikfield International (UAE) Ltd.
- Goods worth Rs.3.81 crores were sold to African Consumer Care Limited.
- Goods worth Rs.3.06 crores were sold to Naturelle LLC.
- Goods worth Rs.172.88 crores were purchased from Dabur Nepal Pvt. Ltd.
- Collateral and guarantees have been given on behalf of Dabur Egypt Limited amounting to Rs.19.55 crores, and on behalf of Naturelle LLC. amounting to Rs.39.05 crores.



3. Joint Ventures

- Equity contribution has been given by the Company to Forum I Aviation Ltd. amounting to Rs.4.56 crore.
- General expenses amounting to Rs.3.27 crs. have been paid to Forum I Aviation Limited.
- Collateral and guarantees amounting to Rs.7.14 crores have been given on behalf of Forum I Aviation Limited.

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 3 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. As stated earlier in this report, compliance of clause 49 (1A) is under process and shall be completed shortly. 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. 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

Policy for Environment & Pollution Control

Dabur has always believed in its role as a responsible corporate citizen, wherever it operates. It has a well focused and dedicated Policy for Environment & Pollution Control, with a commitment to minimize any impact that its business operations may have on the environment, and to improve the quality of life of the community around its manufacturing facilities as it constitutes one of the Company's most important group of stakeholders. The Company's plans are primarily based on consideration of



resource conservation and pollution abatement. The Company is dedicated to the promotion of sustainable growth of herbal-based plantations in different climatic zones of the country through its Agro-Biotechnology Division. Environmental Management Programmes have been undertaken by units on the concept of Reduce, Reuse and Recycle. The Company is continuously monitoring its waste to ensure adherence to pollution control norms within the prescribed limit. To maintain the ground level water, and in line with its commitment towards the society, Dabur has taken the initiative to install Rainwater Harvesting, which has shown a good result in maintaining the ground water level. The Company regularly educates and motivates its employees on environmental issues through training programmes.

Occupational Health & Safety Policy

The Company has in place Occupational Health & Safety Policy which focuses on People, Technology and Facilities, supported by Management commitment as the prime driver. A dedicated "Safety Management Team" is working towards the prevention of Man, Machine and Material incidents at the Corporate and Manufacturing Units level, and towards education and motivation of the employees on various aspects of Health, Safety and Environment through training programmes and seminars. Risk assessment, emergency preparedness plan and health check-ups were a regular feature at unit level. The Company recognizes its human force as the most important asset and is deeply committed to providing a safe and healthy working environment to its employees.

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.

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. Sunil Duggal, Mr. P N Vijay and Dr. S Narayan would retire this year and, being eligible, offer themselves for re-appointment in accordance with the provisions of the Companies Act, 1956. Further Mr. Analjit Singh and Mr. Albert Wiseman Paterson, appointed as Additional Directors by the Board, have been proposed to be appointed as Directors in the Annual General Meeting. The Company has received a notice in writing from a member proposing their candidature for the office of Director. Their brief CVs are given below:

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. 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 1,464,360 shares.

Dr. S Narayan: (IAS, Retd.) M.Sc, MBM,

M Phil, Ph.D. For nearly four decades (1965 to 2004), he was in public service in the State and Central Government in development administration. Retired as Economic Advisor to the Prime Minister of India, he has rich experience in implementation of economic policies and monitoring of the special economic agenda of the Cabinet on behalf of the Prime Minister's Office, and is also experienced in formulation of macro-economic policy for the Government tariff and taxation policies, as well as initiatives for modernizing the capital markets.

Currently, he has no shareholding in the Company.

Mr. Albert Wiseman Paterson: B.Sc.(Hons) Mathematics A.C.I.I UK and PG Certificate in Education. He was the CEO and MD of Aviva life Insurance Company India Ltd. In early stages of his career he served in various leadership roles in the actuarial business. He was appointed CEO, Aviva Turkey, in October 2002. He was Director-Aviva Europe before coming to India. He was Director Aviva International with responsibility for a portfolio of businesses.

Currently, he has no shareholding in the Company

Mr. Analjit Singh: B.A.(Hons) Economics, B.S (Business Administration) and MBA.(Boston). He is the Founder & Chairman of Max India Limited, Chairman of Max New York Life Insurance Company Limited and Chairman & Managing Director of Max Healthcare. He has been the driving force behind the Max India Group's sustained growth and success since the mid 1980s.

Mr. Analjit Singh, being one of India's leading business persons, is a member of the Prime Minister's Joint Indo-US CEOs Forum, and member of various key industry forums. He is a Director on the Board of several reputed companies On



the academic front, he is associated as Executive Board Member of various educational institutions. He is also actively involved in social activities.

Currently, he has no shareholding in the Company.

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 9 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, 2008 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 9: Publications of the financial results during 2008-2009

| Description | Date |
|---|----------------------------------|
| Unaudited Financial Results for the quarter ended June 30, 2008 | July 30, 08 |
| Audited Financial Results for the half year ended on September 30, 2008 | October 31, 08 |
| Unaudited Financial Results for the quarter / Nine months ended December 31, 2008 | January 30, 09 |
| Audited Financial Results for the quarter/year ended March 31, 2009 | will be published on May 1, 2009 |

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

Webcasting: Dabur's quarterly results presentations are webcast. Webcasts are left on corporate website for upto 1 month. Transcript of the webcast is also sent to BSE and NSE.

Website: The Company's website 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 are also available on the website. Annual Report of subsidiary companies is also posted on the website.

EDIFAR/ Corporate filing and dissemination system: The Company has been complying with SEBI regulations for filing of its financial results under the EDIFAR/ Corp filing system. These are available on the SEBI web-site www.sebiedifar.nic.in / 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.

General Body Meetings

Table 10 gives the details of the last five General Body Meetings.

Table 10: Location and time of the last 5 General Body Meetings.

| Financial Year | Category * | Location of the meeting | Date | Time |
|----------------|---------------------------------|--|---------------|----------|
| 2003-2004 | AGM | Air Force Auditorium, Subroto Park, New Delhi-110 010. | July 6, 2004 | 11.00 AM |
| 2004-2005 | AGM | Same as above | July 15, 2005 | 11.00 AM |
| 2005-2006 | AGM | Same as above | 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 |

*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 8, 2006

- Appointment of Mr Mohit Burman as Whole-Time Director in Dabur International Limited.

July 13, 2007

- Re-appointment of Mr Pradip Burman as Whole-Time Director of the Company.
- Re-appointment of Mr P D Narang as Whole-Time Director of the Company.
- Approval for payment of commission to Non-Executive Directors.

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.

Postal Ballot

During the year under review, in pursuance to section 192A of the Companies Act, 1956 read with

Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001, postal ballot was conducted seeking approval of the shareholders for resolution regarding alteration in the main objects in object clause III (A) of the Memorandum of Association of the Company by inserting a new clause to set up, operate and maintain Software /Information Technology parks in India or abroad, and to engage in all activities relating to Information :Technology products and IT-enabled services etc.

The result of the Postal Ballot was announced on September 22, 2008 at the registered office of the Company and was published in Financial Express on September 25, 2008.

Mr V K Jhalani, Chartered Accountant, was appointed as scrutinizer for conducting the Postal Ballot process. He reported the vote count on September 19, 2008. The result of the postal ballot is given below in Table 11:

Table 11: Result of the Postal Ballot

| Particulars | No. of votes | % |
|--|--------------|----------|
| Number of Postal Ballot forms received | 5714 | |
| Votes in favour of the Resolution | 697192620 | 99.9979% |
| Votes against the Resolution | 13174 | 0.0019% |
| Invalid votes | 1575 | 0.0002% |
| Total Votes polled | 697207369 | 100.00% |

The Chairman, after receiving the scrutinizer's report, announced that the special resolution as proposed in the Postal Ballot notice was duly passed with the requisite majority, and directed that the Resolution be recorded in the minute book recording the proceedings of General Meetings of the members.

Compliance

Mandatory requirements

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

Table 12: Compliance Report

| Particulars | Clause of listing agreement | Compliance status |
|---|-----------------------------|-------------------|
| I. Board of Directors | 49 I | Yes |
| (A) Composition of Board | 49(IA)under process | |
| (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 |
| II. Audit Committee | 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 |
| III. Subsidiary Companies | 49 (III) | Yes |
| IV. Disclosures | 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) | N/A |
| (E) Remuneration of Directors | 49 (IV E) | Yes |
| (F) Management | 49 (IV F) | Yes |
| (G) Shareholders | 49 (IV G) | Yes |
| V. CEO/CFO Certification | 49 (V) | Yes |
| VI. Report on Corporate Governance | 49 (VI) | Yes |
| VII. Compliance | 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. However, presently none of the Independent Directors holds office as such for a period of more than nine years.



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 five years, which is sent to all shareholders. The half-yearly report for the year 2008-09 was sent to all shareholders on December 4, 2008.

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, 2009
Time : 11:00 am
Venue : Air Force Auditorium, Subroto Park, New Delhi - 110010

Financial Calendar

Financial year: April 1 to March 31
For the year ended March 31, 2009, results were announced on:

- July 28, 2008 : First Quarter
- October 30, 2008 : Half Yearly
- January 28, 2009 : Third Quarter
- April 29, 2009 : Fourth Quarter and Annual

For the year ending March 31, 2010, results will be announced by:

- 27th July 2009 (tentative) : First Quarter
- 26th October 2009 (tentative): Half Yearly
- 27th January 2010 (tentative): Third Quarter
- 28th April 2010 (tentative) : Fourth Quarter and Annual

Book Closure

The dates of Book Closure are from the 1st day of July 2009 to the 15th day of July 2009, inclusive of both days.

Dividend Payment

Interim dividend of Re.0.75 per equity share was paid on February 10, '09 for the financial year 2008-09.

Dates of Transfer of Unclaimed Dividend

Pursuant to section 205A of the Companies Act, 1956, unclaimed dividend for Financial Year(s) upto 2000-01 (Final) and 2001-2002 (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.



Table 13: Dividends declared in the past

| Financial Year | Type of Dividend | Date of Declaration | Due Date for transfer to IEPF |
|----------------|------------------|---------------------|-------------------------------|
| 2002-2003 | Interim | 30/10/2002 | 06/12/2009 |
| 2002-2003 | Final | 02/08/2003 | 08/09/2010 |
| 2003-2004 | Interim | 04/11/2003 | 11/12/2010 |
| 2003-2004 | Final | 06/07/2004 | 12/08/2011 |
| 2004-2005 | Interim | 27/10/2004 | 03/12/2011 |
| 2004-2005 | Final | 15/07/2005 | 20/08/2012 |
| 2005-2006 | Interim | 24/10/2005 | 30/11/2012 |
| 2005-2006 | Final | 08/07/2006 | 08/08/2013 |
| 2006-2007 | Interim | 31/10/2006 | 04/12/2013 |
| 2006-2007 | Interim | 13/03/2007 | 16/04/2014 |
| 2007-2008 | Interim | 24/10/2007 | 30/11/2014 |
| 2007-2008 | Final | 10/07/2008 | 16/08/2015 |
| 2008-2009 | Interim | 28/01/2009 | 05/03/2016 |

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 2009-2010 to NSE and BSE has been paid.

Table 14: Dabur's Stock Exchange codes

| | |
|----------------------|--------------|
| ISIN No: | INE016A01026 |
| Mumbai Stock Code: | 500096 |
| National Stock Code: | DABUR |
| Bloomberg Code: | DABUR IB |
| Reuters Code: | DABU.BO |

Equity Evolution during the year

As on March 31, 2008 the paid up Equity Share Capital of the Company was Rs.864022973/- consisting of 864022973 equity shares of Re.1/- each. The table below gives details of equity evolution of the Company during the year under review:

Table 15: Shares allotted during 2008-09

| Date | Particulars | Issued No. of equity shares of Re.1 each during the year | Cumulative |
|-----------------|---|--|------------|
| May 21, 2008 | Allotment pursuant to exercise of Stock Options | 939458 | 864962431 |
| August 07, 2008 | Allotment pursuant to exercise of Stock Options | 113818 | 865076249 |



Stock Market Data

Table 16 and Chart A & B give details of stock market data.

Table 16: High, low and volume of Dabur's shares for 2008-09 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, 2008 | 115.30 | 102.10 | 4252207 | 115.50 | 102.25 | 10608283 |
| May, 2008 | 110.80 | 91.55 | 12168487 | 110.95 | 91.65 | 16642167 |
| June, 2008 | 101.50 | 77.70 | 2515120 | 106.30 | 77.50 | 11369978 |
| July, 2008 | 99.00 | 74.00 | 2237158 | 99.40 | 74.25 | 10289205 |
| August, 2008 | 100.00 | 86.00 | 3202258 | 96.50 | 85.25 | 10884244 |
| September, 2008 | 99.00 | 85.00 | 6752030 | 98.50 | 84.05 | 14720220 |
| October, 2008 | 91.80 | 60.00 | 2547387 | 91.85 | 60.15 | 11393861 |
| November, 2008 | 91.00 | 73.30 | 7183676 | 91.00 | 73.60 | 14047243 |
| December, 2008 | 86.00 | 75.00 | 5578403 | 85.50 | 75.00 | 13300847 |
| January, 2009 | 94.00 | 83.05 | 1321004 | 94.25 | 83.25 | 9517807 |
| February, 2009 | 95.40 | 85.10 | 1458928 | 95.45 | 85.55 | 7855649 |
| March, 2009 | 99.45 | 85.50 | 1859253 | 100.00 | 86.50 | 7621989 |

Chart A: Dabur's Share Performance versus BSE Sensex

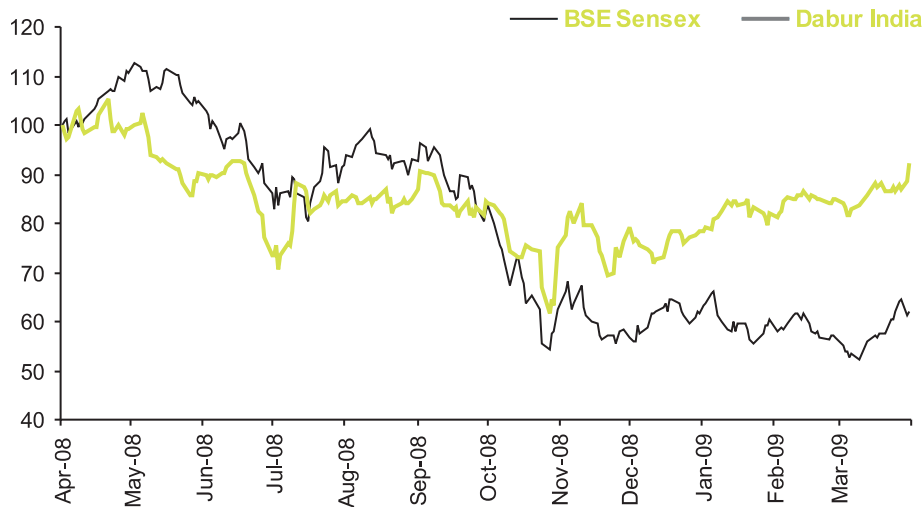
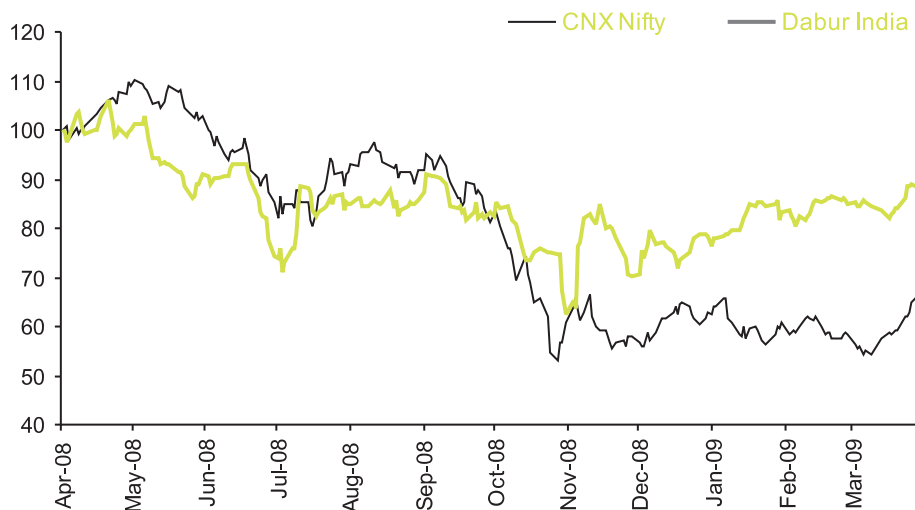




Chart B: Dabur's Share Performance versus Nifty



Note: The charts have share prices and indices indexed to 100 as on the first working day of 2008-09.

Distribution of Shareholding

Tables 17 and 18 list the distribution of the shareholding of the equity shares of the Company by size and by ownership class, as on March 31, 2009. Table 19 lists the top ten shareholders of the Company

Table 17: 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 | 7219 | 7024983 | 96455 | 33341366 | 103674 | 98.93 | 40366349 | 4.67 |
| 5001 - 10000 | 110 | 734006 | 508 | 3503397 | 618 | 0.59 | 4237403 | 0.49 |
| 10001 and above | 12 | 222000 | 492 | 820250497 | 504 | 0.48 | 820472497 | 94.84 |
| Total | 7341 | 7980989 | 97455 | 857095260 | 104796 | 100 | 865076249 | 100 |



Table 18: Shareholding Pattern by ownership

| Particulars | As on March 31, 2009 | | | | As on March 31, 2008 | | | |
|--|----------------------|--------------------|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|
| | 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 | 28 | 0.03% | 611834473 | 70.73% | 31 | 0.03% | 611834473 | 70.81% |
| FII's | 118 | 0.11% | 74278471 | 8.59% | 100 | 0.09% | 109161703 | 12.63% |
| Mutual Funds | 64 | 0.06% | 31121682 | 3.60% | 30 | 0.03% | 16498077 | 1.91% |
| Financial Institutions/ Banks/ Insurance companies | 27 | 0.03% | 88968460 | 10.28% | 25 | 0.02% | 63369714 | 7.33% |
| NRIs | 2764 | 2.64% | 4260203 | 0.49% | 2765 | 2.56% | 4450327 | 0.52% |
| Corporates | 1303 | 1.24% | 5011529 | 0.58% | 1593 | 1.48% | 6055613 | 0.70% |
| Individuals | 100492 | 95.89% | 49601431 | 5.73% | 103336 | 95.79% | 52653066 | 6.10% |
| Total | 104796 | 100% | 865076249 | 100.00% | 107880 | 100% | 864022973 | 100% |

Table 19: Top ten shareholders as on March 31, 2009

| Name | No. of Shares held | % of shareholding |
|--|--------------------|-------------------|
| Chowdry Associates | 115175020 | 13.31 |
| VIC Enterprises Private Limited | 108867000 | 12.58 |
| Gyan Enterprises Pvt. Ltd. | 104218990 | 12.05 |
| Puran Associates Private Limited | 94606000 | 10.94 |
| Ratna Commercial Enterprises Pvt Ltd. | 81658993 | 9.44 |
| Milky Investment and Trading Company | 53020485 | 6.13 |
| Burmans Finvest Pvt Ltd. | 26506493 | 3.06 |
| ICICI Prudential Life Insurance Company Ltd. | 26191287 | 3.03 |
| LIC of India Money Plus | 20768257 | 2.40 |
| LIC of India - Market Plus | 14267052 | 1.65 |

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, 2009, 99.08% 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.

Outstanding GDRs/ADRs/Warrants/Options

The Company has 3995407 outstanding Options as on March 31, 2009, 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.D and CC/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 new registrar and transfer agent in place of M/s MCS Limited.

Details of the registrar and transfer agent are given below-

1. Karvy Computershare Private Limited
Unit: Dabur India Limited
105-108, 1st Floor, Arunachal Building,
19, Connaught Place, Barakhamba Road,
New Delhi-110001.
Phone No.: 011- 43509200
Fax No. : 011-41036370
Website: 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- 23420815-820
Fax No. 040-23420814
Email id: mailmanager@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.

Secretarial Audit

Aggarwal & Ahluwalia, an independent firm of practicing Chartered Accountants, carries out the secretarial 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 nine 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 | <i>Hajmola Unit</i> 109, HPSIDC Industrial Area, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273 Fax: 01795-244090 |
| | <i>Chyawanprash Unit</i> 220-221, HPSIDC Industrial Area, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273 Fax: 01795-244090 |
| | <i>Amla/Honey Unit</i> Village Billanwali Lavana, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273 Fax: 01795-244090 |
| | <i>Red Toothpaste Unit</i> Village Billanwali Lavana, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273 Fax: 01795-244090 |
| | <i>Glucose Unit</i> Plot No. 12, Industrial Area, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273 Fax: 01795-244090 |
| | <i>Shampoo Unit</i> Village Billanwali Lavana, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273 Fax: 01795-244090 |
| | <i>Honitus/Nature Care Unit</i> 109, HPSIDC Industrial Area, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273 Fax: 01795-244090 |
| | <i>Food Supplement Unit</i> 221, HPSIDC Industrial Area, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273 Fax: 01795-244090 |
| | <i>Oral Care Unit</i> 601, Malku Majra, Nalagarh Road, Baddi, Distt Solan, HP, Tel: 01795-246363 |
| Pantnagar | Plot No.4, Sector-2, Integrated Industrial Estate Pantnagar, Distt. Udham Singh Nagar, Uttarakhand - 263146, Tel: 9760013990, 991, 992, Fax: 05944 - 250064 |
| Jammu | Unit I & II Lane No.3, Phase II, SIDCO Indl. Complex, Bari Brahmna, Jammu 181133 Tel: 01923 - 220123, 222341/ 54; Fax: 01923 - 221970 |
| Katni | 10.4 Mile Stone, NH -7, Village Paudia 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 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 |

Address for Correspondence

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

Karvy Computershare Private Limited,
105-108, Arunachal Building, 19- Connaught Place, Barakhamba Road,
New Delhi 110001, Phone: 43509200, Fax: 41036370

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) and Company Secretary,
Dabur India Limited, Punjabi Bhawan, 10, Rouse Avenue,
New Delhi - 110 002, Tel: 011 - 42786000, Fax: 011 - 2322 2051



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

We, Sunil Duggal, Chief Executive Officer and Rajan Varma, 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 31st March, 09 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.

We further declare that all board members and senior Management have affirmed compliance with the code of conduct for the current year.

New Delhi
April 29, 2009

Sd/-
Sunil Duggal
CEO, Dabur India Limited

Sd/-
Rajan Varma
CFO, Dabur India Limited



Annexure 1 - Details of other Directorships Held

| Name of the Director | Status | Directorship | Committee Membership | Committee Chairmanship |
|--------------------------|---------------------|---|---|---|
| Dr. Anand Burman | CHAIRMAN/ PD/NED | Aviva Life Insurance Co. India Ltd. Fresenius Kabi Oncology Ltd. Dabur Pharmaceuticals Limited H & B Stores Ltd. Hindustan Motors Limited | Shareholders & Investors Grievance Committee Audit Committee | |
| Amit Burman | PD/NED | H & B stores Limited Q H Talbros Limited Radico Khaitan Limited Dabur Liberty General Insurance Co. Ltd. Talbros Automative Components Ltd | Audit Committee | |
| Pradip Burman | PD/ED | Aviva Life Insurance Co. India Ltd Ayurved Limited Sanat Products Limited | Audit Committee | |
| Mohit Burman | PD/NED | Aviva Life Insurance Co. India Ltd Dabur Ayurvedic Specialities Limited Shree Investments Limited Mahindra Forgings Limited H & B Stores Limited Dabur Pharmaceuticals Ltd. Universal Sompo General Insurance Co. Limited | Audit Committee Audit Committee | Audit Committee |
| P D Narang | ED | H & B Stores ltd Dabur Liberty General Insurance Co. Ltd Aviva life Insurance Company India Ltd. | | Audit Committee |
| Sunil Duggal | ED | H & B Stores Ltd | Audit committee | |
| P N Vijay | ID | Reed Relay & Electronics Limited | | |
| Dr. S Narayan | ID | Godrej Properties Limited Apollo Tyres Ltd. Laxmi Vilas Bank | | |
| R C Bhargava | ID | Idea Cellular Ltd ILFS Limited Polaris Software Lab Ltd. Grasim Industries Limited Optimus Global Services Ltd. Maruti Suzuki India Limited Thomson Press Ltd. UltraTech Cement Co. Ltd. | Audit Committee Audit Committee | Audit Committee Audit Committee Audit Committee |
| Albert Wiseman Paterson* | ID | Nil | Nil | Nil |
| Analjit Singh* | ID | Max India Limited IDBI Limited Hero Honda Motors Ltd Tata Tea Limited Max New York Life Insurance Co. Ltd Max Healthcare Institute Limited Grow Talent co. ltd. Vodafone Essar Limited Malsi Hotels Limited Malsi Holdings Limited Malsi Estates Limited Max Neeman Medical International Ltd Max Bupa Health Insurance Limited | | |

* Appointed as additional director w.e.f. October 30, 2008



To,

The Members,

Your Directors have pleasure in presenting the 34th Annual Report on the business and operations of the Company, together with the Audited Accounts for the year ended March 31, 2009.

Financial Results

Financial results are presented in Table 1.

Table1: Financial results

(Rs. in crore)

| 2008-09 | 2007-08 | |
|--|----------------|---------|
| Turnover (including other income) | 2439.23 | 2111.31 |
| Profit before Tax | 425.00 | 365.18 |
| Add: Provisions of earlier years written back | | 0.68 |
| | 425.00 | 365.86 |
| Less: Provision for Taxation – Current | 47.48 | 40.57 |
| Provision for Taxation – Deferred | (2.55) | 0.75 |
| Provision for Taxation – Fringe Benefit | 6.51 | 7.08 |
| Provision for taxation for earlier year | 0.72 | 1.54 |
| Profit after Tax | 372.84 | 315.92 |
| Add: Balance in Profit & Loss Account brought forward from the previous year | 323.23 | 229.15 |
| Profit available for appropriation | 696.07 | 545.07 |
| Appropriation to: | | |
| General Reserve | 90.00 | 70.00 |
| Capital Reserve | 0.01 | 0.40 |
| Interim Dividend – Paid | 64.88 | 64.80 |
| Final Dividend – Proposed | 86.51 | 64.80 |
| Corporate tax on Dividend | 25.73 | 22.02 |
| Balance carried over to Balance Sheet | 428.94 | 323.05 |
| Total | 696.07 | 545.07 |

Dividend

The Company has paid an interim dividend of 75% (Re.0.75 per share) on February 10, 2009. We are pleased to recommend a final dividend of 100% (Re.1/- per share of Rupee one each) for the financial year 2008-09. The final dividend, if approved by the members, will be paid to members within the period stipulated by the Companies Act, 1956. The aggregate dividend for the year will amount to 175% (Rs.1.75 per share of Rupee one each) as against 150%

(Rs.1.50 per share of Rupee one each) declared last year. The dividend payout ratio for the current year, inclusive of corporate tax on dividend distribution, is at 47.41%.

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend for the year 2000-01 (final) and 2001-02 (interim) which remained unpaid or unclaimed for a period of 7 years, amounting to Rs.1502250/-, has been transferred by the Company to the Investors' Education and Protection Fund.

Operations and Business Performance

Kindly refer to Management Discussion & Analysis and Corporate Governance, which form part of this Report.

Acquisition of FEM Care Pharma Ltd.

With a view to increasing its market share in the fast-growing consumer & personal care business, and strengthening its position in the industry, the Company proposes to take over FEM Care Pharma Limited (FEM), a FMCG Company listed on Bombay Stock Exchange, by acquiring



controlling stake of 72.15% from its existing promoters at a cost of Rs. 203.72 crore.

For this purpose, the Company has entered into a Share Purchase Agreement with the existing promoters of FEM. Further, as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, the Company is in the process of acquiring from the public shareholders of FEM up to 20% of the fully diluted voting capital of FEM at a price of Rs.800/- per share aggregating to Rs. 56.47 crore. In this regard, requisite Public Announcement has already been released in newspapers and the Company had received the clearance for Letter of Offer filed with SEBI and the Public offer will open shortly.

FEM's portfolio of products include bleaches, hair removing cream and liquid hand soaps, which are marketed under its flagship brand "FEM". FEM also offers fabric care products under the brand name "Bambi" and herbal anti-wrinkle cream under the brand "Botanica".

Overall, the acquisition is expected to provide substantial revenue and cost synergies to Dabur, and will be value accretive for its stakeholders.

Corporate Governance

Dabur has always been devoted to adopting and adhering to the best Corporate Governance practices recognized globally. The Company understands and respects its fiduciary role and responsibility towards stakeholders and the society at large, and strives hard to serve their interests, resulting in creation of value and wealth for all stakeholders.

The compliance report on Corporate Governance and a certificate from Auditors of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Clause 49

of the Listing Agreement with the Stock Exchanges, is attached as 'Annexure 1' and forms part of this annual report.

Certificate of the CEO/CFO, inter alia, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the Internal Control measures and reporting of matters to the Audit Committee in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is also enclosed as a part of the Annual Report.

Directors

During the period, HH Maharaja Gaj Singh had resigned from the Directorship of the Company w.e.f. October 30, 2008. The Board places on record its gratitude for the valuable services rendered and guidance provided by HH Maharaja Gaj Singh during his tenure with the Company.

Mr Analjit Singh and Mr Albert Wiseman Paterson were appointed as Additional Non-Executive Independent Directors on October 30, 2008. They shall hold office upto the date of the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for appointment.

In terms of Article 103 and 104 of the Articles of Association of the Company, Mr Sunil Duggal, Dr S Narayan and Mr P N Vijay will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment in terms of the provisions of Article 106 of the Articles of Association of the Company.

The brief resumes of the Directors who are to be appointed/re-appointed, the nature of their expertise in specific functional areas, names of companies in which they have held directorships, committee memberships/ chairmanships, their shareholding etc., are furnished in the explanatory statement to the notice

of the ensuing Annual General Meeting.

Your Directors recommend their appointment/ re-appointment at the ensuing Annual General Meeting.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm:

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- ii) That they had selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent, so as to give true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit of the Company for that period;
- iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That they had prepared the annual accounts on a going concern basis.

Change in Capital Structure and Listing of Shares

The Company's shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) and are actively traded.

In the year under review, the following shares were allotted and admitted for



trading in NSE and BSE:-

- Equity shares allotted against the options exercised by employees pursuant to Employees Stock Option Scheme of the Company;
- 939458 equity shares allotted on May 21, 2008.
- 113818 equity shares allotted on August 7, 2008.

Auditors and their Report

M/s G. Basu & Company, Chartered Accountants, Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment as statutory auditors for the financial year 2009-10. The Company has received a letter dated April 7, 2009 from them to the effect that their re-appointment, if made, would be within the limit prescribed under section 224(1B) of the Companies Act, 1956, and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956.

The observations of the Auditors, together with the Notes to Accounts referred to in the Auditors' Report, are self-explanatory and do not call for any further explanation from the Directors.

Cost Auditors

M/s Ramanath Iyer & Company, Cost Accountants, were re-appointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company, in respect of the Formulations and Cosmetics & Toiletries products for the financial year 2009-10.

Consolidated Financial Statements

In compliance with the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2008-09.

Consolidated Turnover grew by 19.09% to Rs.2852.27 crore as compared to Rs.2395.08 crore in the previous year. Similarly, net profit after tax and after minority interest for the year at Rs.391.21 crore is higher by Rs.57.10 crore as compared to Rs.334.11 crore in the previous year.

Internal Control System

The Company has a well placed, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal control system comprises audit and compliance by in-house Internal Audit Division, supplemented by internal audit checks from Price Waterhouse Coopers Private Limited, the Internal Auditors. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

To further strengthen the internal control process, the Company has developed a very comprehensive legal compliance manual called 'e-nforce', which drills down from the CEO to the executive level person who is responsible for compliance. This process is fully automated and generate alerts for proper and timely compliance.

Fixed Deposits

During the year under review, the Company has not accepted any fixed deposits from the public, and as on March 31, 2009 the Company had no unclaimed deposits or interest thereon due to any depositor. During the year, the Company has repaid a sum of Rs.194552/- towards unclaimed deposits and interest thereon,

and has deposited a sum of Rs.792744/- towards unclaimed deposits and interest thereon in the Investors' Education & Protection Fund, pursuant to the provisions of Section 205C of the Companies Act, 1956.

Nature of Business

There has been no change in the nature of business of the Company and any of its subsidiary companies during the year.

Subsidiaries

As required under the provisions of Section 212 of the Companies Act, 1956, a statement of the holding company's interest in the subsidiary companies is attached as 'Annexure 2' and forms part of this report.

In terms of approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copies of Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary companies have not been attached with the Balance Sheet of the Company. The Company will make available these documents/details upon request by any shareholder of the Company or subsidiary interested in obtaining the same.

The annual accounts of the subsidiary companies are also available for inspection by the shareholders at the Registered Office of the Company and also that of its respective subsidiaries. However, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its subsidiaries. The Financial Statements of each subsidiary shall also be available on Company's website www.dabur.com.

The following information in aggregate for each subsidiary is also being disclosed (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment



(except in case of investment in subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend. The said information is given in 'Annexure 3' and forms part of this report.

Employees Stock Option Plan

During the year, 563472 options in 4 tranches were granted to eligible employees of the Company in terms of Employees Stock Option Plan (Dabur ESOP 2000). During the year, 1053276 options were exercised by the employees after vesting. Accordingly, the Company made the allotment of 939458 equity shares on May 21, 2008 and 113818 equity shares on August 7, 2008, against the options exercised by the employees.

The particulars of options issued under the said Plan as required by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are appended as 'Annexure 4' and forms part of this report.

Particulars of Employees

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended are given in 'Annexure 5' and forms part of this report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A. Conservation of energy:

- a) Energy conservation measures taken:-

Various energy conservation projects were initiated at large scale and successfully implemented. Consequently, the energy bill got reduced by 13.8% on absolute basis (from Rs.36 cr to Rs.31cr) between 2007/08 and 2008/09. This was despite a 8-9% volume increase in

manufacturing and an average increase of 11.7% in cost of key input fuels like HSD and Furnace oil. Some of the key initiatives were as follows-

- Conversion of Oil Fired 6 TPH Boiler to Solid Bio Fuel Fired Boiler to conserve energy and save environment.
 - Combined ETP Facility, utilization of Organic Load (Herbs) through ETP to generate Biogas which is burned in Boiler to conserve energy and save environment.
 - Retrofitting of pet coke boiler.
 - Alternative fuel (Bio Diesel) used in Boilers.
 - Replacement of Efficient Air Compressor - "Nirvana" energy efficient Air - Compressor installed to reduced Power consumption. Saving of around 20,000 units of Power on monthly basis.
 - Shampoo Cold process for Energy Conservation.
 - Process Change in Chyawanjunior conversion from Steam to Hot water for energy conservation.
 - Use of Centrifuge before Tray drier to reduce drying time in Bhasma by 70%.
 - Synchronization of production load resulting in lower FO Consumption per unit production.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:-
- Additional investment of Rs.301.87 lac has been made

during the year for implementing further energy conservation measures at manufacturing plants.

- c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:-

- The energy conservation measures taken during the year have resulted into yearly saving of approximately Rs.560 Lacs and thereby lowered the cost of production. These measures have also lead to reduction in effluent, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.

- d) Total energy consumption and energy consumption per unit of production as per Form A

- Attached herewith as 'Annexure 6'

B. Technology Absorption:

Efforts made in technology absorption as per Form B is attached herewith as 'Annexure 7.'

C. Foreign Exchange earnings and outgo:

- i) Activities and initiatives relating to exports;

The Company's key markets for international business are the Middle East, North Africa, West Africa and South East Asian geographies, with sourcing from plants located across these regions. The Company also has a private label business in USA and UK, along with Guar gum exports, which takes place from its Indian plants.



Export business:

The Company undertakes exports of Guar Gum and also undertakes private label exports to UK and US from India.

The Company has recorded a growth of 26.2% in Guar Gum export business from Rs.38 crore in the year 07-08 to Rs.48.27 crore in the year 08-09. Growth has been registered by increasing the customer base by focussing on the existing China and USA markets. Direct business with customers has been increased and dependency on brokers reduced.

Private label business in USA has grown from Rs.17.33 crore in the year 07-08 to Rs.27.62 crore in the year 2008-09. Export of certain other products is also being planned for the US markets.

The Company's International Business Division, recorded an impressive sales growth of 39.9% from Rs.376 crore in 2007-08 to Rs.525 crore in 2008-09, contributing to 18.5% of overall consolidated Dabur's Business.

Robust sales growth in international markets was possible due to:

- Sharply defined Brand portfolio strategy in sync with the Company's brand architecture.
- Higher levels of localization.
- Leveraging the 'naturals wave' to market Dabur products.
- Geographical expansion.

The Company has built a strong and robust brand architecture with two mega brands for international business across all geographies – Dabur and Vatika — and most of its offerings are under either of these two brands.

The Vatika franchise has grown by 73% over last year and is now a INR 136 crore franchise, built from a negligible base over the last three years in the

Arab belt.

Following on the successful launch of Vatika Olive & Cactus Oils, the Company launched another two variants — Vatika Almond & Vatika Coconut, extending the Vatika brand equity. This range of Vatika Hair Oils has registered a 101% growth in value across the Middle East and North African region.

The Company had launched its new range of Dabur Vatika Naturals styling hair cream, across the MENA region in mid 2006. The brand has gained 11.1% Volume Market share (overall) and a 13.3% Volume MS (Modern Trade) in Saudi Arabia, despite aggressive competition from established brands.

The Amla franchise has been extended to the Hair Cream Category with the launch of Dabur Amla Hair Cream in February 09.

Implementing the open innovation strategy the Company had outsourced Italian technology and launched a range of intensive hair treatment masks Vatika Naturals Hamam Zaith, which has been a big success and has become a dominant brand in the portfolio just two years after launch.

The key contributing markets to the international business growth have been GCC, Egypt, Nigeria, Algeria, Morocco, Libya, Yemen, Syria and South Africa.

GCC, the largest market in the International Business Division, has registered a strong 45.6% year on year value growth fuelled by innovations and new product launches in the Hair Care and Oral Care business.

Dabur Egypt Limited is one of the top performers of the international business with 99.4% year on year value growth. Vatika Naturals Styling Hair Cream range has established itself as a

key brand in the category, with a 9.5% value share within two years of launch.

African Consumer Care Ltd., Nigeria, which has been identified as one of the key markets for future growth for Dabur in Africa, has grown by 36% over the last year, aided by the growth of Dabur Herbal Toothpaste and Dabur Herbal Gel in the Oral Care category.

Asian Consumer Care Pvt. Ltd., Bangladesh, has performed well with a growth of 56.7% during the fiscal 2008-09. The growth has been led by increased distribution penetration and focussed brand approach.

Dabur Nepal Pvt Limited, which generates sales of Rs.272 crore and is one of the largest geographies in the international division recorded a steady growth of 11.1%.

The new manufacturing facility which has been set up in the Emirates of Ras-al-Khaima was commissioned during the year and has become one of major manufacturing locations for Dabur's International Business.

ii) Development of new markets for Products & Services:

A significant contributor to the growth of the division during FY09 was geographical expansion, resulting from opening up of new markets with new avenues for growth in Lebanon, Turkey, Algeria, Morocco, Mauritania and China.

iii) Export Plans

The focus, going forward, is to continue expanding the Company's presence across these geographies and to exploit the opportunities that exist in the neighbouring regions. Therefore, the Company would continue to invest in brand building, manufacturing and infrastructure in order to capture the opportunities that exist for the Company.



Total Foreign Exchange used during 2008-09: Rs.2572.56 lac.

Total Foreign Exchange Earned during 2008-09: Rs.10987.39 lac.

Group for interse transfer of shares

Pursuant to an intimation received from the Promoters, under Clause 3 (1) (e) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 persons constituting Group (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of aforesaid SEBI Regulations, are given in the 'Annexure 8' attached herewith and forms part of this report.

Operations Review

For detailed operational review kindly refer to Management Discussion and Analysis and the Report on Corporate Governance, which forms part of this Annual Report.

Health Safety and Environmental Review

Dabur India Ltd. has renewed its commitment towards Health, Safety and Environment through its Policy, which focuses on People, Technology and Facilities, supported by Management Commitment as the prime driver. A Dedicated "Safety Management Team" is working towards the prevention of Man, Machine and Material incidents at the Corporate & Unit level and to educate and motivate the employees on various aspects on Health, Safety and Environment through training program and seminars.

The Company is continuously monitoring its waste to ensure adherence to pollution control norms within the prescribed limit. To

maintain the ground level water and commitment towards the society, Dabur has taken the initiative to install the Rainwater harvesting which has shown a good result in maintaining the ground water level.

Key Initiatives taken during the year.

- Revised Environment Policy has been launched with the commitment to preserve the environment.
- Environmental Management Program has been taken by units on the concept of Reduce, Reuse and Recycle.
- Carbon Foot Print Study undertaken at Unit level.
- Environmental Target has been taken to reduce the consumption of water and energy.
- Environmental Monitoring carried out at unit level to check the impact on the environment.
- Different Guideline and Standard Rolled out for implementation at unit level and Focus on the training – on job and off job to minimize the TRFR (Total Recordable Frequency Rate).
- Risk Assessment carried out at unit level for the operation.
- Installation of Fire Hydrant System in units as applicable.
- Emergency Preparedness plan is in place and the plan is audited through mock drills.
- Health Check up for all employees carried out at unit level.

Quality Review:

We at Dabur are committed to the health and well being of every household by ensuring safe and quality products. Our vision is the key driver to our journey from good to great quality.

The Quality Assurance programme is based on stated Quality and Food safety policy which are founded on an integrated documentation system of Specifications, Standard Operating Procedures and Batch Production Records, supported by validated equipment, processes and trained personnel.

All of our factories in India, Nepal and Ras-al-Khaima are fully equipped with state of the art laboratories to ensure the best in class quality control. All the facilities in India are GMP certified apart from ISO 9000 and ISO 2200 certification of Silvasa, Jammu and Alwar factories. Food facilities at Nepal and Jalpaiguri are HACCP certified so as to ensure complete food safety.

Quality Improvement of finished product is a key initiative as part of our continuous effort to improve the delivered quality. The metrics of finished product quality has moved from 4.3 sigma in 07-08 to 4.4 sigma during 08-09 resulting into an improvement of 27%.

The wing of corporate quality to ensure compliance and identify scope of improvements audits the full chain starting from supplier to distribution including factories and market. A total of 105 audits have been carried out during 08-09 including three market audits.

Awards & Recognitions:

Dabur has received many Awards and Accolades in recognition of its achievements at various levels. During the year Dabur bagged various Awards and Recognitions in different categories and for different Brands. These include:

For the Company

- Ranked amongst India's most innovative companies by Business Today-Monitor Group Survey.
- Ranked 28th in the list of India's Top 50 Most Valuable (company) Brands by Brand Finance.

- Ranked the Business Leader in FMCG-Personal care Category at the NDTV Profit Business Leadership Award 2008.
- Listed among the super 100 of India Inc, prepared by Business India.

Its Brands

- Hajmola, one of the strongest brands in Dabur's Portfolio, has been listed among the Top 18 Iconic Brands in India.
- Dabur India's fruit Juice brand 'Real' awarded the Reader's Digest Gold Trusted Brand Award 2008 in the Food and Beverages Category.
- Dabur Brands-Hajmola, Dabur Amla and Vatika have debuted in

the Economic Times Brand Equity's Most trusted Brands 2008 list.

Its Chief Executive Officer

- Mr. Sunil Duggal was named the best corporate leader of 2008 at the B&E leadership and Excellence Awards, and also ranked among India's most valuable CEOs by Business World.

Industrial Relations

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization.

Acknowledgements

Your Directors place on record their gratitude to the Central Government, State Governments and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of Investors, Dealers, Business Associates and Employees in ensuring an excellent all around operational performance.

For and on behalf of the Board

(DR. ANAND BURMAN)

New Delhi

CHAIRMAN

29th April, 2009

Auditors' Report on Corporate Governance

Annexure '1'

To
The Members of Dabur India Limited

We have examined the compliance of conditions of Corporate Governance by Dabur India Limited, for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination is limited to procedures, and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company, as per the records maintained by the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company, nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

(S.Lahiri)
Partner

New Delhi

29th April, 2009



Annexure '2'

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

| 1 Name of the Subsidiary | *Dabur Nepal Pvt. Ltd. | *Dabur (UK) Ltd. | H & B Stores Ltd. | Dabur International Ltd. | *Dabur Egypt Ltd. | *Asian Consumer Care Pvt. Ltd. | *Weikfield International (UAE) Ltd. | *African Consumer Care Ltd. | *Asian Consumer Care (Pakistan) Pvt. Ltd. | *Naturelle LLC |
|--|------------------------|------------------|---|---|-------------------|--------------------------------|-------------------------------------|-----------------------------|---|----------------|
| 2 Holding Company's Interest | — | — | 425,000,000 Equity Shares of Re. 1 each fully paid up | 1,600,000 Equity Shares of Pens Sterling 1 each fully paid up | — | — | — | — | — | — |
| 3 Extent of Holding | — | — | 100% | 100% | — | — | — | — | — | — |
| 4 Subsidiary financial year ended on | 31.03.2009 | 31.03.2009 | 31.03.2009 | 31.03.2009 | 31.03.2009 | 31.03.2009 | 31.03.2009 | 31.03.2009 | 31.03.2009 | 31.03.2009 |
| 5 Net aggregate amount of subsidiaries Profit/(Loss) not dealt within the holding company's accounts : | — | — | (Rs. 17,94,39,514) | Rs 32,04,42,646 AED 2,32,87,983 | — | — | — | — | — | — |
| (i) For the financial Year of the subsidiaries | — | — | (Rs. 7,63,05,000) | Rs. 29,13,57,579 AED 2,58,89,260 | — | — | — | — | — | — |
| (ii) For the previous financial year of the subsidiaries since they become the holding company's subsidiaries. | — | — | — | — | — | — | — | — | — | — |
| 6 Net aggregate amount of subsidiaries Profit/(Loss) dealt within the holding company's accounts : | — | — | — | — | — | — | — | — | — | — |
| (i) For the financial Year of the subsidiaries | — | — | — | — | — | — | — | — | — | — |
| (ii) For the previous financial year of the subsidiaries since they become the holding company's subsidiaries. | — | — | — | — | — | — | — | — | — | — |

* Subsidiary under section 4(1)(c)
Exchange Rate as on 31.03.2009 - 1 AED = Rs. 13.76

Subsidiaries at a glance

(Amount Rs. in lacs)

| Particulars | Dabur Nepal Pvt. Ltd. | H & B Stores Ltd. | Dabur International Ltd. | Weikfield International (U.A.E.) Ltd. | Asian Consumer Care Pvt.Ltd. | African' Consumer Care Ltd. | Dabur Egypt Ltd. | Dabur (UK) Ltd. | Asian Consumer Care (Pakistan) Private Ltd | Naturelle LLC |
|---------------------------|--------------------------|-------------------|--------------------------|---------------------------------------|------------------------------|-----------------------------|------------------------|---------------------|--|------------------------|
| 1. Capital | 499.08 NR 798.52 | 4,250.00 | 1,353.98 AED 98.40 | 220.30 AED 16.01 | 332.82 BDT 449.76 | 149.77 ND 440.49 | 266.79 USD 5.26 | 253.60 USD 5.00 | 57.50 PR 89.85 | 495.36 AED 36.00 |
| 2. Reserves | 6,960.51 NR 11136.81 | -2,557.58 | 10,222.30 AED 742.90 | 408.00 AED 29.65 | -516.46 BDT -697.91 | 243.19 ND 715.25 | 1,105.82 USD 21.80 | -30.48 USD -0.60 | -175.42 PR -274.09 | -817.17 AED -59.38 |
| 3. Total Assets | 11,346.88 NR 18155 | 1,692.42 | 11,505.17 AED 836.13 | 778.89 AED 56.60 | 394.34 BDT 532.88 | 1,685.08 ND 4956.12 | 1,401.26 USD 27.62 | 213.47 USD 4.20 | -71.80 PR -112.18 | 2,864.08 AED 208.14 |
| 4. Total Liabilities | 11,346.88 NR 18155 | 1,692.42 | 11,505.17 AED 836.13 | 778.90 AED 56.60 | 394.34 BDT 532.88 | 1,685.08 ND 4956.12 | 1,401.26 USD 27.62 | 213.47 USD 4.20 | -71.80 PR -112.18 | 2,864.08 AED 208.14 |
| 5. Details Of Investments | 0.00 | 0.00 | 5,846.76 AED 424.90 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 | 150.00 USD 2.95 | 214.38 USD 4.22 | 0.00 0.00 | 0.00 0.00 |
| 6. Turnover | 27,205.52 NR 43528.83 | 597.00 | 22,300.57 AED 1620.68 | 7,213.88 AED 524.26 | 1,556.96 BDT 2104.00 | 2,795.09 ND 8220.85 | 6,321.61 USD 124.63 | 0.01 USD 0.00 | 1,587.40 PR 2480.31 | 5,485.12 AED 398.62 |
| 7. Profit Before Taxation | 17.50 NR 28.00 | -1,788.94 | 3,012.35 AED 218.92 | -18.35 AED -1.33 | -177.61 BDT -240.01 | 177.03 ND 520.67 | 868.79 USD 17.12 | 7.96 USD 0.15 | -161.96 PR -253.06 | 103.59 AED 7.52 |
| 8. Provision for Taxation | 2.74 NR 4.38 | 5.60 | 8.88 AED 0.64 | 0.00 0.00 | 6.34 BDT 8.56 | 6.07 ND 17.85 | 197.59 USD 3.89 | 0.00 0.00 | 32.68 PR 51.06 | 0.00 0.00 |
| 9. Profit After Taxation | 14.76 NR 23.62 | -1,794.54 | 3,003.47 AED 218.27 | -18.35 AED -1.33 | -183.95 BDT -248.58 | 170.96 ND 502.81 | 671.20 USD 13.23 | 7.96 USD 0.15 | -194.64 PR -304.12 | 103.59 AED 7.52 |
| 10. Proposed Dividend | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Exchange Rate as on 31.03.2009

1 US \$ = Rs. 50.72

1 NR=Rs.0.625

1 AED=Rs. 13.76

1 BDT= Rs 0.74

1 ND=Rs.0.34

1 PR = Rs 0.64





Annexure '4'

Disclosure regarding Employees Stock Option Plan pursuant to the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and forming part of the Directors' Report for the year ended 31st March, 2009.

| | For the Year | Cumulative |
|---|--|--------------|
| 1. Number of Options granted | 563472 | 12474558 |
| 2. Pricing formula | Each option carries the right to the holder to apply for one equity share of the Company at par. | |
| 3. Options vested | 1053276 | 5626031 |
| 4. Options exercised | 1053276 | 5599381 |
| 5. Total number of shares arising as a result of exercise of option | 1053276 | 6101140 |
| 6. Options lapsed/Cancelled | 588449 | 2879770 |
| 7. Variation in terms of options | None | None |
| 8. Money realized by exercise of options | Rs.1053276/- | Rs.6101140/- |
| 9. Total number of options in force | 3995407 | 3995407 |
| 10. Employee-wise details of options granted during the year to: | | |
| i. Senior managerial personnel: | | |
| Mr P D Narang | Group Director – Corp. Affairs | 81382 |
| Mr Sunil Duggal | Chief Executive Officer | 72659 |
| Mr Jude Magima | Executive Director – Supply Mgt. | 21920 |
| Mr A Sudhakar | Executive Director – HR | 19750 |
| Mr Devender Garg | Executive Director – CHD | 26314 |
| Mr Rajan Varma | Chief Financial Officer | 14324 |
| Mr K K Rajesh | Executive VP-Marketing | 33317 |
| Mr Vinay Kushwaha | Executive Director -Operations | 57500 |
| Mr V S Sitaram | Chief Operating Off-Consumer Care | 5426 |
| Dr. Ranjit Chaterjee | Executive Director–R&D | 34157 |
| ii. Employees who received the options amounting to 5% or more of options granted during that year | | |
| Mr P D Narang | Group Director – Corp. Affairs | 81382 |
| Mr Sunil Duggal | Chief Executive Officer | 72659 |
| Mr Vinay Kushwaha | Executive Director -Operations | 57500 |
| Mr K K Rajesh | Executive VP-Marketing | 33317 |
| Dr Ranjit Chaterjee | Executive Director–R&D | 34157 |
| iii. Employees who received the options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant: | | None: |
| 11. Diluted earning per share (EPS) pursuant to issuance of options under ESOP | | Rs. 4.30 |
| 12. The Company had been using intrinsic value method of accounting ESOP expenses as prescribed by SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999, to account for stock options issued under Dabur ESOS 2000, the Company's stock option scheme. Under this method, compensation expenses is recorded on the basis of excess of the market price of share at the date of grant of option over exercise price of the option. | herein below:- | |
| As allowed by the above referred SEBI Guidelines the company has decided to continue to apply the intrinsic value method of accounting and accordingly the disclosure required as per para 12 (l) of the Guidelines are given | | |
| | (Rs. in lacs) | |
| Net profit after tax, as reported in audited accounts | 37355.26 | |
| Add: Stock Option compensation expenses charged in above reported profit | 671.93 | |
| Deduct: Stock option compensation expenses determined under fair value method (black scholes model) | 660.97 | |
| Net profit after tax, as adjusted | 37366.22 | |
| Impact on profit (i.e. profit would have been higher by) | 10.96 | |
| Earning per share (Rs.) | Basic | Diluted |
| - As reported | 4.32 | 4.31 |
| - As adjusted | 4.31 | 4.29 |
| - Impact on EPS | 0.01 | 0.02 |
| 13. Weighted average exercise price (per option) | | |
| Weighted average fair value of per option: | | |
| (per intrinsic value method) | Rs. 115.09 | |
| (per black scholes model) | Rs. 112.98 | |
| 14. The fair value of each option is estimated using the Black Scholes model after applying the following weighted average assumptions:- | | |
| - Risk free interest rate | 6.60 | |
| - Expected life | 1 to 5 years | |
| - Expected volatility | 14.21 | |
| - Expected Dividend yield | 2.32% | |
| - Price of underlying shares in the market at the time of option grant | Rs.94.48 | |

Statement of particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2009

| Name | Designation/ Nature of Duties | Qualifications | Expe- rience (In Yrs) | Remu- neration (Rs.) | Date of Appointment (MM/DD/YY) | Age (in yrs) | Particulars of Last employment |
|----------------------------|--|-------------------------------|-----------------------------|----------------------------|--------------------------------------|-----------------|--|
| 1 Acharya Suresh(*) | Head - New Projects | B.E. | 17 | 723,010 | 1/12/2009 | 37 | General Manager - Operations & Projects, Dukes Products (India) Ltd. |
| 2 Aggarwal Parag(*) | Addl. General Manager-Marketing (CCD) | B. Tech, M.B.A. | 16 | 1,540,278 | 8/14/2006 | 38 | Marketing Manager, Carvinkare Pvt. Ltd. |
| 3 Ahluwalia Gagan | Addl. General Manager-Corp. Affairs | B.Com(Hons), M.B.A. | 21 | 2,643,063 | 9/1/1998 | 45 | Sr. Manager-Merchant Banking, Dabur Finance Ltd. |
| 4 Angelo George | Executive Vice President-Sales (CCD) | B.Sc., P.G.D., M.M. | 25 | 6,744,969 | 4/3/2006 | 46 | GM-Sales & Marketing, EID Parry (India) Ltd. |
| 5 Bali Vikram(*) | Head of Sales - West (CCD) | B.Com., M.B.A. | 20 | 1,417,973 | 10/24/1994 | 43 | Sales Officer, Brooke Bond Lipton India Ltd. |
| 6 Banerjee Rana | Addl. General Manager-Marketing (CCD) | B.H.M., M.B.A. | 14 | 3,238,503 | 7/10/1995 | 42 | - |
| 7 Banerjee T K | Unit Head - Ultranchal | B.E. | 22 | 2,662,648 | 12/4/2006 | 44 | Vice President(Works), Tilda Riceland Pvt. Ltd. |
| 8 Barua Jyotiroop(*) | Head of Sales - Food Services | B.A.(Hons), M.A. | 17 | 1,998,359 | 1/1/1997 | 41 | Area Manager, Duncan Industries Ltd. |
| 9 Bhaumik Asim | Head - Corporate Quality Assurance | M.Sc., M.Phil. | 21 | 3,253,030 | 4/25/2005 | 47 | Factory Manager, Britannia Industries Ltd. |
| 10 Bhubal Dilip | Vice President - S&M (CHD) | B.Sc., M.B.A. | 32 | 4,393,042 | 4/1/2002 | 55 | General Mgr., Weikfield International (UAE) Ltd. |
| 11 Burman Pradip | Director | B.Sc. (Mech. Engg), MIT (USA) | 42 | 4,625,644 | 11/2/2002 | 66 | Director, The Printers House Pvt. Ltd. |
| 12 Chatterjee Rajjit(*) | Executive Director - R&D | M.S., Ph.D. | 34 | 3,209,263 | 11/3/2008 | 59 | Director- Global Feminine Care, Procter & Gamble Co |
| 13 Chutani Krishan Kumar | Senior General Manager-Marketing (CCD) | B.Com., M.B.E. | 16 | 4,105,766 | 3/1/1997 | 39 | Account Manager, Trikaya Grey Advertising |
| 14 Dani R. S. | Addl. General Manager-Internal Audit | B.Sc., C.A. | 29 | 3,151,155 | 12/30/1993 | 58 | AGM - Finance, Stanford Engineering Ltd. |
| 15 Dawar T. K. | Unit Head - Sahibabad | B.Sc., B.Pharm | 32 | 3,230,193 | 5/1/1992 | 55 | Production Administrator, Pharmax Corp. Ltd. |
| 16 Devasthale S V | Head - Home Care R & D | M.Sc., Ph.D. | 21 | 2,738,527 | 7/1/2006 | 48 | Head R&D - Home Care, Balsara Home Products Ltd. |
| 17 Dhir Vivek | General Manager-Marketing (CCD) | M.Sc., M.B.A. | 16 | 4,125,786 | 11/15/1994 | 39 | Deputy Manager, Kesri Vanaspati Products Ltd. |
| 18 Duggal Sunil | Chief Executive Officer | B.E.(H), P.G.D.M. | 28 | 22,696,813 | 5/20/1995 | 52 | All India Sales Operations Manager, Pepsi Foods Ltd. |
| 19 Garg Anil | General Manager-IT | M.Sc., M. Tech. | 32 | 2,778,003 | 4/1/2003 | 56 | Chief Operating Officer, Argusoft India Ltd. |
| 20 Garg Devendra | Executive Director-(CHD) | B.Sc., P.G.D.M. | 21 | 6,569,571 | 12/3/1993 | 44 | Sales Operation Manager, Pepsi Foods Ltd. |
| 21 Garg Rajiv(*) | Vice President - Projects | B.Sc.-Engg | 36 | 1,633,134 | 7/31/1993 | 60 | Dy GM (Engg), Vam Organics Chemicals Ltd. |
| 22 Gounden K C | Head - R&D (Personal Care) | M.Sc., Ph.D. | 31 | 4,042,793 | 10/1/2006 | 60 | Head - R&D, Balsara Home Products Limited |
| 23 Guha Sujit | Senior General Manager - Supply Chain | B.Tech, P.G.D.M. | 21 | 4,256,583 | 9/1/2005 | 43 | Head - Supply Chain, Apollo Tyres Limited |
| 24 Gunawant Deepika | Head - Regulatory Affairs | B.A.M.S., M.D. | 23 | 2,845,785 | 1/1/2007 | 49 | Head - Regulatory Affairs and Business Development, International Business Division, Dabur U.K. |
| 25 Gupta Arun | General Manager - Corporate Affairs | B.Com.(H), C.A., I.C.W.A. | 23 | 5,002,172 | 7/1/2007 | 47 | Chief Financial Officer, Dabur Pharma Limited |
| 26 Gupta Upendra Kumar(*) | Dy General Manager-Financial Accounting | I.C.W.A.C.A., C.S. | 14 | 1,865,357 | 1/16/1995 | 36 | - |
| 27 Jain Ashok Kumar | GM-Finance and Company Secretary | B.Com., C.A., C.S. | 22 | 3,923,792 | 8/17/1999 | 46 | Assistant Vice President - Finance, Dabur Finance Ltd |
| 28 Jain Suresh(*) | Sr GM-HR & IR | M.A.(Socio), P.G.D.I.R.&P.M. | 34 | 701,346 | 4/22/1997 | 55 | Sr Manager-Corp Personnel, Dabur Pharmaceuticals Ltd. |
| 29 Katiyar Chandra Kant(*) | Head - Ayurveda Research | MD(Ayurveda), Ph.D. | 26 | 1,364,112 | 11/3/2008 | 54 | Dir- Herbal Drug Research, Ranbaxy Research Lab. |
| 30 Krishnan V | Vice President - Human Resources | B.Sc.- Engg, M.B.A. | 23 | 4,920,245 | 4/22/2004 | 45 | Director - Corporate HR, Whirlpool of India Limited |
| 31 Kumar Girish | Senior General Manager-Marketing | B.Tech, P.G.D.M. | 16 | 4,400,333 | 7/1/2004 | 41 | Marketing Mgr., Britannia New Zealand Foods Pvt Ltd |
| 32 Kushwaha Vinay(*) | Executive Director-Operations | B. Tech. | 23 | 7,705,740 | 5/1/2008 | 44 | Vice President - Supply Chain, Unilever Asia |
| 33 Linhares Jude | General Manager-Manufacturing | B.E. | 20 | 4,450,533 | 6/1/2007 | 43 | Works Manager, Marico Industries Limited |
| 34 Meghima Jude | Executive Director-Supply Management | M.A.(Eco) | 24 | 7,599,652 | 2/25/2002 | 45 | General Manager -Materials, Marico Industries Limited |
| 35 Malhotra S. P.(*) | Sr. General Manager-Operations (Foods) | Dip in Mech Engg | 39 | 2,975,945 | 12/11/2007 | 60 | Senior General Manager - Dabur Nepal Private Limited |
| 36 Mittal Vikas | Executive Vice President-Marketing (CCD) | B.E., P.G.D.M. | 18 | 6,601,110 | 1/4/2007 | 41 | Regional Marketing Director, Friesland Foods |





| Name | Designation/ Nature of Duties | Qualifications | Expe- rience (In Yrs) | Remu- neration (Rs.) | Date of Appointment (MM/DD/YY) | Age (in yrs) | Particulars of Last employment |
|---------------------------|--|---|-----------------------------|----------------------------|--------------------------------------|-----------------|--|
| 37 Mohan Charanjit(*) | Executive Director-Operations | B.E. | 35 | 4,653,259 | 7/26/1999 | 55 | General Manager-Technical, Hindustan Lever Limited |
| 38 Mukherjee Somit | Additional General Manager - Purchase | B. Tech, P.G.D.R.M. | 13 | 2,468,027 | 6/9/2005 | 37 | Manager- Supply Chain & Procurement, Redrock Ltd. |
| 39 Narang P.D. | Group Director - Corporate Affairs | B.Com., F.C.A., M.I.L.A., F.C.S., A.I.C.W.A. | 33 | 22,959,262 | 7/1/1983 | 55 | Management Accountant, Dabur (Dr.SK.Burman) Pvt Ltd. |
| 40 Rajesh K K | Executive Vice President - Marketing (CCD) | B.Tech, P.G.D.M. | 20 | 5,915,731 | 7/25/2007 | 45 | GM- Beauty Services, Hindustan Unilever Limited |
| 41 Sengupta Saibal(*) | General Manager- Finance | B.Com(Hons), C.A. | 21 | 1,516,438 | 8/25/2008 | 46 | Chief Financial Officer, Noble Group |
| 42 Shah Dinesh Chandra(*) | Head - Legal & Company Secretary | M.Sc., L.L.M, C.S. | 36 | 2,850,126 | 10/1/2006 | 60 | Head - Legal, Balsara Hygiene Products Limited |
| 43 Sharma Adarsh | Senior General Manager - Sales | B.Com., M.B.A | 23 | 3,891,640 | 9/16/1991 | 46 | Assistant Sales Manager, UniPepsi Bottlers Limited |
| 44 Sharma Manesh | General Manager - Packaging Development | B.Sc., M.D.P.T. | 20 | 3,276,305 | 9/19/2002 | 40 | Sr Packaging Development Mgr., Hindustan Lever Ltd. |
| 45 Sinha Subodh(*) | General Manager - Projects | B.E. | 22 | 1,662,249 | 7/22/2008 | 45 | GM-Projects, Ansal Housing and Construction Ltd. |
| 46 Sitaram Y S | Chief Operating Officer - Consumer Care | B.Tech, P.G.D.M. | 28 | 13,220,212 | 1/18/2006 | 51 | Vice President -Strategy, Unilever UK |
| 47 Sreeram R | Vice President - Manufacturing | B.E. | 23 | 5,872,666 | 6/1/2007 | 47 | Director - Operations, General Mills, India |
| 48 Sudhakar A | Executive Director - Human Resources | M.Sc., M.A.(Social Work), L.L.B, P.G.D.PM | 33 | 7,131,096 | 9/17/2001 | 58 | Vice President -HR, Owens Brockway |
| 49 Sunder K | Additional General Manager- Taxation | B.Com, C.A. | 31 | 2,486,324 | 1/3/1990 | 57 | Chief Executive -Taxation, Super Cassettes Industries Ltd. |
| 50 Swarup Manish | General Manager - Marketing (CHD) | B.Com (H), P.G.D.B.M. | 14 | 2,794,097 | 5/16/1994 | 37 | - |
| 51 Varma Rajan | Chief Financial Officer | B.Com (Hons), C.A. | 36 | 7,865,199 | 11/1/2000 | 59 | Vice President & CFO, Carrier Aircon Ltd. |

Notes:

- Gross remuneration shown above is subject to tax and comprises salary including arrears, allowances, rent, medical reimbursements, leave travel benefits, leave encashment, provident fund, superannuation fund & gratuity under LIC scheme in terms of actual expenditure incurred by the Company and commission.
- All the employees have adequate experience to discharge the responsibilities assigned to them.
- None of the employees mentioned above is a relative of any Director.
- (*) Asterisk against a name indicates that the employee was in service for part of the year.
- The nature of employment is on contractual basis except in the case of Directors whose terms have been approved by shareholders.

**Annexure '6'****FORM - A
(See Rule 2)****Form of Disclosure of particulars with respect to Conservation of Energy****A. Power and Fuel Consumption**

| | 2008-09 | 2007-08 |
|--|-----------|-----------|
| 1. Electricity | | |
| a) Purchased | | |
| Units | 30958858 | 29322821 |
| Total amount (Rs.) | 138562650 | 119940207 |
| Rate per unit (Rs.) | 4.48 | 4.09 |
| b) Own Generation: | | |
| i) Through diesel generator | | |
| Units | 2029113 | 4785311 |
| Unit per litre of diesel oil | 2.78 | 3.00 |
| Cost per unit (Rs.) | 10.92 | 9.64 |
| Total cost (Rs.) | 22151084 | 46128393 |
| ii) Through Steam Turbine/Generator | | |
| Units | Nil | Nil |
| Unit per litre of Fuel Oil | | |
| Cost/Unit (Rs.) | | |
| 2. Coal (specify quality and where used) | | |
| (Bio Briquettes/Pet Coke for steam generation- Boiler) | | |
| Quantity (tonnes) | 4103.86 | Nil |
| Total cost (Rs.) | 22319456 | |
| Average rate per tonne (Rs.) | 5438.65 | |
| 3. Furnace Oil | | |
| Quantity (tonnes) | 4536.92 | 7232.83 |
| Total cost (Rs.) | 127009100 | 181280160 |
| Average rate per tonne (Rs.) | 27994.58 | 25063.52 |
| 4. Others/internal generation | | |
| H S D | | |
| Quantity (Kilo ltr) | 369.64 | 265.22 |
| Total cost (Rs.) | 12125048 | 7663977 |
| Average rate per Kilo ltr (Rs.) | 32802.23 | 28897.11 |
| L D O | | |
| Quantity (Kilo ltr) | 357.86 | 221.05 |
| Total cost (Rs.) | 12362835 | 6388162 |
| Average rate per Kilo ltr (Rs.) | 34547.05 | 28898.65 |

B. Consumption per unit of production

The Company is engaged in production of variety of products, hence the figures of consumption per unit of production are not ascertainable.



Annexure '7'

FORM - B

(See Rule 2)

Form of Disclosure of particulars with respect to Technology Absorption

Research & Development

1. Specific area in which R & D carried out by the Company

The R & D focus remains on development of safe and efficacious products to meet health and well-being needs of the consumers. In addition to new technologies and formulation innovations, R&D has improved consumer value of existing products through product cost reductions and packaging innovations. The combined efforts ensured a strong product portfolio in all categories including Ayurvedic, Health Care, Foods, Personal Care and Home Care products. An important thrust within Ayurvedic area was expansion of Agro-biotechnology to medicinal plants for quality enhancement of several health care products. At the plant level R&D was also carried out for:

- Manufacturing Process of Malt Drink (Chyawan Junior)
- Herbal extraction process using a modified system
- Fast Hydration Gum for oil well drilling

2. Benefits derived as a result of the above R & D

a. Ayurvedic

The above R&D efforts have lead to the development of new and improved products such as an Antacid Suspension, Honitus Lozenges (Honimint flavour), Honitus Chewable Tablets for cough, and a new variant of Hajmola tablets. These new products were qualified with clinical trials and toxicity studies. Pudín Hara Active has been developed as an improved and more effective version of Dabur Pudín Hara.

Besides the aforementioned products, the portfolio of Ayurvedic Classical products has been enriched with Hajrool yahood Bhasama, Tapayadi lauh, and Trayodasang guggulu for urinary disorders, anaemic conditions and neurological disorders respectively.

All developments benefitted from an integrated robust R&D process in raw material specifications development, efficacy optimization and safety assessment to ensure quality and performance of the products. As part of continuous quality improvement, R&D has enabled effectively for commercial scale farming of nine plant species that posed challenges in availability and medicinal quality.

b. Foods

Dabur Chyawan Junior that combined technologies from Ayurvedic and Food competencies was launched to extend the reach of herbal nutrition to new segments of consumers. The manufacturing cost of Chyawan Junior came down by 1/3rd & gross margins improved from 13% to 36%. Six fruit based beverages for modern trade are ready for launch. The beverage set offers Crisp Apple, Mango, Pulpy Orange, Orange Peach, Forest Fruit and Mixed Berries. Trendy Apple based drinks for out of home consumption by young adults are ready for market introduction in PET bottles.

R&D developed sensory attributes were deployed to ensure consumer acceptance and taste improvement. Process development work for Honey was improved for capacity enhancement and efficiency improvement at the commercial level.

c. Home Care

Home Care category R&D efforts resulted in an expansion of Dazzle range of products to Floor Cleaner, Kitchen Cleaner and Silver Cleaner using two novel technologies for dirt trapping and stain removal. In the toilet cleaning segment, Sanifresh Extra Power was launched with higher active content and new formulation for better performance and consumer value. The mosquito repellent category added Advanced Odomos Naturals as a new offering. A lower-cost Odomos product is in the last stage of readiness for market. The newest introduction in air freshener category, Advanced Odonil Gel, benefitted from a new technology of superior perfume incorporation and delivery.



d. Personal care

The above R&D efforts lead to the development and launch of many new products in categories of Oils, Hair, Skin & Oral Care e.g. –Vatika enriched Almond Hair Oil, Amla Flower Magic Hair Oil, Vatika Antidandruff Shampoo variants, Vatika Conditioners, Gulabari Cold Cream, Gulabari Spray, Total Protect Shampoo, Babool Neem Toothpaste and Promise Red Gel. A Calcium Fluoride Toothpaste was developed and launched in Nigeria. Many of these product variants helped expand International Business.

3. Future plan of action:

a. Ayurvedic

Committed to the Health Care through Ayurvedic products, R&D is actively developing safe and effective remedies for lifestyle ailments and other niche areas like sugar-free products for weight conscious consumers. R&D continues to develop new capabilities modern science offers to discover, develop and optimize products for performance with the highest possible safety profile. Ten new products are in the pipeline in several therapeutic areas for next year.

b. Foods

Delighting consumers with taste and value, while also providing nutrition, energy and meal replacement continue to be the theme of Real, Real Burrst and Active brands. A substantial part of the R&D efforts is dedicated to Chyawan Junior for taste enhancement and nourishment improvement through herbal science. This cost sensitive category is also expected to benefit from many cost savings projects and raw material alternatives development in progress.

c. Home Care

Much of the Home Care R&D focus will be on formulation in all categories to offer consumers variants in forms that fit the lifestyle and amenities available in a diverse population to increase penetration and consumption. Hard surface cleaners will offer variants for new surfaces, and air care category will expand into electrical diffusers and aerosols. Cost-effective formulations will also be a major thrust of the R&D.

d. Personal Care

Within Personal Care, both Hair and skin products will be expanded with Ayurvedic ingredients as natural solution to beauty problems. New methodologies and health science based techniques are in use to make the new products more efficacious and safer for daily use. New technologies and products are also in development for male grooming and Oral hygiene. R&D formulators are ensuring regulatory compliance for timely introduction of the Personal Care products in overseas business.

4. Expenditure on R&D (2008-09)

| | |
|--|-----------------|
| a) Capital | Rs. 21.93 lacs |
| b) Recurring | Rs. 209.04 lacs |
| c) Total | Rs. 230.97 lacs |
| d) Total R&D expenditure as a percentage of Total Turnover | 0.095% |

Technology Absorption, Adoption and Innovation

- | | |
|--|---|
| 1. Efforts, in brief, made towards technology absorption, adoption and innovation | 2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc. |
|--|---|

Energy Conservation and Efficiency improvement

- | | |
|--|---|
| <ul style="list-style-type: none"> ➤ Uniform heating in VTDs by hot water against earlier by steam. ➤ using non-stick coating and formulation change | <ul style="list-style-type: none"> ➤ 30% Reduction in Bulk wastage. ➤ Improved efficiencies and productivity. |
|--|---|

Upgradation in manufacturing

- | | |
|---|---|
| <ul style="list-style-type: none"> ➤ Product improvement on sensory evaluation | <ul style="list-style-type: none"> ➤ Resulted in cost saving of Rs.30 per kg for chyawan junior. |
|---|---|



Waste Management

- Developed in house technology to convert the fruit waste in to organic manure by using the Culture *Lactobacillus burchi*
- Fossil fuel replaced by Agro Waste Bio Briquettes in Steam Boiler
- Cleaner environment. No Flue gases through Waste burning.
- Saved through waste disposal and generated revenue through the sale of organic manure.
- Improved hygiene conditions.
- Increased productivity.

Water Management and Conservation

- Minimum use of water in process by pre-concentration of herbal extracts and reduction in concentration time.
- Improvement in water treatment plant through introduction of RO (Reverse osmosis system) for DM water. Reutilization of Waste water from Pump seal cooling and RO Reject water.
- Introduction of water efficient CIP system with Recycling of water in fruit juice manufacturing.
- Improvement on water availability.
- Reduction in Water treatment cost.
- Minimising the use of water and hence better conservation of water.

Innovative packaging concept

- Dabur Chywanprash
- Total shampoo pack - New Launch
- Almond Hair Oil Pack - New Launch
- Dandruff control shampoo- New Launch
- Amla Flower magic - New Launch
- Meswak Family Pack- Table Top Dispenser
- Odonil Gel - Round Pack
- Decoration change with improved aesthetics.
- High lusture pigment based inks developed with Merck, Germany.
- Parallel development of alternate Indian ink source which helped to generate the cost effective option.
- High value perception & added premiumness through use of Metallic Gold & Red inks in the bottles & sachets.
- 2 component FT cap for ease of oil dispensing with pearlised master batch for added premiumness.
- Unique & clutter Breaking shape in the shampoo category with excellent sleeve design matching the shape of the bottle resulting in a very premium looking pack.
- 3 layer metallised laminate structure for shampoo sachet for added premiumness & high shelf impact.
- Unique & clutter Breaking shape in the Hair Oil Category with excellent sleeve design matching the shape of the bottle resulting in a very premium looking pack.
- Contemporary PP table top container for Meswak Toothpaste with three toothbrush with new graphics to upgrade the brand significantly.
- With the Foil stamping on the front panel, gives distinctiveness from competition.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of this financial year) following information may be furnished:

- | | |
|--|--|
| a) Technology imported | Odomos Coil manufacturing Technology from Malaysia |
| b) Year of import | 2006-07 |
| c) Has technology been fully absorbed | Yes |
| d) If not absorbed, areas where this has not taken place, reason therefore and future plan of action | N/A |



Annexure '8'

Group for interse transfer of shares under clause 3(1) (e) of Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

| | | | |
|----|----------------------------------|----|--|
| 1 | Mr Ashok Chand Burman | 46 | Chowdry Associates |
| 2 | A C Burman HUF | 47 | Chunilal Medical Trust |
| 3 | Dr Anand Burman | 48 | Consortium Consumercare Pvt. Ltd. |
| 4 | Mrs Minnie Burman | 49 | Dabur Ayurvedic Specialities Ltd. |
| 5 | Mr Aditya Burman | 50 | Dabur Foundation |
| 6 | Mrs Shivani Burman | 51 | Dabur GI Invest Corp |
| 7 | Ms Anisha Burman | 52 | Dabur Invest Corp |
| 8 | Mr Vivek Chand Burman | 53 | Dabur Investment Corporation |
| 9 | Mrs Monica Burman | 54 | M.B. Finmart Pvt. Limited |
| 10 | Mr Mohit Burman | 55 | Dabur Pharmaceuticals Ltd. |
| 11 | Mr Gaurav Burman | 56 | Western Enterprises |
| 12 | Mrs Karima Burman | 57 | Dr S K Burman Charitable Trust |
| 13 | Ms Sujata Burman | 58 | Eastern Enterprises |
| 14 | V C Burman HUF | 59 | Estate of Durga Prasad Makkar Trust |
| 15 | Mrs Asha Burman | 60 | Excellent (India) Private Limited |
| 16 | Mr Amit Burman | 61 | Gyan Enterprises Private Limited |
| 17 | Mrs Divya Burman | 62 | Interx Laboratories Private Limited |
| 18 | Master Adhiraj Burman | 63 | K.P.H. Dream Cricket Pvt. Ltd. |
| 19 | Ms Diya Burman | 64 | KBC India Private Limited |
| 20 | Mrs Gauri Tandon | 65 | Lite Bite Foods Pvt. Ltd. |
| 21 | Mr Sandeep Tandon | 66 | Malhotras Trading Company Pvt. Ltd. |
| 22 | G C Burman HUF | 67 | Milky Investment & Trading Company |
| 23 | Mr Pradip Burman | 68 | Moonlight Ranch Private Ltd. |
| 24 | Mrs Meera Burman | 69 | Newage Capital Services Pvt. Ltd. |
| 25 | Mr Chetan Burman | 70 | Prayag Commercial Private Limited |
| 26 | Mrs Pooja Burman | 71 | Elephant India Advisors Pvt. Ltd. |
| 27 | Master Kamran Burman | 72 | Puran Associates Private Limited |
| 28 | Ms Eishana Burman | 73 | Ratna Commercial Enterprises Pvt. Ltd. |
| 29 | Ms Devika Burman | 74 | Sahiwal Inv. & Trading Company |
| 30 | Pradip Burman HUF | 75 | Shree Investments Limited |
| 31 | Mr Sidharth Burman | 76 | Southern Enterprises |
| 32 | Mrs Indira Burman | 77 | Sunshine India Pvt. Ltd. |
| 33 | Mr Saket Burman | 78 | Upvan Farms & Services Pvt. Ltd. |
| 34 | Sidharth Burman (HUF) | 79 | Vansh Holdings Pvt. Ltd. |
| 35 | A.B. Propmart Pvt. Ltd. | 80 | Vertex Broadcasting Co. Pvt. Ltd. |
| 36 | A.V.B. Finance Pvt. Ltd. | 81 | VIC Enterprise Private Limited |
| 37 | Acee Enterprises | 82 | Welltime Gold & Investments Pvt. Ltd. |
| 38 | Adbur Pvt. Ltd. | 83 | Ayurvet Limited |
| 39 | Amit Laboratories Pvt. Ltd. | 84 | Betteroption Estates Pvt. Ltd. |
| 40 | Angel Softech Pvt. Ltd. | 85 | Burman Resorts Pvt. Ltd. |
| 41 | B R Bee Products Pvt. Ltd. | 86 | CNS Infotech (I) Pvt. Ltd. |
| 42 | B.A. Holdings Pvt. Ltd. | 87 | Dabur Securities Pvt. Ltd. |
| 43 | Wrapster Foods Pvt. Ltd. | 88 | Northern Herbal Farms Pvt. Ltd. |
| 44 | Burmans Finvest Pvt. Limited | 89 | Windy Investments Pvt. Ltd. |
| 45 | Cavendish Hotels Private Limited | 90 | Sanat Products Limited |



To the Members of Dabur India Limited,

We have audited the attached Balance Sheet of Dabur India Limited as at 31st March, 2009 and its Profit & Loss Account and the Cash Flow Statement for the year ended on that date attached thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

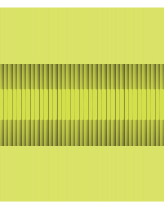
We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence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

- i. As required by the Companies (Auditors' Report) Order 2003, as amended, issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose herewith in the annexure a statement of the matter specified therein.
- ii. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
- iii. In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of books of account.
- iv. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- v. Balance Sheet and Profit & Loss Account have been prepared in due compliances of Accounting Standards referred to in sub section (3C) of section 211 of Companies Act, 1956.
- vi. On the basis of written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors of the company is disqualified for the Office of the director within the meaning of section 274 (1) (g) of the Companies Act, 1956.
- vii. In our opinion and according to the information and explanations given to us, the said accounts read in conjunction with Schedules A to O and read with other notes appearing in Schedule "P" give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of Balance Sheet, of the State of Affairs of the company as at 31st March, 2009, and
 - b) In the case of Profit and Loss Account, of the Profit for the year ended on that date; and
 - c) In the case of cash flow statement, of the cash flows for the year ended on that date.

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

S. Lahiri
Partner
Membership No. 51717

New Delhi
29th April, 2009



ANNEXURE TO THE AUDITORS' REPORT AS REFERRED TO IN PARA I OF THE SAID REPORT OF EVEN DATE

- 1 a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified by the management at reasonable intervals. As informed, no material discrepancies between book records and the physical inventories have been noticed on such verification.
 - c) Fixed assets disposed of during the year were not material enough to affect the going concern identity of the company.
- 2 a) The inventories have been physically verified at reasonable intervals during the year by the management.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of accounts.
3. The company has neither granted nor taken any loans, secured or unsecured to/from companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act ,1956.
4. In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the company and the nature of its business for purchase of inventory and fixed assets and on the sale of goods. During the course of our audit no major weakness has been noticed in the internal controls. We have not observed any failure on the part of the company to correct major weakness in internal control system.
- 5 a) Based on audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
 - b) According to information and explanations given to us, the transactions of purchase and sale of goods/services made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion the company has an internal audit system commensurate with it's size and nature of its business.
8. On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 in respect of products of the company covered under the rules under said section have been maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.
9. a) According to information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance , income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues to the extent applicable to it.



- b) There is no disputed due on account of wealth tax and cess. Dues on account of Sales Tax/ Income Tax/ Excise Duty / Service tax disputed by the company and not being paid, vis-à-vis forums where such disputes are pending are mentioned below:-

Sales Tax :-

Rs. in lacs

| Name of Statute | Nature of the dues | Amount (Rs. in lacs) | Period to which the amount relates | Forum where the dispute is pending |
|-----------------|--|----------------------|------------------------------------|-------------------------------------|
| Sales Tax | Demand on Hajmola Candy | 1.65 | 1993-94 | Pending for Final Order |
| -do- | Demand on Hajmola Candy | 27.78 | 1996-97 | ST Appellate and Revisional Board |
| -do- | -do- | 25.88 | 1997-98 | -do- |
| -do- | -do- | 27.05 | 1998-99 | -do- |
| -do- | Classification of Hajmola Candy | 9.58 | 2000-01 | -do- |
| -do- | Classification of Hajmola Candy | 6.59 | 2001-02 | Dy. Commissioner (Appeal) Sales Tax |
| -do- | Classification of Hajmola Candy | 1.64 | 1993-94 | -do- |
| -do- | Sales Tax on Stock Transfer | 26.82 | 1991-02 | High Court |
| -do- | Classification of L.D.M. | 66.15 | 1990-93 | High Court |
| -do- | Classification of L.D.M. | 1.44 | 1993-94 | High Court |
| -do- | Classification of Gulabari | 0.74 | 1999-00 | Dy. Commissioner Appeals |
| -do- | Classification of LDM | 0.03 | 2000-01 | Dy. Commissioner Appeals |
| -do- | Short payment of VAT | 29.84 | 1998-99 | Dy. Commissioner Appeals |
| -do- | Short payment of VAT | 84.69 | 2001-02 | Dy. Commissioner |
| -do- | Short collection of export certificates | 2.31 | 2003-04 | Dy. Commissioner Appeals |
| -do- | Rate of Tax difference | 18.28 | 1999-00 | Dy. Commissioner |
| -do- | Short payment of Entry Tax | 0.57 | 2002-03 | Dy. Commissioner Appeals |
| -do- | Intt. on TOT & Surcharge | 2.84 | 2001-02 | Dy. Commissioner Appeals |
| -do- | Intt. on TOT & Surcharge | 3.70 | 2002-03 | Dy. Commissioner Appeals |
| -do- | Rate of tax difference | 30.12 | 2000-01 | Dy. Commissioner Appeals |
| -do- | Non submission of Form C | 2.21 | 2003-04 | Dy. Commissioner Appeals |
| do- | Non submission of Form C | 0.52 | 2004-05 | Dy. Commissioner Appeals |
| -do- | Hajmola Candy/Form F | 6.06 | 2003-04 | Addl. Commissioner Assessment |
| -do- | Hajmola Candy/Form F | 7.88 | 2004-05 | -do- |
| -do- | Classification of Gulabari | 2.77 | 1999-00 | Dy. Commissioner Appeals |
| -do- | Classification of LDM | 2.29 | 2000-01 | Dy. Commissioner Appeals |
| -do- | Entry Tax | 0.04 | 2003-04 | Asst Commissioner Appeals |
| -do- | Entry Tax | 0.49 | 2004-05 | -do- |
| -do- | Turnover Tax CSD | 0.47 | 2003-04 | Dy. Commissioner Appeals |
| -do- | Lease Tax | 2.79 | 2001-02 | Tribunal |
| -do- | Form 18A disputed | 0.45 | 1999-00 | Dy. Commissioner |
| -do- | Lease Tax | 6.10 | 2002-03 | Tribunal |
| -do- | Dispute on taxability of Coconut Oil | 4.80 | 2000-03 | Dy. Commissioner |
| -do- | Dispute on taxability Odonil tax rate | 7.20 | 2001-03 | Dy. Commissioner Appeals |
| -do- | Damage destruction disallowed | 0.48 | 2001-02 | Dy. Commissioner Appeals |
| -do- | Dispute tax perfered dealer and stocks tfr price | 14.19 | 2001-03 | Dy. Commissioner Appeals |
| -do- | Lease Tax | 5.48 | 2003-04 | Tribunal |
| -do- | Lease Tax | 2.29 | 2004-05 | -do- |



Rs. in lacs

| Name of Statute | Nature of the dues | Amount (Rs. in lacs) | Period to which the amount relates | Forum where the dispute is pending |
|-----------------|------------------------------|----------------------|------------------------------------|------------------------------------|
| -do- | Hajmola Candy/Chyawanprash | 17.02 | 2005-07 | Dy. Commissioner Appeals |
| -do- | Rate of Tax Juices | 75.52 | 2003-04 | -do- |
| -do- | Rate of Tax Juices | 96.43 | 2004-05 | -do- |
| -do- | Non Submission of Form F | 10.17 | 2004-05 | -do- |
| -do- | Tax imposed on Hajmola Candy | 19.56 | 2005-06 | Pending before S J Appeals |

Income Tax :-

| | | | | |
|------------|-----------------------|-------|-----------------------|------------------------|
| Income Tax | Demand u/s 263/143(3) | 34.80 | 1998-99 | ITAT |
| -do- | Demand u/s 143(3) | 11.68 | 2004-05 | CIT |
| -do- | Demand u/s 271 (I) © | 13.54 | 2003-04 | CIT Appeal |
| -do- | Demand u/s 158 BFA | 7.76 | 1996-97 to 2002-03 | Block assessment 96-97 |

Excise Duty :-

| | | | | |
|-------------|--|--------|---------|---------------------------------|
| Excise Duty | Classification of Anmol Coconut Oil | 514.60 | 1993-01 | Dy. Commissioner Appeals |
| -do- | Modvat on Capital goods | 0.82 | 1996 | Dy. Commissioner |
| -do- | Modvat on in-puts (57H) | 2.42 | 1998 | Tribunal |
| -do- | Hajmola Candy | 113.07 | 2004-05 | Commissioner Appeals/High Court |
| -do- | Classification on Animal Feed supplement | 174.75 | 1994-03 | Commissioner Appeals |
| -do- | Post manufacturing expenses | 0.30 | 2002-03 | Tribunal |
| -do- | Post manufacturing expenses | 0.38 | 2004-05 | Commissioner |
| -do- | Classification of Janma Ghunti | 79.86 | 1994-00 | Commissioner |
| -do- | Mahachandni Tail | 59.35 | 2002 | Commissioner Appeals |
| Service Tax | Import of service | 3.07 | 2004-05 | Commissioner Appeals |
| Excise | Classification of Processed Tamarind | 58.95 | 2004-05 | Tribunal |
| -do- | Kewra Water | 3.00 | 2001-02 | Commissioner Appeals |
| -do- | Post Manufacturing Expenses | 277.10 | 2002 | Commissioner Appeals |
| -do- | Capital Goods Removal | 30.22 | 2005-06 | Tribunal |
| -do- | Valuation of Docetaxel/Paclitaxel | 498.34 | 1997-03 | Tribunal |
| -do- | Freight on Wt average | 1.91 | | Commissioner |

10. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank or debenture holder.
11. The Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
12. Based on our examination of the records and evaluations of the related internal controls, we are of the opinion that proper



records have been maintained of the transactions and contracts relating to shares, securities, debentures and other investments dealt in by the company and timely entries have been made in the records. We also report that the company has held the shares, securities, debentures and other investments in its own name except for those pending transfer in Company's name.

13. The Company has given guarantees for loans taken by others from banks or financial institutions. The terms and conditions thereof are not prima facie prejudicial to the interest of the company.
14. The term loans taken by the company have been applied for the purpose for which they were raised.
15. No short term fund has been applied for long term purpose.
16. The company has made preferential allotment of shares under their ESOP Scheme to the parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. The price at which these shares were issued are not prima-facie prejudicial to the interest of the company.
17. The Company has not issued any secured debentures during the year.
18. The Company has not raised any fund through public issue during the year.
19. Based on information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the company noticed or reported during the year.
20. Other clauses of the order are not applicable to the Company.

For G. BASU & CO.
Chartered Accountants

S. Lahiri
Partner
Membership No 51717

New Delhi
29th April, 2009

B alance Sheet

as at March 31, 2009



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

| | Schedule | As at | |
|---|----------|-------------------------|-------------------------|
| | | March 31, 2009 | March 31, 2008 |
| SOURCES OF FUNDS : | | | |
| Shareholders' Funds: | | | |
| A) Share Capital | A | 8,650.76 | 8,640.23 |
| B) Reserves and Surplus | B | <u>65,168.91</u> | <u>44,192.11</u> |
| | | 73,819.67 | 52,832.34 |
| Loan Funds: | | | |
| A) Secured Loans | C | 825.56 | 1,644.72 |
| B) Unsecured Loans | D | <u>13,071.69</u> | <u>88.97</u> |
| | | 13,897.25 | 1,733.69 |
| Deferred Tax Liability | EB | <u>3,048.50</u> | <u>2,727.97</u> |
| Total | | <u>90,765.42</u> | <u>57,294.00</u> |
| APPLICATION OF FUNDS : | | | |
| Fixed Assets : | | | |
| (A) Gross Block | F | 57,048.09 | 48,419.78 |
| (B) Less : Depreciation | | <u>21,044.98</u> | <u>18,976.77</u> |
| (C) Net Block | | 36,003.11 | 29,443.01 |
| Investments | G | 43,689.59 | 27,037.13 |
| Deferred Tax Assets | EB | 2,353.09 | 2,400.74 |
| Current Assets, Loans and Advances: | | | |
| (A) Inventories | H | 26,171.64 | 20,114.69 |
| (B) Sundry Debtors | | 11,236.01 | 10,046.43 |
| (C) Cash & Bank Balances | | 14,368.48 | 6,826.46 |
| (D) Loans & Advances | | <u>22,728.33</u> | <u>18,293.75</u> |
| | | <u>74,504.46</u> | <u>55,281.33</u> |
| Less: Current Liabilities and Provisions | | | |
| (A) Liabilities | EA | 35,138.71 | 31,722.51 |
| (B) Provisions | | <u>31,510.20</u> | <u>26,540.97</u> |
| | | <u>66,648.91</u> | <u>58,263.48</u> |
| Net Current Assets | | 7,855.55 | (2,982.15) |
| Miscellaneous Expenditure | IA | 864.08 | 1,395.27 |
| (To the extent not written off or adjusted) | | | |
| Notes to Accounts | P | | |
| Total | | <u>90,765.42</u> | <u>57,294.00</u> |

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

S. Lahiri
Partner

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary

Profit & Loss Account

for the year ended March 31, 2009

Dabur India Limited | Annual Report 2008-09
Financials

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

| | Schedule | Year ended March 31, 2009 | Year ended March 31, 2008 |
|---|----------|------------------------------|------------------------------|
| Income : | J | | |
| Sales Less Returns | | 242,367.89 | 211,778.86 |
| Less: Excise Duty | | 2,751.50 | 3,439.26 |
| Net Sales | | 239,616.39 | 208,339.60 |
| Other Income | | 4,306.04 | 2,790.86 |
| Total Income | | 243,922.43 | 211,130.46 |
| Expenditure : | | | |
| Cost of Materials | K | 122,243.11 | 102,833.54 |
| Manufacturing Expenses | L | 7,076.13 | 6,985.57 |
| Payments to and Provisions for Employees | M | 16,732.46 | 14,969.23 |
| Selling and Administrative Expenses | N | 50,901.37 | 45,827.98 |
| Financial Expenses | O | 1,333.55 | 854.50 |
| Miscellaneous Expenditure Written Off | IB | 394.18 | 566.79 |
| Depreciation | | 2,742.04 | 2,575.26 |
| Total Expenditure | | 201,422.84 | 174,612.87 |
| Balance being Operating Net Profit before Taxation | | 42,499.59 | 36,517.59 |
| Provision for Taxation : | | | |
| Current | | 4,748.45 | 4,057.25 |
| Deferred | | (255.09) | 75.32 |
| Fringe Benefit | | 650.97 | 707.81 |
| Net Profit after Taxation and before Extraordinary Items | | 37,355.26 | 31,677.21 |
| Credit Balance Transferred from Merged Entity | | 0.00 | 18.58 |
| Net Profit after Taxation and Extraordinary Item | | 37,355.26 | 31,695.79 |
| Balance Brought Forward | | 32,322.99 | 22,915.65 |
| Provision for Taxation of earlier years written back | | 0.11 | 68.55 |
| Provision for Taxation for earlier year | | 71.68 | 154.19 |
| | | <u>69,606.68</u> | <u>54,525.80</u> |
| Appropriations | | | |
| Interim Dividend | | 6,488.07 | 6,480.05 |
| Proposed Final Dividend | | 8,650.76 | 6,480.17 |
| Corporate Tax on Interim Dividend | | 1,102.65 | 1,101.28 |
| Corporate Tax on Proposed Dividend | | 1,470.20 | 1,101.31 |
| Transferred to Capital Reserve | | 0.95 | 40.00 |
| Transferred to General Reserve | | 9,000.00 | 7,000.00 |
| Balance carried over to Balance Sheet | | 42,894.05 | 32,322.99 |
| | | <u>69,606.68</u> | <u>54,525.80</u> |
| Earning per share (in Rs.) (Face Value Re 1/- each) | | | |
| Basic | | 4.32 | 3.66 |
| Diluted | | 4.31 | 3.64 |
| No of Shares | | | |
| Basic | | 864,907,642 | 863,826,759 |
| Diluted | | 869,156,259 | 868,807,461 |
| Notes to Accounts | P | | |

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

S. Lahiri
Partner

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary

S tatement of Cash Flow

(Pursuant to AS-3 Issued by ICAI)



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

| | Year ended | | Year ended | |
|--|----------------|--------------------|----------------|--------------------|
| | March 31, 2009 | | March 31, 2008 | |
| A. Cash Flow from Operating Activities | | | | |
| Net Profit before Tax and Extraordinary Items | | 42,499.59 | | 36,517.59 |
| Add: | | | | |
| Depreciation | 2,742.04 | | 2,575.26 | |
| Loss on Sale of Investment | - | | - | |
| Provision for Contingent Liability | 13.22 | | - | |
| Loss on Sale of Fixed Assets | 13.67 | | - | |
| Fixed Assets Impairment Loss | 258.26 | | - | |
| Miscellaneous Exp. Written Off | 438.45 | | 566.79 | |
| Miscellaneous Exp. Written Off (Included in Director Remuneration) | 287.12 | | 328.39 | |
| Interest | 1,333.55 | 5,086.31 | 854.50 | 4,324.94 |
| | | <u>47,585.90</u> | | <u>40,842.53</u> |
| Less: | | | | |
| Profit on Sale of Investment | 2,088.38 | | 981.92 | |
| Profit on Sale of Assets | 41.84 | 2,130.22 | 47.55 | 1,029.47 |
| Operating Profit before Working Capital Changes | | <u>45,455.68</u> | | <u>39,813.06</u> |
| Working Capital Changes | | | | |
| Increase/(Decrease) in Inventories | 6,056.95 | | 1,405.37 | |
| Increase/(Decrease) in Debtors | 1,191.06 | | 1,989.74 | |
| Decrease/(Increase) in Trade Payables | (1,442.69) | | (1,680.73) | |
| Increase/(Decrease) in Working Capital | | 5,805.32 | | 1,714.38 |
| Cash Generated from Operating Activities | | <u>39,650.36</u> | | <u>38,098.68</u> |
| Interest Paid | 1,337.64 | | 870.12 | |
| Tax Paid | 3,751.45 | | 4,798.27 | |
| Corporate Tax on Dividend | 2,203.96 | 7,293.05 | 1,101.28 | 6,769.67 |
| Cash Used(-)/(+)Generated for Operating Activities (A) | | <u>32,357.31</u> | | <u>31,329.01</u> |
| B. Cash Flow from Investing Activities | | | | |
| Purchase of Fixed Assets | | (9,686.57) | | (4,707.42) |
| Sale of Fixed Assets | | 412.59 | | 250.57 |
| Purchases of Investment including Investment in Subsidiaries | | (401,631.10) | | (297,539.49) |
| Sale of Investments | | 387,067.04 | | 284,019.56 |
| Cash Used(-)/(+)Generated for Investing Activities (B) | | <u>(23,838.04)</u> | | <u>(17,976.78)</u> |



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

| | Year ended March 31, 2009 | Year ended March 31, 2008 |
|--|------------------------------|------------------------------|
| C. Cash Flow from Financing Activities | | |
| Proceeds from Share Capital & Premium | 10.53 | 11.39 |
| Repayment(-)/Proceeds (+) of Long Term Secured Liabilities | (327.92) | (1,308.47) |
| Repayment(-)/Proceeds(+) from Short Term Loans | (491.24) | (1,282.75) |
| Repayment(-)/Proceeds(+) from other Unsecured Loans | 12,982.72 | (3,519.37) |
| Payment of other Advances of the nature of Loan | (183.10) | 816.90 |
| Payment of Dividend | (12,968.24) | (6,647.47) |
| Cash Used(-)/+(Generated) in Financing Activities (C) | (977.25) | (11,929.77) |
| Net Increase(+)/Decrease (-) in Cash and Cash Equivalents (A+B+C) | 7,542.02 | 1,422.46 |
| Cash and Cash Equivalents Opening Balance | 6,826.46 | 5,404.00 |
| Cash and Cash Equivalents Closing Balance | 14,368.48 | 6,826.46 |

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

S. Lahiri
Partner

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary



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

| | As at March 31, 2009 | As at March 31, 2008 |
|---|-------------------------|-------------------------|
| Schedule A - Share Capital | | |
| Authorised : | | |
| 145000000 Equity Shares of Re.1 each (Previous year 145000000 equity Shares of Re. 1 each) | 14,500.00 | 14,500.00 |
| | 14,500.00 | 14,500.00 |
| Issued and Subscribed: | | |
| 865076249 Equity shares of Re.1 each fully called up (Previous year-864022973 equity shares of Re. 1 each fully called up) | 8,650.76 | 8,640.23 |
| | 8,650.76 | 8,640.23 |

NOTES :

1. Of the above Shares 45543336 shares have been allotted as fully paid up pursuant to schemes of amalgamation/merger without payment being received in cash.
2. Of the above shares 755717743 shares have been allotted as fully paid up bonus shares from share premium account (286651392 shares) and capitalisation of free reserve (469066351 shares)
3. Of the above shares 1053276 (previous year 1139165) shares have been allotted during the year and 3995407 (previous year 5073660) shares are outstanding under Employees Stock Option Scheme.
4. Of the above shares issued & subscribed, 6101140 (previous year 5047864) shares have been allotted upto 31st March 09 under Employees Stock Option Scheme.

Schedule B - Reserves and Surplus

| | | | | |
|---|------------------|-----------|------------------|-----------|
| Capital Reserve : | | | | |
| As per last account | 2,336.54 | | 2,291.07 | |
| Add : Transferred from merged entities | - | | 5.47 | |
| | 2,336.54 | | 2,296.54 | |
| Add : Transferred from Profit & Loss A/c | 0.95 | 2,337.49 | 40.00 | 2,336.54 |
| Share Premium Account | | | | |
| | 866.71 | | 355.93 | |
| Add: Premium on issue of Shares | 525.50 | 1,392.21 | 510.78 | 866.71 |
| General Reserve : | | | | |
| As per Last Account | 5,575.36 | | 2,834.67 | |
| Add : Transferred from Profit & Loss Account | 9,000.00 | | 7,000.00 | |
| | 14,575.36 | | 9,834.67 | |
| Add/(Less) : Utilized for Service Benefit | 1,833.68 | | (6,452.52) | |
| Add/(Less) : Deferred Tax applicable thereon | (623.27) | 15,785.77 | 2,193.21 | 5,575.36 |
| | 42,894.05 | 42,894.05 | 32,322.99 | 32,322.99 |
| Profit and Loss Account | | | | |
| Employee Stock Option Scheme Outstanding | | | | |
| As per Last Account | 3,090.51 | | 3,292.76 | |
| Add: Addition during the year | 527.23 | | 529.33 | |
| | 3,617.74 | | 3,822.09 | |
| Less: Allotted during the year | 525.50 | | 510.78 | |
| Less: Deletion during the year | 332.85 | 2,759.39 | 220.80 | 3,090.51 |
| | 332.85 | 2,759.39 | 220.80 | 3,090.51 |
| Total | 65,168.91 | | 44,192.11 | |



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

| | As at March 31, 2009 | As at March 31, 2008 |
|---|-------------------------|-------------------------|
| Schedule C - Secured Loans | | |
| A Term Loans (Other than Bank) : | | |
| I) PICUP under Trade Tax Loan Scheme | - | 109.74 |
| Secured by: | | |
| First charge on the movable and immovable assets including plant and machinery (present and future) situated at Plot No. 5/1 and 5/13, Site IV Industrial Area, Sahibabad, Ghaziabad and second charge on movable assets including plant and machinery of the company (present and future) located at Plot No 22, Site IV. Industrial Area, Sahibabad, Ghaziabad. | | |
| II) GE Capital Services India | 218.18 | 436.36 |
| Secured by: | | |
| First charge on the movable and immovable assets including plant and machinery (present and future) situated at Kartowa, PO. Mahanvita Distt. Jalpaiguri | | |
| B. Short Term Loans - from Banks : | 607.38 | 1,098.62 |
| Secured by : | | |
| Hypothecation of inventories and book debts ranking pari-passu among Punjab National Bank, Standard Chartered Bank Ltd, Hongkong & Shanghai Banking Corporation Ltd., State Bank of India, ABN Amro Bank, IDBI Bank Ltd, United Bank of India, CITI Bank NA, HDFC Bank Ltd and ICICI Bank Ltd | | |
| | 825.56 | 1,644.72 |
| Schedule D - Unsecured Loans | | |
| Book Overdraft of Current Account with banks | 0.93 | 23.78 |
| Short term loan from bank | 11,000.00 | - |
| Security Deposit from dealers and others | 70.76 | 65.19 |
| Commercial Papers (HSBC Ltd.) | 2,000.00 | - |
| Total | 13,071.69 | 88.97 |

NOTES:

Maximum amount of commercial papers outstanding during the year Rs. 2000.00 (Previous year Rs. Nil)



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

| | As at | | As at | |
|---|----------------|----------------|----------------|---------------|
| | March 31, 2009 | | March 31, 2008 | |
| Schedule EA - Current Liabilities and Provisions | | | | |
| A. Current Liabilities : | | | | |
| Acceptance | 4,527.27 | | 5,158.48 | |
| Creditors for Goods | | | | |
| SME Units (Principal) | 1,754.84 | | 1,169.68 | |
| Others | 9,020.96 | | 7,678.86 | |
| Creditors for expenses and other liabilities | 19,384.87 | | 17,289.10 | |
| Advances from customers | 193.81 | | 195.29 | |
| Interest accrued but not due on loans | 0.82 | | 4.91 | |
| Deposits - Others | - | | 1.29 | |
| Investor Education and Protection Fund to be credited by : | | | | |
| Unpaid dividend | 256.14 | | 215.03 | |
| Unpaid matured public deposit | - | | 5.22 | |
| Interest accrued on public deposit | - | 35,138.71 | 4.65 | 31,722.51 |
| | | | | |
| B. Provisions : | | | | |
| For dividend (proposed) - final | 8,650.76 | | 6,480.17 | |
| For corporate tax on proposed dividend-Final | 1,470.20 | | 1,101.31 | |
| For liabilities disputed | 175.68 | | 162.46 | |
| For Gratuity | 1,443.90 | | 1,311.35 | |
| For Leave Salary | 268.91 | | 294.96 | |
| For Others | 3,616.81 | | 4,940.80 | |
| For Taxation : | | | | |
| Brought forward | 12,249.92 | | 7,749.07 | |
| Transferred from merged entities | - | | 399.77 | |
| Provision for the year | 5,399.42 | | 4,850.70 | |
| | 17,649.34 | | 12,999.54 | |
| Adjusted during year | 1,765.40 | | 749.62 | |
| | 15,883.94 | 31,510.20 | 12,249.92 | 26,540.97 |
| | | 66,648.91 | | 58,263.48 |
| Note : SME units as above means units registered as micro and small enterprises under Micro, Small & Medium Enterprises Development Act, 2006, to the extent identified by the company. | | | | |
| Schedule EB - Deferred Tax Liabilities (Net) | | | | |
| Deferred Tax Liability : | | | | |
| Depreciation | | 3,048.50 | | 2,727.97 |
| Less: Deferred Tax Assets : | | | | |
| VRS payment | 19.17 | | 39.73 | |
| Other disallowances under Section 43B of Income Tax Act 1961 | 42.47 | | 6.80 | |
| Provision for Contingent Liability charged | 59.72 | | 0.00 | |
| Service benefits | 1,811.88 | | 2,238.72 | |
| Provision for doubtful debt | 419.85 | 2353.09 | 115.49 | 2,400.74 |
| | | | | |
| Net Deferred Tax Liability | | 695.41 | | 327.23 |
| (Decrease)/Accretion in deferred Tax Liability | | 368.18 | | (1,799.66) |
| Less: Deferred Tax Liability/(Assets) inherited on merger | | - | | -318.23 |
| Less : Deferred Tax Assets TRF /(from) to general reserve | | -623.27 | | 2,193.21 |
| Deferred Tax Liability provided during year | | -255.09 | | 75.32 |



Schedule - F

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

| Name of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | | |
|----------------------|-----------------------|------------------|------------------|-----------------|---------------------------|-----------------------|------------------|-----------------|---------------|--------------------------|------------------|------------------|
| | Opening 01.04.2008 | Trf. From DFL | Additions | Deletion | Gross Block 31.03.2009 | Opening 01.04.2008 | Trf. from DFL | Addition | Deletion | Accmu. Dep 31.03.2009 | 31.03.2009 | 31.03.2008 |
| | Freehold Land | 761.94 | - | 383.41 | 3.64 | 1,141.71 | 0.00 | - | - | - | 0.00 | 1,141.71 |
| Leasehold Land | 923.49 | - | 10.48 | 0.00 | 933.97 | 64.56 | - | 9.36 | 0.00 | 73.92 | 860.05 | 858.93 |
| Buildings | 13,560.02 | - | 2,502.11 | 1.78 | 16,060.35 | 3,914.56 | - | 429.16 | 0.79 | 4,342.93 | 11,717.42 | 9,645.46 |
| Plant & Machinery | 22,363.18 | - | 2,445.90 | 393.07 | 24,416.01 | 9,743.07 | - | 1,433.33 | 135.75 | 11,040.65 | 13,375.36 | 12,620.11 |
| Computer | 3,176.76 | - | 129.71 | 269.95 | 3,036.52 | 2,197.18 | - | 262.45 | 254.16 | 2,205.47 | 831.05 | 979.58 |
| Vehicles | 1,084.79 | - | 462.53 | 236.17 | 1,311.15 | 471.95 | - | 194.74 | 150.59 | 516.10 | 795.05 | 612.84 |
| Furniture & Fixture | 2,964.00 | - | 59.66 | 153.65 | 2,870.01 | 1,790.83 | - | 155.58 | 132.55 | 1,813.86 | 1,056.15 | 1,173.17 |
| Trade Marks & Patent | 1,112.87 | - | 0.00 | 0.00 | 1,112.87 | 555.90 | - | 79.01 | 0.00 | 634.91 | 477.96 | 556.97 |
| Computer Software | 846.08 | - | 148.11 | 0.00 | 994.19 | 238.72 | - | 178.42 | 0.00 | 417.14 | 577.05 | 607.36 |
| Live Stock | 0.22 | - | 0.00 | 0.00 | 0.22 | 0.00 | - | 0.00 | 0.00 | 0.00 | 0.22 | 0.22 |
| CWIP | 1,626.43 | - | 4,357.39 | 812.73 | 5,171.09 | 0.00 | - | 0.00 | 0.00 | 0.00 | 5,171.09 | 1,626.43 |
| Total | 48,419.78 | 0.00 | 10,499.30 | 1,870.99 | 57,048.09 | 18,976.77 | 0.00 | 2,742.04 | 673.84 | 21,044.98 | 36,003.11 | 29,443.01 |
| Previous Year | 40,801.12 | 4,056.90 | 5,054.78 | 1,493.02 | 48,419.78 | 16,897.07 | 447.07 | 2,575.26 | 942.64 | 18,976.76 | 29,443.01 | |

Note :

Capital work in progress includes advance against capital goods Rs. 591.77(Previous Year Rs. 464.25)
DFL means - Dabur Foods Ltd.



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

| | Numbers (As on 31.03.2009) | As at March 31, 2009 | As at March 31, 2008 |
|---|-------------------------------|-------------------------|-------------------------|
| Schedule G - Investment | | | |
| A Current Investments | | | |
| Quoted-other than Trade | | | |
| 1 Fidelity Cash Fund (Purchase during the year) Units 8771890.76867636 (Sold during the year) Units 8771890.76867636 | - | 0.00 | 0.00 |
| 2 LIC Mutual Fund (Purchase during the year) Units 547725682.572562 (Sold during the year) Units 558945792.936264 | - | 0.00 | 1,464.00 |
| 3 DWS Mutual Fund (Purchase during the year) Units 35302900.570091 (Sold during the year) Units 19105976.8455878 | 16,196,923.72 | 1,847.00 | 0.00 |
| 4 TAURUS Mutual Fund (Purchase during the year) Units 1000000.00 (Sold during the year) Units 1000000.00 | | 0.00 | 0.00 |
| 5 Birla Mutual Fund (Purchase during the year) Units 121112797.150752 (Sold during the year) Units 121112797.150752 | - | 0.00 | 0.00 |
| 6 CHOLA Liquid Fund - Institutional Plus-Growth (Purchase during the year) Units 34290031.5657227 (Sold during the year) Units 34290031.5657227 | - | 0.00 | 0.00 |
| 7 DSP Mutual Fund (Purchase during the year) Units 790470.492204257 (Sold during the year) Units 790470.492204257 | - | 0.00 | 0.00 |
| 8 ABN Amro Mutual Fund (Purchase during the year) Units 64267024.9262336 (Sold during the year) Units 78743495.9261703 | - | 0.00 | 1,500.00 |
| 9 Lotus Liquid Fund (Purchase during the year) Units 153478044.882131 (Sold during the year) Units 158366825.131956 | - | 0.00 | 500.00 |
| 10 JPM Mutual Fund (Purchase during the year) Units 37968346.5186717 (Sold during the year) Units 37968346.5186717 | - | 0.00 | 0.00 |
| 11 Kotak Mahindra Mutual Fund (Purchase during the year) Units 172510038.336577 (Sold during the year) Units 187288554.936912 | 5,000,000.00 | 500.00 | 2,000.00 |
| 12 Principal Mutual Fund (Purchase during the year) Units 166343795.527225 (Sold during the year) Units 136718053.036589 | 29,625,742.49 | 4,100.53 | 0.00 |
| 13 Prudential Mutual Fund (Purchase during the year) Units 152950391.75243 (Sold during the year) Units 172847455.471306 | - | 0.00 | 2,000.00 |



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

| | Numbers (As on 31.03.2009) | As at March 31, 2009 | As at March 31, 2008 |
|--|-------------------------------|-------------------------|-------------------------|
| Schedule G - (Contd.) | | | |
| 14 Reliance Liquid Fund (Purchase during the year) Units 148465721.108742 (Sold during the year) Units 166847032.89056 | 5,000,000.00 | 500.00 | 2,500.00 |
| 15 HSBC Mutual Fund (Purchase during the year) Units 39191924.712498 (Sold during the year) Units 39191924.712498 | - | 0.00 | 0.00 |
| 16 SCB Mutual Fund (Purchase during the year) Units 25665991.1800792 (Sold during the year) Units 30665991.1800792 | - | 0.00 | 500.00 |
| 17 Sundram Mutual Fund (Purchase during the year) Units 80811230.3619198 (Sold during the year) Units 82634827.0185951 | 12,529,508.88 | 2,330.00 | 1,500.00 |
| 18 TATA Mutual Fund (Purchase during the year) Units 56908798.7299512 (Sold during the year) Units 72668243.7025466 | - | 0.00 | 2,000.00 |
| 19 UTI Mutual Fund (Purchase during the year) Units 29865117.7434285 (Sold during the year) Units 59865117.7409119 | - | 0.00 | 3,000.00 |
| 20 HDFC Mutual Fund (Purchase during the year) Units 50028812.0504174 (Sold during the year) Units 64128014.0349764 | - | 0.00 | 1,500.00 |
| 21 Templeton Mutual Fund (Purchase during the year) Units 102678288.09 (Sold during the year) Units 102678288.09 | - | 0.00 | 0.00 |
| 22 SBI Mutual Fund (Purchase during the year) Units 25665991.1800792 (Sold during the year) Units 30665991.1800792 | - | 0.00 | 500.00 |
| 23 JM Mutual Fund (Purchase during the year) Units 80628387.3659011 (Sold during the year) Units 90628387.3659848 | - | 0.00 | 1,000.00 |
| 24 ING Mutual Fund (Purchase during the year) Units 29303695.3048918 (Sold during the year) Units 32237365.0331399 | - | 0.00 | 300.00 |
| 25 MIRAE Mutual Fund (Purchase during the year) Units 315407.933 (Sold during the year) Units 315407.933 | - | 0.00 | 0.00 |
| 26 Edelweiss Mutual Fund (Purchase during the year) Units 3993474.22618691 (Sold during the year) Units 3993474.22618691 | - | 0.00 | 0.00 |
| 27 Canara Mutual Fund (Purchase during the year) Units 229047405.374922 (Sold during the year) Units 205644424.771289 | 23,402,980.60 | 2,500.00 | 0.00 |



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

| | Numbers (As on 31.03.2009) | As at March 31, 2009 | As at March 31, 2008 |
|--|-------------------------------|-------------------------|-------------------------|
| Schedule G - (Contd.) | | | |
| B. Long Term Investment | | | |
| I) Quoted-Equity Shares- Other than Trade | | | |
| 1 Dabur Pharma Ltd (Sold during the year Shares 100000) | - | 0.00 | 1.00 |
| II) Unquoted -Equity Shares - Trade Investments | | | |
| 1 Sanat Products Ltd | 50,000 | 105.00 | 105.00 |
| 2 Dabon International Pvt Limited | 270,000 | 27.00 | 27.00 |
| III) Unquoted Equity Shares -in wholly owned Subsidiary Companies | | | |
| 1 Dabur International Limited | 1,600,000 | 4,465.50 | 4,465.50 |
| 2 H & B Stores Ltd (195000000 shares allotted during the year) | 415,000,000 | 4,150.00 | 2,200.00 |
| IV) Unquoted Equity Shares - Other than Trade | | | |
| 1 Commerce Centre Cooperative Housing Society Limited | 15 | 0.02 | 0.02 |
| 2 Capexil (Agencies) Limited | 3 | 0.01 | 0.01 |
| 3 Dabur Employees Consumers Co-op Stores Limited | 250 | 0.03 | 0.03 |
| 4 Dabur Employees Cooperative Credit Society Ltd | 650 | 0.07 | 0.07 |
| 5 Co-operative Stores Limited, Super Bazar | 500 | 0.05 | 0.05 |
| 6 National Saving Certificates | - | 1.27 | 1.27 |
| 7 Kisan Vikas Patra | - | 0.07 | 0.07 |
| 8 Saraswat Co-op Bank Ltd | 1,000 | 0.10 | 0.10 |
| 9 Forum 1 Aviation Ltd (4550000 equity shares allotted during the year) | 4,550,000 | 456.14 | 0.00 |
| V) Government Bonds (entirely purchased during the year)other than Trade | | | |
| Power Finance Corporation of India | 20 | 199.83 | 0.00 |
| Power Finance Corporation of India | 50 | 551.60 | 0.00 |
| Power Finance Corporation of India | 50 | 548.61 | 0.00 |
| IRFC Limited | 50 | 549.39 | 0.00 |
| Rural Electricfication Corporation of India | 30 | 300.00 | 0.00 |
| C. Share Application money Pending Allotment in Subsidiary (paid during the year) | | 100.00 | 0.00 |
| D. Advance against equity shares of Fem Care Pharma Ltd (paid during the year) | | 20,484.36 | 0.00 |
| TOTAL | | 43,716.58 | 27,064.12 |
| Less provision for diminution in value of long term trade investment | | 26.99 | 26.99 |
| Total | | 43,689.59 | 27,037.13 |

NOTES :

| | | |
|--|-----------|-----------|
| Aggregate Book Value of Unquoted Investments | 31,912.05 | 6,772.13 |
| Aggregate Book Value of Quoted Investments | 11,777.54 | 20,265.00 |
| Aggregate Market Value of Quoted Investments (Based on March 31, 2009) | 11,847.75 | 20,518.73 |

NOTES :

- All Equity shares are fully paid up.
- Provision for diminution in long term trade investment pertains to investment in Dabon International Pvt Ltd.
- Share Application Money pending allotment pertains to H & B Stores Ltd.
- Disclosure of shareholding in subsidiaries is as follows :

| Name of Subsidiaries | % Stake |
|-------------------------|----------------------------------|
| Dabur International Ltd | 100% held by Dabur India Limited |
| H & B Stores Ltd | 100% held by Dabur India Limited |



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

| | As at | | As at | |
|--|----------------|------------------|----------------|------------------|
| | March 31, 2009 | | March 31, 2008 | |
| Schedule H - Current Assets, Loans and Advances | | | | |
| A Current Assets : | | | | |
| - Inventories | | | | |
| - Raw Materials | 7,126.96 | | 5,749.47 | |
| - Packing materials, stores and spares | 3,913.76 | | 3,123.14 | |
| - Stock in process | 5,311.26 | | 3,350.14 | |
| - Finished goods | 9,819.66 | 26,171.64 | 7,891.94 | 20,114.69 |
| Sundry Debtors (Unsecured) : | | | | |
| - Debts outstanding for a period exceeding six months : | | | | |
| Considered Good | 26.41 | | 368.79 | |
| Considered Doubtful | 1,235.21 | | 517.02 | |
| | 1,261.62 | | 885.81 | |
| Less : Provision for doubtful debts | 1,235.21 | | 517.02 | |
| | 26.41 | | 368.79 | |
| - Other Debts (Considered Good) | 11,209.61 | 11,236.01 | 9,677.64 | 10,046.43 |
| Cash and Bank Balances : | | | | |
| - Cash in Hand | 24.46 | | 22.81 | |
| - Balances with Scheduled Banks | | | | |
| In Current Accounts (Includes Rs. 256.14 in Unpaid Dividend Account ; Previous year Rs. 215.03) | 3,132.50 | | 6,705.09 | |
| In Fixed Deposit Accounts (Pledged with Government Authorities Rs 10, previous year Rs. 10) | 10,152.97 | | 90.16 | |
| - Balance with Non Scheduled Banks | | | | |
| In Fixed Deposit Accounts | 1,000.00 | | | |
| - Remittance-in-transit & Cheques-in-hand | 58.55 | 14,368.48 | 8.40 | 6,826.46 |
| | | 51,776.13 | | 36,987.58 |
| B. Loans and Advances (Unsecured, Considered Good) | | | | |
| Loans & Advances to Companies | - | | 183.10 | |
| Security Deposit with various authorities (including Deposit with Govt. Authorities Rs. 421.85, Previous year Rs. 384.34) | 1,877.31 | | 1,380.19 | |
| Advance payment of Tax | 16,372.71 | | 12,621.26 | |
| Advances to suppliers (Including Subsidiaries Rs. Nil, Previous year Rs.3.84) | 1,410.54 | | 1,327.23 | |
| Advances to Employees | 227.28 | | 243.93 | |
| Balance with Excise Authorities | 1,905.21 | | 1,542.55 | |
| Other Advances recoverable in Cash or in kind or for value to be Received | 935.28 | 22,728.33 | 995.49 | 18,293.75 |
| Total (A+B) | | 74,504.46 | | 55,281.33 |

NOTES :

- In the opinion of Board, the Current Assets, Loans and Advances have realizable value at least equal to the amount at which they are stated.
- Loans and Advances
 - Debts due from director/officer of the company
 - Maximum amount due from director/office of the company at any time during the year

| | |
|------|------|
| 0.00 | 0.07 |
| 0.00 | 0.07 |



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

| | As at | | As at | |
|--|----------------|---------------|----------------|-----------------|
| | March 31, 2009 | | March 31, 2008 | |
| Schedule H - (Contd.) | | | | |
| C. Debts due from private companies in which any of the director is a director or a member | | | | |
| - Dabur Research Foundation (a company under Section 25 of The Companies Act 1956) | | 2.07 | | 0.00 |
| 3. Additional disclosure as per Clause 32 of Listing Agreement | | | | |
| A) Loans and Advances to subsidiaries | | | | |
| Dabur International Ltd. : amount outstanding | | 0.00 | | 0.00 |
| Maximum outstanding during the year | | 0.00 | | 1,772.29 |
| Schedule IA - Miscellaneous Expenditure | | | | |
| (To the extent not written off or adjusted) | | | | |
| Technical knowhow fees paid | 9.37 | | 28.12 | |
| Less: Amortised during the year | 9.37 | 0.00 | 18.75 | 9.37 |
| Deferred employee compensation under ESOP | | | | |
| Opening Balance | 1,385.90 | | 1,953.80 | |
| Addition during the year | 527.23 | | 529.33 | |
| Less: Cancelled during the year | 332.85 | | 220.80 | |
| | 1,580.28 | | 2,262.33 | |
| Less: Amortised related to subsidiary | 44.27 | | 31.08 | |
| Less: Amortised during the year | 671.93 | 864.08 | 845.35 | 1,385.90 |
| Total | | 864.08 | | 1,395.27 |

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

| | For the year ended March 31, 2009 | | For the year ended March 31, 2008 | |
|---|--------------------------------------|-------------------|--------------------------------------|-------------------|
| Schedule IB - Miscellaneous Expenditure Written Off | | | | |
| Technical knowhow fees paid | | 9.37 | | 18.75 |
| Deferred employee compensation under ESOP | 671.93 | | 845.35 | |
| Less: Transferred to Director remuneration | 287.12 | 384.81 | 297.31 | 548.04 |
| Total | | 394.18 | | 566.79 |
| Schedule J - Sales and Other Income | | | | |
| A. Sales : | | | | |
| Domestic Sales Less Returns | | 230,162.64 | | 201,293.09 |
| Export Sales | | 12,205.25 | | 10,485.77 |
| | | 242,367.89 | | 211,778.86 |
| B. Other Income : | | | | |
| Export Subsidy | | 681.39 | | 465.90 |
| Rent Realised | | 8.56 | | 14.32 |
| (Tax deducted at source Rs. Nil, Previous year Rs. Nil) | | | | |
| Sale of Scrap | | 503.42 | | 557.64 |
| Royalty | | 32.02 | | - |
| Miscellaneous Receipts | | 950.43 | | 723.53 |
| Profit on sale of long term Investment-Other than trade | | 75.50 | | 11.99 |
| Profit on sale of current investments- Other than trade | | 2,012.88 | | 969.93 |
| Profit on sale of Fixed Assets | | 41.84 | | 47.55 |
| (Including Capital Profit of Re. 0.95; Previous year Rs 40) | | | | |
| | | 4,306.04 | | 2,790.86 |
| Schedule K - Cost of Materials | | | | |
| Raw Materials Consumed : | | | | |
| i) Opening Stock | 5,749.47 | | 4,692.06 | |
| ii) Add : Purchases | 58,172.12 | | 46,372.97 | |
| | 63,921.59 | | 51,065.03 | |
| iii) Less : Closing Stock | 7,126.96 | 56,794.63 | 5,749.47 | 45,315.56 |
| Packing Materials Consumed : | | | | |
| i) Opening Stock | 3,120.33 | | 3,074.17 | |
| ii) Add : Purchases | 33,199.91 | | 28,450.87 | |
| | 36,320.24 | | 31,525.04 | |
| iii) Less : Closing Stock | 3,901.49 | 32,418.75 | 3,120.33 | 28,404.71 |
| Purchase of Finished Products | | 36,918.57 | | 29,417.23 |
| Adjustment of Stocks in process and Finished Goods | | | | |
| Opening Stock : | | | | |
| Stock in Process | 3,350.14 | | 3,173.25 | |
| Finished Products | 7,891.94 | | 7,764.87 | |
| | 11,242.08 | | 10,938.12 | |
| Closing Stock : | | | | |
| Stock-in-process | 5,311.26 | | 3,350.14 | |
| Finished Products | 9,819.66 | | 7,891.94 | |
| | 15,130.92 | | 11,242.08 | |
| Increase(-)/Decrease in Stock in Process and Finished Goods | | (3,888.84) | | (303.96) |
| | | 122,243.11 | | 102,833.54 |
| Schedule L - Manufacturing and Operating Expenses | | | | |
| Power and Fuel | | 3,662.56 | | 3,842.27 |
| Stores & Spares Consumed | | 1,041.82 | | 1,002.37 |
| Repairs & Maintenance | | | | |
| — Building | | 223.94 | | 219.90 |
| — Plant & Machinery | | 373.81 | | 387.51 |
| — Others | | 388.76 | | 361.65 |
| Processing Charges | | 1,385.24 | | 1,171.87 |
| | | 7,076.13 | | 6,985.57 |



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

| | For the year ended March 31, 2009 | For the year ended March 31, 2008 |
|--|--------------------------------------|--------------------------------------|
| Schedule M - Payments to and Provisions for Employees | | |
| Salaries, Wages and Bonus | 13,253.51 | 12,071.12 |
| Contribution to Provident and other Funds | 1,690.69 | 1,262.36 |
| Workmen and Staff Welfare | 525.85 | 482.63 |
| Directors' remuneration (including perquisites Rs. 287.12, Previous year Rs. 297.31 under ESOP) | 1,262.41 | 1,153.12 |
| | 16,732.46 | 14,969.23 |
| Schedule N - Selling and Administrative Expenses | | |
| Rent | 1,409.78 | 1,067.30 |
| Rates and Taxes | 266.72 | 184.93 |
| Insurance | 228.08 | 272.74 |
| Sales Tax | 101.01 | 135.79 |
| Freight and Forwarding Charges | 5,007.01 | 5,241.76 |
| Commission, Discount and Rebate | 2,274.61 | 2,139.73 |
| Advertising and Publicity | 28,492.76 | 24,809.68 |
| Travel & Conveyance | 2,082.48 | 1,919.92 |
| Legal & Professional | 977.88 | 1,429.18 |
| Telephone, Fax Expenses | 291.93 | 307.28 |
| Security Expenses | 299.53 | 268.01 |
| General Expenses | 7,853.37 | 6,896.20 |
| Directors' Fees | 10.20 | 11.13 |
| Auditors' Remuneration: | | |
| - Audit Fee | 21.51 | 18.53 |
| - Branch Auditors' Fee | 0.00 | 0.00 |
| - Reimbursement of Expenses | 13.45 | 13.41 |
| - Provident Fund and Certificates | 19.09 | 19.14 |
| Donation | 363.01 | 458.29 |
| Contribution for Scientific Research Expenses | 165.98 | 75.00 |
| Bad Debts Written Off | - | 39.30 |
| Provision for Doubtful Debts (Net of Excess Provision written Back Rs 19.63, Previous year Nil) | 737.82 | 257.71 |
| Loss on Sale of Fixed Assets | 13.67 | 165.77 |
| Provision for Contingent Liability | 13.22 | 73.38 |
| Fixed Assets Written Down | 258.26 | 23.80 |
| | 50,901.37 | 45,827.98 |
| Schedule O - Financial Expenses | | |
| Interest paid on : | | |
| Fixed Period Loan | 666.58 | 336.74 |
| Others (Net of Int. received Rs. 112.97 TDS thereon Rs. 7.74 Previous year Rs. 237.94 TDS thereon Rs 12.90) | 318.15 | 211.61 |
| Bank Charges | 984.73 | 548.35 |
| | 348.82 | 306.15 |
| | 1,333.55 | 854.50 |



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

Schedule P - Accounting Policies & Notes to Accounts

Annexed to and forming part of the Accounts for the year ended March 31, 2009.

A. ACCOUNTING POLICIES

Significant accounting policies are summarized below:

1. Accounting Convention :

The accounts have been prepared in accordance with the historical cost convention.

2. Fixed Assets and Depreciation :

- Fixed assets are stated at carrying amount i.e. subject to deduction of accumulated depreciation.
- Cost includes inward freight, duties, taxes and other expenses incidental to acquisition and installation.
- Depreciation on Fixed Assets have been provided on straight line method at rates specified in Schedule XIV of the Companies Act except for part of 5/1 Unit Sahibabad, Alwar unit and Narenderpur unit where depreciation have been provided for on written down value methods at the rates specified in the aforesaid Schedule.
- Patents are being amortized over the period of ten years on straight line basis.
- Software are being amortized over the period of five years on straight line basis.
- For New Projects, all direct expenses and direct overheads (excluding services provided by employees in company's regular payroll) are capitalized.
- Capital Subsidy received against fixed capital outlay is deducted from gross value of individual fixed assets, forming part of subsidy scheme granted, by way of proportionate allocation of subsidy amount thereon. Depreciation is charged on net fixed assets after deduction of subsidy amount.
- During sale of fixed assets, any profit earned towards excess of sale value over gross block of assets, is transferred from profit & loss account to capital reserve.

3. Impairment /discarding of assets :

The company identifies impairable fixed assets based on cash generating unit concept for tangible fixed assets and asset specific concept for intangible fixed assets at the year-end in term of clause 5 to 13 of AS -28 and clause 83 of AS- 26 respectively issued by ICAI for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystallizes, is charged against revenue of the year.

Apart from test of impairment within the meaning of AS 28 issued by ICAI, individual tangible fixed assets of various CGU's are identified for written down on the ground of obsolescence, damage, redundancy & un-usability at the year end.

4. Investments :

Current investments are held at lower of cost and NAV/Market value. Long term investments are held at cost less diminution, if any, in carrying cost of investments other than temporary in nature.

Loss, if any, sustained by any subsidiary is not recognized.

5. Deferred Entitlement on LTC :

In terms of the opinion of the Expert Advisory Committee of the ICAI, the Company has provided liability accruing on account of deferred entitlement towards LTC in the year in which the employees concerned render their services.

6. Inventories :

Stocks are valued at lower of cost or net realizable value. Basis of determination of cost remain as follows:

- Raw materials, Packing materials, stores & Spares — Weighted Average Basis
- Work-in-process — Cost of input plus overhead upto the stage of completion.
- Finished goods — Cost of input plus appropriate Overhead.

7. Research and Development Expenses :

Contributions towards scientific research expenses are charged to the Profit & Loss Account in the year in which the contribution is made.



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

8. Retirement Benefits :

Liabilities in respect of retirement benefits to employees are provided for as follows :-

A. Defined Benefit Plans :

- Leave Salary of employees on the basis of actuarial valuation as per AS 15 (revised).
- Post separation benefits of directors, which is of the nature of long term benefit, on the basis of actuarial valuation as per AS 15 (revised).
- Gratuity Liability on the basis of actuarial valuation as per AS 15 (revised)

B. Defined Contribution Plans :

- Liability for superannuation fund on the basis of the premium paid to insurance company in respect of employees covered under Superannuation Fund Policy.
- Provident fund & ESI on the basis of actual liability accrued and paid to trust / authority.

C. VRS, if paid, is charged to revenue in the year of payment.

9. Recognition of Income and expenses :

- Sales and purchases are accounted for on the basis of passing of title to the goods.
- Sales comprise of sale price of goods including excise duty but exclude trade discount and sales tax / VAT.
- All items of incomes and expenses have been accounted for on accrual basis except for those income stipulated for recognition on realization basis on the ground of uncertainty under AS -9 issued by ICAI.

10. Income Tax & Deferred Taxation :

The liability of company on account of income tax is estimated considering the provisions of the Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one year and capable of reversal in one or more subsequent years.

11. Contingent Liabilities :

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax, Excise etc.), pending in appeal/court for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts.

However, present obligation as a result of past event with possibility of outflow of resources, when reliably estimable, is recognized in accounts.

12. Foreign Currency Translation :

- Transaction in foreign currencies are recognized at rate of overseas currency ruling on the date of transactions. Gain / Loss arising on account of rise or fall in overseas currencies vis-a-vis reporting currency between the date of transaction and that of payment is charged to Profit & Loss Account.
- Receivables/payables (excluding for fixed assets) in foreign currencies are translated at the exchange rate ruling at the year end date and the resultant gain or loss, is accounted for in the Profit & Loss Account.
- Increase / decrease in foreign currency loan on account of exchange fluctuation are debited / credited to profit and loss account.
- Impact of exchange fluctuation is separately disclosed in notes to accounts.

13. Employee Stock Option Purchase (ESOP) :

Aggregate of quantum of option granted under the scheme in monetary term (net of consideration of issue to be paid in cash) in terms of intrinsic value has been shown as Employees Stock Option Scheme outstanding in Reserve and Surplus head of the Balance Sheet by way of debiting deferred Employee Compensation under ESOP as per guideline to the effect issued by SEBI.

- With the exercise of option and consequent issue of equity share, corresponding ESOP outstanding is transferred to share premium account.
- Employees contribution for the nominal value of share in respect to option granted to employees of subsidiary company is being reimbursed by subsidiary companies to holding company.



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

14. Miscellaneous Expenditure :

- Technical know-how fee paid to Technical Collaborators upto 31.03.2004 is amortized on straight line basis over a period of six years. Subsequent expenses are charged to revenue in the year of incurrence.
- Deferred Employees Compensation under ESOP is amortized on straight line basis over vesting period.
- Share issue expenses are charged to revenue in the year of its occurrence.

B : NOTES TO ACCOUNTS

1. Building constructed on leasehold land included in the value of building shown in Fixed Assets Schedule:

| | As at March 31, 2009 | As at March 31, 2008 |
|---------------|----------------------|----------------------|
| Cost/Revalued | 10736.26 | 8556.41 |
| Written Down | 7884.25 | 5969.72 |

2. Loans and Advances include Rs.48.64 (Previous year Rs.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 Rs.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 Rs.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 Rs.21.46, 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 had received a refund of Rs.5.95, pursuant to the decision of Hon'ble Supreme Court in this regard. Necessary adjustments in respect of recovery/refund will be made as per the arbitration proceedings.

3. a. Further to para A(3) above, company has assessed recoverable value of each cash generating units (CGUs) and each intangible assets based on value-in-use method. Such assessment indicated the value in use of corresponding assets being higher than corresponding carrying assets thereby ruling out the cause of further arriving at their net-selling-price and exigency of provision against impairment loss.
- b. CGUs include Narenderpur Plant, Sahibabad Plant, Baddi Plants, Jammu Plants, Rudrapur Plant, Silvasa Plants, Pitampur Plant, Kanpur Plant, Alwar Plant, Newai Plant and Jalpaiguri Plant.
- c. Annual discount rate considered for arriving at value-in-use of assets of each CGUs is 6.50% i.e the average interest rate of external borrowing plus risk factor @ 2.00 % per annum.

4. Contingent Liabilities /Capital Contract :

(a) Claims against the company not acknowledged as debts:

- i. In respect of civil suits filed against the company Rs. 655.16 (previous year Rs. 270.52)
- ii. In respect of claims by employees Rs. 12.77 (previous year Rs. 0.50)
- iii. In respect of letters of credit Rs. 41.98 (previous year Rs. 457.63)
- iv. In respect of Bank Guarantees executed Rs 1850.32 (previous year Rs. 211.25)
- v. In respect of Sales Tax under appeal Rs. 759.84 (previous year Rs. 821.67)
- vi. In respect of excise duty disputes pending with various judicial authorities Rs.1731.79 (previous year Rs. 2135.39).
- vii. In respect of Corporate Guarantees given by the Company Rs..6595.39 (previous year Rs.5953.44)
- viii. In respect of Income tax under appeal Rs. 67.77 (previous year Rs.46.48)

(b) Bills discounted Rs. 4527.27 (previous year Rs. 1049.42).

(c) Estimated Amount of contract remaining to be executed on capital Account Rs. 3064.81 (previous year Rs. 6683.94) – Net of advance Rs. 591.77 (previous year Rs. 464.25)



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

- (d) Information pursuant to AS 29 issued by ICAI:
Brief particulars of provisions on disputed liabilities :-

| Nature of Liability | Particular of dispute | Opening Liability | Provision made during the year | Provision adjusted during the year | Closing Provision | Forum where the dispute is pending |
|---------------------|-----------------------------------|-------------------|--------------------------------|------------------------------------|-------------------|--|
| VAT | Short payment of VAT | 62.64 | 0.00 | 0.00 | 62.64 | IInd appeal filed |
| Sales Tax | Classification of Lal dant Manjan | 24.32 | 0.00 | 0.00 | 24.32 | Filed review application with High Court |
| Sales Tax | Classification of Gulabari | 0.74 | 0.00 | 0.00 | 0.74 | Appeal filed before the D.C. Appeal |
| Sales Tax | Exemption forms from dealers | 1.08 | 0.00 | 0.00 | 1.08 | IInd appeal filed before D.C. Appeal |
| Entry Tax | Entry tax on car | 0.29 | 0.00 | 0.00 | 0.29 | Appeal pending before D.C. |
| Sales Tax | Classification of Hajmola Candy | 27.78 | 0.00 | 0.00 | 27.78 | Appeal pending before S T Appellate |
| Sales Tax | Tax Paid purchase | 28.60 | 0.00 | 0.00 | 28.60 | Pending before High Court |
| Excise | Classification of Saunf ka Ark | 17.00 | 0.00 | 17.00 | 0.00 | |
| Excise | Capital Goods removal | 0.00 | 30.22 | 0.00 | 30.22 | DC Appeal |
| | | 162.46 | 30.22 | 17.00 | 175.68 | |

- (i) Resulting outflows against above liabilities pending before Sales Tax DC/Tribunal/CCT's, if mature, are expected to be in succeeding financial year.
- (ii) Provisions are made herein for medium risk oriented issues as a measure of abundant precaution.
- (iii) Company presumes remote risk possibility of further cash outflow pertaining to contingent liabilities listed in para 4 (a) and (b) above.

5. Pursuant to approval by Hon'ble High Court Delhi of company's application for modification of order dated Oct 17, 2003 on demerger of Pharmaceutical Division of the company to Dabur Pharma Limited, to the effect of transfer of land worth Rs 184 in favour of the company from the demerged entity due to refusal of HUDA to accord status of inheritance of said property to Dabur Pharma Ltd. the company has inherited the land against payment of requisite consideration money during the year.

| | 31-03-2009 | 31-03-2008 |
|---|----------------|----------------|
| 6A. Expenditure in Foreign Currency | | |
| - Professional & Consultation Fees | 248.21 | 110.55 |
| - Others (Travelling, Conveyance & Administration) | 38.43 | 54.80 |
| | 286.64 | 165.35 |
| 6B. CIF Value of Imports: | | |
| - Raw Materials | 1603.41 | 1571.18 |
| - Stores & Spares (Including packing material) | 47.39 | 14.13 |
| - Capital Goods | 635.12 | 399.71 |
| | 2285.92 | 1985.02 |
| 6C. Earning in Foreign Exchange: | | |
| - Export sales at FOB | 10987.39 | 9410.39 |
| 6D. Value of raw materials, stores and spares parts consumed : | | |

| | Raw Material | | | | Packing Material, Stores & Sapres | | | |
|--------------|-----------------|---------------|-----------------|---------------|-----------------------------------|---------------|-----------------|---------------|
| | 31.03.2009 | | 31.03.2008 | | 31.03.2009 | | 31.03.2008 | |
| | Value | % | Value | % | Value | % | Value | % |
| Imported | 602.99 | 1.06 | 442.86 | 0.98 | 45.69 | 0.14 | 0.61 | 0.00 |
| Indigenous | 56191.64 | 98.94 | 44872.70 | 99.02 | 33414.88 | 99.86 | 29406.47 | 100.00 |
| Total | 56794.63 | 100.00 | 45315.56 | 100.00 | 33460.57 | 100.00 | 29407.08 | 100.00 |

| | 2008-09 | 2007-08 |
|--|-------------|-------------|
| 6E. Net Dividend remitted in foreign currency | | |
| 2007-08 Final Dividend to 87 Shareholders on 253500 Shares | 1.90 | 2.06 |
| 2008-09 Interim Dividend to 87 Shareholders on 251500 Shares | 1.89 | - |
| | 3.79 | 2.06 |



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

7A. Particulars of consumption of important raw and packing materials

| Class of goods | Unit | Quantity | Value |
|---------------------------------|--------------|------------------------|--------------------------------|
| Raw material :- | | | |
| Sugar and Molasses | Tonnes | 17641.22 (16940.81) | 3109.80 (2388.09) |
| Vegetables Oils | Tonnes | 18783.28 (16050.10) | 12251.85 (9595.28) |
| Herbs, Jari Booti & Raw Madhu | Tonnes | 34330.61 (31487.93) | 14016.73 (11111.98) |
| Chemicals & Perfumery Compounds | Tonnes | 22379.55 (31491.87) | 16419.63 (14955.62) |
| Others Raw Materials | Assorted | | 10996.62 (7264.59) |
| Total raw materials | | | 56794.63 (45315.56) |
| Packing Material :- | | | |
| Glass Containers | Pcs.in Lacs. | 1041.63 (1031.29) | 2925.96 (2433.13) |
| Plastic Containers/Caps/Jar | Pcs.in Lacs. | 6467.57 (5771.87) | 10455.77 (8558.64) |
| Printed Packing Materials | Assorted | | 5271.07 (6332.40) |
| Laminates & Lamitubes | Assorted | | 7811.14 (6509.91) |
| Other Packing Materials | Assorted | | 5954.82 (4570.63) |
| Total packing materials | | | 32418.75 (28404.71) |

Consumption is net of inventories written down as follows :-

| | |
|------------------|--------|
| Raw Material | Value |
| Packing Material | 92.06 |
| | 147.27 |

In view of variable quantitative denomination pertaining to various item of raw material and packing material, above in quantitative terms has not been given.

7B. Particulars in respect of goods manufactured

| Class of Goods | Unit | Licenced Capacity | Installed Capacity | Production Qty. | Opening Stock | | Closing Stock | | Sale | |
|------------------------|-----------|-------------------|------------------------|------------------------|---------------------|------------------------------|----------------------|------------------------------|------------------------|----------------------------------|
| | | | | | Qty. | Value | Qty. | Value | Qty. | Value |
| Hair Oils | Kilo-ltrs | | 51480.00 (51480.00) | 23115.68 (19807.32) | 755.92 (999.18) | 736.74 (876.35) | 1066.39 (755.92) | 1007.56 (736.74) | 22805.20 (20050.58) | 50483.72 (37569.58) |
| Chyawanprash | Tonnes | | 22000.00 (22000.00) | 13979.28 (14203.99) | 436.57 (281.14) | 270.21 (177.76) | 674.35 (436.57) | 442.67 (270.21) | 13741.49 (14048.56) | 19430.03 (17947.27) |
| Honey | Tonnes | | 6000.00 (6000.00) | 5344.45 (5375.03) | 244.94 (179.60) | 249.96 (188.02) | 196.58 (244.94) | 225.15 (249.96) | 5392.81 (5309.69) | 11688.11 (10661.54) |
| Tooth Powder & Paste | Tonnes | | 45099.00 (45099.00) | 20622.78 (18482.89) | 1308.16 (858.96) | 1044.55 (687.03) | 1234.31 (1308.16) | 1080.25 (1044.55) | 20696.63 (18033.69) | 32970.01 (30073.05) |
| Hajmola | Tonnes | | 6000.00 (6000.00) | 4042.68 (5125.20) | 526.54 (257.57) | 563.57 (243.49) | 229.28 (526.57) | 262.89 (563.57) | 4339.95 (4856.23) | 9050.61 (7148.57) |
| Asava - Arishta | Kilo-ltrs | | 12000.00 (12000.00) | 6836.26 (6246.17) | 689.36 (739.21) | 297.80 (322.23) | 571.59 (689.36) | 287.32 (297.80) | 6954.02 (6296.02) | 5639.95 (4896.81) |
| Fruits,Nector & Drinks | Kilo-ltrs | | 27572.00 | 15018.72 (10649.53) | 1197.18 | 390.51 | 1043.39 (1197.18) | 364.76 (390.51) | 15172.51 (9912.79) | 7613.04 (6634.15) |
| Vegetable Pastes | Mt | | 4080.00 | 739.83 (639.76) | 92.76 | 69.98 | 121.83 (92.76) | 122.17 (69.98) | 710.76 (626.79) | 600.56 (515.06) |
| Others | | | | | | 2586.19 (2997.80) | | 3017.90 (2586.19) | | 63659.74 (59138.42) |
| Total | | | | | | 6209.52 (6316.58) | | 6810.68 (6209.52) | | 201135.78 (174584.45) |



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

7C. Particulars in respect of traded goods

| Class of Goods | Unit | Purchases | | Opening Stock | | Closing Stock | | Sale | |
|-------------------------|-----------|-------------------------|------------------------|--------------------|----------------------|------------------------|----------------------|------------------------|------------------------|
| | | Qty. | Value | Qty. | Value | Qty. | Value | Qty. | Value |
| Hair Oils | Kilo-ltrs | 75.36 (300.31) | 570.41 (397.25) | 23.74 (73.91) | 22.03 (70.20) | 27.87 (23.74) | 31.79 (22.03) | 71.22 (350.48) | 156.33 (588.75) |
| Tooth Powder & Paste | Tonnes | 4580.10 (1981.06) | 6543.86 (7524.73) | 141.66 (253.45) | 131.27 (233.43) | 191.63 (141.66) | 182.22 (131.27) | 4530.14 (5092.85) | 7400.92 (7809.53) |
| Hajmola | Tonnes | 3484.38 (3133.70) | 2867.59 (818.92) | 151.03 (11.29) | 105.40 (9.72) | 307.87 (151.03) | 250.17 (105.40) | 3327.54 (2993.95) | 3967.72 (4105.87) |
| Fruits, Nectar & Drinks | Kilo-ltrs | 35348.83 (386103.96) | 14118.20 (12509.95) | 2193.98 | 743.28 | 5857.83 (355972.57) | 1957.83 (743.28) | 31684.98 (30131.38) | 18112.52 (16692.04) |
| Vegetable Pastes | Mt | 678.79 (705.23) | 300.39 (632.00) | 172.79 | 32.86 | 105.33 (172.79) | 40.56 (32.86) | 746.25 (532.44) | 385.04 (236.54) |
| Others | | | 12518.11 (6092.38) | | 647.57 (802.33) | | 546.41 (647.57) | | 11209.59 (7761.69) |
| Total | | | 36918.57 (29417.23) | | 1682.42 (1448.29) | | 3008.98 (1682.42) | | 41232.11 (37194.41) |

Note : Production / Purchase are net of stock written down. Write down of inventory in monetary term aggregate Rs.910.54 (Previous year Rs.533.09)

Write down of inventories :-

| Class of goods | Qty tonnes | Value |
|-------------------------------|-----------------|---------------|
| MANUFACTURED GOODS (a) | | |
| Hair Oils | 324.41 | 36.17 |
| Chyawanprash | 247.12 | 19.50 |
| Honey | 181.19 | 23.94 |
| Tooth Powder & Paste | 599.85 | 29.33 |
| Hajmola | 135.09 | 15.44 |
| Asava-Arishta | 88.92 | 12.48 |
| Fruit, Nectar & Drinks | 1,141.49 | 245.98 |
| Vegetable Pastes | 131.03 | 6.05 |
| Others | - | 174.92 |
| Total (a) | 2,849.11 | 563.80 |
| TRADED GOODS (b) | | |
| Hair Oils | 1.81 | 0.58 |
| Tooth Powder & Paste | 86.79 | 9.69 |
| Hajmola | 106.41 | 2.56 |
| Fruit, Nectar & Drinks | 3,523.78 | 268.67 |
| Vegetable Pastes | 115.81 | 8.33 |
| Others | - | 56.91 |
| Total (b) | 3,834.60 | 346.74 |
| Grand Total (a+b) | 6,683.71 | 910.54 |

8A. Managerial Remuneration under section 198 of the Companies Act, 1956 paid or payable during the year, to the Directors:

| | 31.03.2009 | 31.03.2008 |
|--|----------------|----------------|
| Salary | 232.90 | 219.20 |
| Commission (as computed below) | 0.00 | 27.79 |
| Contribution to Provident Fund | 27.95 | 29.66 |
| Residential Accommodation | 139.74 | 131.55 |
| Medical & Leave Travel Benefit | 3.47 | 4.19 |
| Contribution to Superannuation Fund | 34.95 | 43.41 |
| Others (Including Rs. 287.12 Previous year Rs. 297.31 under stock option Scheme) | 780.14 | 683.07 |
| | 1219.15 | 1138.87 |



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

Computation of net profit in accordance with Section 198 and section 309 (5) of the Companies Act,1956 and calculation of Director's commission

| | 31.03.2009 | 31.03.2008 |
|---|-------------------|-------------------|
| Profit for the year before tax as per Profit & Loss Account | 42499.59 | 36517.59 |
| Add: Managerial remuneration | 1219.15 | 1138.87 |
| Directors fees | 10.20 | 11.12 |
| Provision for doubt full debts | 737.82 | 257.71 |
| Less: Capital Profit | 0.95 | 40.00 |
| Adjusted net profit | 44465.81 | 37885.29 |
| Maximum permissible remuneration | 4891.23 | 4167.38 |
| Maximum commission payable: | 444.65 | 378.85 |
| Actual commission (To one non whole-time Director) | NIL | 27.79 |

8B. Mr. Pradip Burman, a whole time director, voluntarily has foregone his salary and part of service benefits w.e.f. 1st October 2008. Amount foregone on account of salary and service benefits work out to Rs.37.60 and Rs.7.49 respectively.

9. Particulars of Balances with Non-Scheduled Banks:

| Current Year | Balance as on 31.03.2009 | Maximum Balance during the year |
|-------------------------|-------------------------------------|------------------------------------|
| Barclay Bank, New Delhi | 1000.00 | 1000.00 |
| Previous Year | - | - |

10. The company's freehold land situated at Sahibabad measuring about 7.58 acres was acquired by U.P. Government under Land Acquisition Act and the State Government had allotted and given possession of about 4.72 acres of land on lease to the Company in lieu of acquired land. The company has filed a claim for compensation of Rs.572.42 before the Office of Special Land Acquisition Officer, Ghaziabad against the land so acquired. However, keeping in view the generally accepted accounting practice, the same claim has not been considered in the books of accounts.

11. Employee related Dues :

A. Defined Benefit Plan

(a) Information pursuant to AS -15 (revised) issued by ICAI :-

(a) **Expenses recognized during the period**

| Particulars | Gratuity (funded) | Leave Salary (funded) | Post Separation benefits of director (un-funded) | Total |
|---|----------------------|--------------------------|--|---------|
| A. Current Service Cost | 231.03 | 42.23 | 289.49 | 562.75 |
| B. Interest Cost | 193.36 | 37.13 | 295.54 | 526.03 |
| C. Expected Return on Plan Assets | 20.81 | -47.00 | 0.00 | -26.19 |
| D. Accumulated Loss/ Gain | -116.06 | 176.83 | 91.47 | 152.24 |
| E. Total Expenses recognized during the year (A+B+C+D+E) | 329.14 | 209.19 | 676.50 | 1214.83 |



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

B. Reconciliation of opening & closing balances of obligations

| Particulars | Gratuity | Leave Salary | Post Separation | Total |
|---|----------------|---------------|-------------------------------------|----------------|
| | (funded) | (funded) | benefits of director (un-funded) | |
| I. Obligation as on 01.04.2008 | 2241.06 | 460.95 | 4940.80 | 7642.81 |
| II. Past service cost | 13.39 | 40.16 | 0.00 | 53.55 |
| III. Current service cost | 231.03 | 42.23 | 289.49 | 562.75 |
| IV. Interest cost | 193.36 | 37.13 | 295.55 | 526.04 |
| V. Actuarial Gain / (Loss) | -116.06 | 176.83 | 91.47 | 152.24 |
| VI Settlement | -151.43 | -152.59 | -2000.50 | -2304.52 |
| VII. Obligation as on 31.03.2009 | 2411.35 | 604.71 | 3616.81 | 6632.87 |

C. Change in Plan Assets

(Reconciliation of opening and closing balances)

| Particulars | Gratuity | Leave Salary | Post Separation | Total |
|---|---------------|---------------|-------------------------------------|----------------|
| | (funded) | (funded) | benefits of director (un-funded) | |
| I. Fair Value of Plan Assets as on 01.04.2008 | 929.70 | 165.99 | 0.00 | 1095.69 |
| II. Expected Return on Plan Assets | 58.00 | 47.00 | 0.00 | 105.00 |
| III. Actuarial Gain / (Loss) | -78.81 | 0.00 | 0.00 | -78.81 |
| VI. Employer Contribution | 209.99 | 275.40 | 0.00 | 485.39 |
| V Settlement | -151.43 | -152.59 | 0.00 | -304.02 |
| VI. Fair Value of Plan Assets as on 31.03.2009 | 967.45 | 335.80 | 0.00 | 1303.25 |

D. Investment detail of plan assets as on 31.03.2009

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

E. Actuarial Assumption :

| | |
|---|------------------------------|
| Discount rate | 6.50% |
| Estimated rate of return on plan assets | 7.50% |
| Salary escalation ratio inflation | 10.00% |
| Method | Projected unit credit method |

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

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

H 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% and normal retirement age at 58.

I. Consequent upon one whole time director, two erstwhile directors and spouse of one late director (All belonging to promoters group) relinquishing their dues from company on account of salary, house rent and monthly pension right (to the extent applicable to them) with effect from 1st October 2008, liability on account of post separation benefits of directors is reduced by Rs.1887.24 with corresponding rise in general reserve by Rs.1887.24 and decline in deferred tax assets by Rs.641.47.



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

- J. (i) There has been rise in opening liabilities towards gratuity and leave salary by Rs.13.39 and Rs.40.16 respectively against past service cost relating to period before 01.04.2007 because of certain changes in actuarial assumption in recognition of genuine exigencies during the course of valuation for current year.

Company has treated the difference in past service cost instead of changing the opening balance and adjusted this segment of cost with opening general reserve. This also led to decline in deferred tax liability by Rs.18.20 with corresponding rise in general reserve.

- (ii) Due to difference between return from actuary and that of insurance company in respect of figure of settlement of employees claim during the year, the company has carried the closing value of planned assets in terms of return from insurance company. The company has also considered the settlement amount as per advice of insurance company.
- (iii) Considering aforesaid facts, the value of obligation and planned assets have been carried in terms of valuation of actuary and insurance company respectively.
- (iv) Things stated as above entailed modification of figure of annual accretion of gratuity and leave salary which have been adjusted against corresponding actuarial gain/ loss.

B. Defined Contribution Plan :-

Company's contribution to different defined contribution plans :-

| Particulars | 2008-09 | 2007-08 |
|-------------------------------|---------|---------|
| Provident Fund | 552.63 | 562.56 |
| Employees State Insurance | 52.16 | 55.98 |
| Employees Superannuation Fund | 300.43 | 261.82 |

12A. Related party Disclosures

Related party disclosures as required under AS 18 issued by the Institute of Chartered Accountants of India are given below:

- (a) Related parties where control exists :-
- | | |
|---|--------------------------------------|
| H & B Stores Limited | - (Domestic Wholly Owned Subsidiary) |
| Asian Consumercare Pvt. Ltd., Dhaka | - (Foreign Subsidiary) |
| Dabur Nepal Pvt. Ltd., Nepal | - (Foreign Subsidiary) |
| Dabur Egypt Ltd., Egypt | - (Foreign Wholly Owned Subsidiary) |
| Dabur (UK) Ltd., UK | - (Foreign Wholly Owned Subsidiary) |
| Dabur International Ltd., UAE | - (Foreign Wholly Owned Subsidiary) |
| WeikField International (UAE) | - (Foreign Subsidiary) |
| African Consumercare Limited, Nigeria | - (Foreign Wholly Owned Subsidiary) |
| Asian Consumercare Pakistan Pvt. Ltd., Pakistan | - (Foreign Subsidiary) |
| Naturelle LLC, UAE | - (Foreign Wholly Owned Subsidiary) |

- (b) Joint venture:- Forum 1 Aviation Limited.

- (c) Other related parties in transaction with the company

**(I) Key management personnel:
(whole time directors)**

- 1) Pradip Burman
- 2) P.D. Narang
- 3) Sunil Duggal

(II) Relative of key management personnel:

Asha Burman



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

(III) Entities over which Key Management Personnel are able to exercise significant influence:

1. Welltime Housing and Finance Pvt Ltd
2. Chowdhry Associates
3. Ratna Commercial Enterprises Pvt. Ltd.
4. Narang Management Consultant Pvt Ltd

(IV) An enterprise owned by any Director of DIL

1. Ratna Commercial Enterprises Pvt Ltd
2. Welltime Housing and Finance Pvt Ltd

(V) Enterprise that have a member of Key Management in common

1. Dabur Invest Corp
2. Dabur GI Invest Corp
3. Southern Enterprises

12B. Related Party Transactions as on 31.03.2009

| Particulars | Subsidiary | Joint Ventures | Associates | Key Management Personnel | Relatives of Key Management Personnel | Total | Outstanding As on 31.03.2009 |
|---------------------------------------|--------------------------|----------------|----------------|--------------------------|---------------------------------------|--------------------------|------------------------------|
| Purchases of Goods | 17,288.06 (16,486.10) | - (-) | - (-) | - (-) | - (-) | 17,288.06 (16,486.10) | 1,448.15 (741.09) |
| Sale of Goods | 3,174.48 (2,366.35) | - (-) | - (-) | - (-) | - (-) | 3,174.48 (2,366.35) | 759.10 (436.50) |
| Equity Contribution | 1,950.00 (2,200.00) | 456.14 (-) | - (-) | - (-) | - (-) | 2,406.14 (2,200.00) | 100.00 (6,665.50) |
| Loan Given | - (1,272.28) | - (-) | - (-) | - (-) | - (-) | - (1,272.28) | 77.00 (80.00) |
| Rent Paid | - (-) | - (-) | - (-) | 59.36 (47.87) | - (-) | 59.36 (47.87) | - (-) |
| Security Deposit | - (-) | 38.00 (-) | - (-) | - (-) | - (-) | 38.00 (-) | 38.00 (-) |
| General Expenses | - (-) | 326.84 (-) | - (-) | - (-) | - (-) | 326.84 (-) | - (-) |
| Repayment of Loans Given (Instl.Recd) | - (2,272.28) | - (-) | 3.00 (2.00) | - (-) | - (-) | 3.00 (2,274.28) | - (-) |
| Interest Recd on Loans Given | - (92.49) | - (-) | - (-) | - (-) | - (-) | - (-) | - (92.49) |
| Interest Recd on Security Deposit | - (-) | 2.25 (-) | - (-) | - (-) | - (-) | 2.25 (-) | - (-) |
| Remuneration/Exg./Pension | - (-) | - (-) | - (-) | 872.67 (462.61) | - (-) | 872.67 (462.61) | - (-) |
| Royalty | 32.02 (-) | - (-) | - (-) | - (-) | - (-) | 32.02 (-) | 32.02 (-) |
| Guarantees & collaterals given | 5,860.35 (3,944.44) | 714.29 (-) | - (-) | - (-) | - (-) | 6,574.64 (3,944.44) | 6,574.64 (3,944.44) |
| Employee Stock Option Scheme | 44.24 (32.67) | - (-) | - (-) | 287.12 (297.31) | - (-) | 331.36 (329.98) | - (-) |

13. Exchange loss works out to Rs 210.48 (Previous Year Rs. 236.42)- net of exchange gain Rs 793.40 (Previous year Rs. 40.92) which has been debited to Profit & Loss Account.



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

14. Information (to the extent applicable) pursuant to AS 19 issued by ICAI

a) The future minimum lease payment under non-cancelable operating lease :-

| | Not Later than 1 year | Later than 1 year not later than 5 year | Later than 5 year |
|--------------------|-----------------------|---|-------------------|
| Building & Machine | 31.89 (9.61) | 96.25 (17.72) | 0.00 (0.00) |
| Cars | 29.77 (37.17) | 41.10 (58.58) | 0.00 (0.00) |

b) Lease rent debited to Profit & Loss account of the year Rs.37.53 (Previous year Rs.41.80)

c) Irrevocable lease agreement relates to flat & vehicle, lease period not exceeding five years in respect of any arrangement.

15. Sundry Creditors include Rs 1448.15 (previous year Rs.164.82) being dues to subsidiaries.

16. Earnings per Share has been computed as under:

2008-2009 **2007-2008**

| | | |
|--|-----------|-----------|
| Profit after Tax | 37355.27 | 31677.21 |
| Weighted average number of shares outstanding | | |
| Basic | 864907642 | 863635509 |
| Diluted | 869156259 | 869063210 |
| Earning per Share (face value Re. 1 per share) | | |
| Basic | 4.32 | 3.66 |
| Diluted | 4.30 | 3.64 |

17. Information pursuant to AS 24 on discontinued operations:

| Particulars | Hair Oil Baddi | MSY Unit Baddi |
|--|-------------------|-------------------|
| 1 Discontinued since | March, 04 | Nov, 2000 |
| 2 Segment , the unit relates to in financial statement | FMCG | FMCG |
| 3 Carrying amount of total assets | 33 (33) | 28 (28) |
| 4 Carrying amount of total liabilities | 4 (4) | 0 (0) |
| 5 Profit from ordinary activities | 0 (0) | 0 (0) |
| 6 Income Tax expenses | 0 (0) | 0 (0) |
| 7 Gain on disposal of assets | 0 (0) | 0 (0) |
| 8 Cash flow from discontinued operations: | | |
| Operating activities | 0 (0) | 0 (0) |
| Investing Activities | 0 (0) | 0 (0) |
| Financial Activities | 0 (0) | 0 (0) |

Note :I. Figures in brackets are for previous year.

II. Part of fixed assets belonging to discontinued operations under reference have been used for new plants set up in relevant premises. Such assets have been left out of the purview of '3' of above table.

18. a. Pension and other perquisites to relative of deceased director Rs.15.75 and Rs 7.63 respectively paid during the year.
b. Pension and other perquisites of retired director Rs.58.74 and Rs 31.15 respectively paid during the year.



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

- 19. Investment in Joint Venture (Information pursuant to AS-27 issued by ICAI) :-**
- (a) The company has become a party to an agreement among seven parties as on 1.8.2008 for controlling the management of Forum 1 Aviation Limited, a domestic jointly controlled corporate entity (JCE) with part of its operation akin to jointly controlled operation, the main object of the JCE being maintenance of aircraft for use of venturers or otherwise. The contributions of venturers are towards capital build up of the JCE and periodic contribution towards cost of maintenance of air craft. 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 ventures in proportion to their capital contribution. The participation of the venturers in the affairs of the management of the JCE is through representation in the composition of Board of Directors as agreed in shareholder's agreement.
 - (b) Share of the company in assets, outside liability, net worth and income and expenses not being allocated for herein for worked out to Rs.1242.72, Rs.728.35, Rs.20.21, Rs.290.76 and Rs.286.21 respectively in respect of year under audit as per un-audited accounts of the JCE.
 - (c) Stake of the company in terms of percentage of total subscribed and paid up capital of JCE is 14.28%. Said amount (Rs.456) appears under investment head in balance sheet of the company.
 - (d) Company's commitment towards revenue expenditure of the JCE amounting to Rs. 326.84 has been charged to profit and loss account under the head general charges.
 - (e) No income from said investment, unless realized in cash, is recognized in this standalone account.
- 20. The company during the year, has entered into an agreement with shareholders collectively holding controlling stake in Fem Care Pharma Ltd. (FEM, a domestic listed company) for acquisition of their shares (72.15% of total share capital subscribed and paid up therein) at a consideration of Rs.203.73 crore subject to approval of transfer by appropriate authorities. In addition to consideration money the company has so far incurred Rs.1.12 crore towards cost of proposed acquisition. Pending completion of transfer of shares, the consideration amount has been retained by the company in an escrow account specifically designated for the purpose appearing in investment schedule, as advance against shares of Fem Care Pharma Ltd, beneficial interest thereon accruing in favour of transferor of shares.**
- Interest as on 31.03.2009 accruing on escrow account amounting to Rs.5.81 crore lying in bank has not been accounted for by the company on account of absence of beneficial right there on.
- Consequent upon signing of aforesaid agreement, the company has submitted letter of offer to SEBI for acquisition of upto 20% of issued and subscribed share capital of FEM from the public shareholders of FEM, at a consideration of Rs.800 per share not exceeding Rs. 56.47 crore in terms of aggregate of consideration money in pursuance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Consent of SEBI in this regard is still pending.
- 21. Debtors includes Rs. 759.10 (Previous year Rs. 436.50) being due from subsidiaries.**

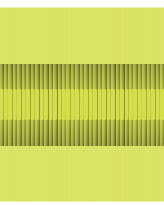


(All amounts in Indian Rupees in lacs, except share data)

SEGMENT REPORT

22. Information pursuant to AS - 17 issued by ICAI

| | Consumer Care Business | | Consumer Health Business | | Foods | | Others | | Unallocated | | Dabur India Ltd. | |
|---|------------------------|----------------|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|
| | 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 | 184,809 | 161,696 | 21,232 | 17,879 | 29,258 | 26,627 | 7,069 | 5,577 | - | - | 242,368 | 211,779 |
| Inter-segment Sales | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue | 184,809 | 161,696 | 21,232 | 17,879 | 29,258 | 26,627 | 7,069 | 5,577 | - | - | 242,368 | 211,779 |
| Result | | | | | | | | | | | | |
| Segment Result | 52,099 | 46,594 | 5,593 | 4,700 | 5,326 | 3,641 | 131 | 219 | - | - | 63,149 | 55,154 |
| Unallocated Corporate Expenses | - | - | - | - | - | - | - | - | 19,315 | 17,781 | 19,315 | 17,781 |
| Operating Profit | 52,099 | 46,594 | 5,593 | 4,700 | 5,326 | 3,641 | 131 | 219 | -19,315 | -17,781 | 43,834 | 37,373 |
| Interest Expense (Net of Interest Income) | - | - | - | - | - | - | - | - | - | 855 | 1,334 | 855 |
| Income Tax (Current + Deferred) | - | - | - | - | - | - | - | - | - | 4,927 | 5,144 | 4,927 |
| Profit From Ordinary Activities | 52,099 | 46,594 | 5,593 | 4,700 | 5,326 | 3,641 | 131 | 219 | -25,793 | -23,562 | 37,356 | 31,592 |
| Exceptional Item | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Profit | 52,099 | 46,594 | 5,593 | 4,700 | 5,326 | 3,641 | 131 | 219 | -25,793 | -23,562 | 37,356 | 31,592 |
| Other Information | | | | | | | | | | | | |
| Segment Assets | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 |
| Unallocated Corporate Assets | 33,451 | 33,837 | 6,295 | 6,314 | 8,840 | 9,166 | 3,298 | 2,876 | - | - | 51,884 | 52,193 |
| Total Assets | 33,451 | 33,837 | 6,295 | 6,314 | 8,840 | 9,166 | 3,298 | 2,876 | 69,527 | 61,969 | 121,411 | 114,162 |
| Segment Liabilities | - | 7,586 | - | 895 | - | 3,054 | - | 64 | - | - | - | 11,599 |
| Unallocated Corporate Liabilities | - | - | - | - | - | - | - | - | 48,456 | 51,126 | 48,456 | 51,126 |
| Total Liabilities | - | 7,586 | - | 895 | - | 3,054 | - | 64 | 48,456 | 51,126 | 48,456 | 62,725 |
| Capital Employed | 33,451 | 26,251 | 6,295 | 5,419 | 8,840 | 6,112 | 3,298 | 2,812 | 21,071 | 10,843 | 72,955 | 51,437 |
| Depreciation | 1,189 | 1,117 | 175 | 164 | 314 | 295 | 180 | 169 | 884 | 830 | 2,742 | 2,575 |
| Non-cash expenses other than depreciation | - | - | - | - | - | - | - | - | 394 | 567 | 394 | 567 |



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

23. Figures for the previous year have been rearranged/regrouped as and where necessary in terms of current year's grouping.

Signatures to the Schedules "A" to "P" Annexed to and forming part of the Accounts.

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

S. Lahiri
Partner

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary



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

24. Additional information as required under Part IV of Schedule VI of the Companies Act 1956:

I. Registration Details

| | | | |
|---------------------|-----------------------|--------------|------|
| Registration No | L24230DL1975PLC007908 | State Code : | 55 |
| Balance Sheet Date: | 31 | 03 | 2009 |
| | Date | Month | Year |

II Capital raised during the year (Amount in Rs. Thousand)

| | |
|--------------|-------------------|
| Public Issue | Right Issue |
| Nil | Nil |
| Bonus Issue | Private Placement |
| Nil | Nil |

III Position of Mobilisation of Deployment of Funds (Amount in Rs. Thousand)

| | | |
|-----------------------------|------------------------|-------------------|
| Sources of Funds | Total Liabilities | Total Assets |
| | 9076542 | 9076542 |
| | Paid up capital | Reserve & Surplus |
| | 865076 | 6516891 |
| | Secured Loans | Unsecured Loans |
| | 82556 | 1307169 |
| | Deferred Tax Liability | |
| | 304850 | |
| Application of Funds | Net Fixed Assets | Investments |
| | 3600311 | 4368959 |
| | Net Current Assets | Misc Expenditure |
| | 785555 | 86408 |
| | Deferred Tax Assets | |
| | 235309 | |

IV Performance of Company (Amount in Rs. Thousand)

| | |
|--------------------------|-------------------------|
| Turnover | Total Expenditure |
| 24392243 | 20142284 |
| Profit/(Loss) Before Tax | Profit/(Loss) After Tax |
| 4249959 | 37355 |
| Earning per share in Rs. | Dividend Rate % |
| 4.32 | 175% |

V Generic names of three Principal Products/Services of company (as per monetary terms)

| | | | |
|--------------------------|----------|---------------------|---------------------|
| Item Code No. (ITC Code) | 30049001 | Product Description | Ayurvedic Medicines |
| Item Code No.(ITC Code) | 33059001 | Product Description | Hair Oils |
| Item Code No.(ITC Code) | 33061000 | Product Description | Dentifrices |

Signatures to the Schedules "A" to "P" Annexed to and forming part of the Accounts.

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

S. Lahiri
Partner

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary



Consolidated Financial Statements



The Board of Directors
Dabur India Limited,

We have audited the attached consolidated balance sheet of Dabur India Limited group, as at 31st March, 2009 and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Dabur India Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material aspects, in accordance with an identified financial reporting frame work and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as, evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Also consolidated herein on proportionate basis in application of AS-27 is the unaudited accounts of Forum I Aviation Limited, a domestic jointly controlled corporate entity, the parent company being one of the joint venturers therein. Proportionate total net assets, profit and net cash inflow amounting to Rs 514.37 lacs, Rs 4.55 lacs and Rs 5.48 lacs respectively of the jointly controlled corporate entity have been consolidated with this financial statement on the basis of accounts of said entity as certified by its management which has not been audited by us.

We report that the consolidated financial statements have been prepared by the Dabur India Ltd.'s management in accordance with the requirements of AS-21 on consolidated financial statement issued by the Institute of Chartered Accountants of India.

Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:-

- a) In the case of the consolidated balance sheet, of the state of affairs of Dabur India Ltd. group as at 31st March, 2009.
- b) In the case of the consolidated profit and loss account, of the profit of Dabur India Limited group for the year ended on that date; and
- c) In the case of the consolidated cash flow statement, of the cash flows of Dabur India Ltd. group for the year ended on that date.

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

S. Lahiri
Managing Partner
Membership No 51517

Place : New Delhi
Date : 29th April, 2009

Balance Sheet

as at March 31, 2009



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

| | Schedule | As at March 31, 2009 | As at March 31, 2008 |
|---|----------|--------------------------|-------------------------|
| SOURCES OF FUNDS : | | | |
| Shareholders' Funds: | | | |
| (A) Share Capital | A | 8,650.76 | 8,640.23 |
| (B) Reserves and Surplus | B | 73,229.93 | 53,117.30 |
| | | <u>81,880.69</u> | <u>61,757.53</u> |
| Minority Interest | B2 | 457.77 | 475.25 |
| Loan Funds: | | | |
| (A) Secured Loans | C | 9,565.15 | 9,756.15 |
| (B) Unsecured Loans | D | 13,193.89 | 160.05 |
| Deferred Tax Liability | Eb | 3,048.50 | 2,727.96 |
| Total | | <u>108,146.00</u> | <u>74,876.94</u> |
| APPLICATION OF FUNDS : | | | |
| Fixed Assets : | | | |
| (A) Gross Block | F | 85,851.47 | 72,966.40 |
| (B) Less : Depreciation | | <u>29,934.51</u> | <u>26,440.77</u> |
| (C) Net Block | | 55,916.96 | 46,525.63 |
| Investments | G | <u>34,696.52</u> | <u>20,371.63</u> |
| Deferred Tax Assets | Eb | 2,353.09 | 2,400.73 |
| Current Assets, Loans And Advances: | | | |
| (A) Inventories | H | 37,546.88 | 30,248.42 |
| (B) Sundry Debtors | | 17,788.42 | 17,231.97 |
| (C) Cash & Bank Balances | | 14,842.55 | 7,656.81 |
| (D) Loans & Advances | | 24,902.37 | 22,253.15 |
| | | <u>95,080.22</u> | <u>77,390.35</u> |
| Less: Current Liabilities and Provisions | EA | | |
| (A) Liabilities | | 48,165.32 | 45,796.70 |
| (B) Provisions | | <u>32,599.55</u> | <u>27,409.97</u> |
| | | <u>80,764.87</u> | <u>73,206.67</u> |
| Net Current Assets | | 14,315.35 | 4,183.68 |
| Miscellaneous Expenditure | IA | 864.08 | 1,395.27 |
| (To the extent not written off or adjusted) | | | |
| Notes to Accounts | P | | |
| Total | | <u>108,146.00</u> | <u>74,876.94</u> |

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

S. Lahiri
Partner

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary

Profit & Loss Account

for the year ended March 31, 2009

Dabur India Limited | Annual Report 2008-09
Consolidated Financials

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

| | Schedule | Year ended March 31, 2009 | Year ended March 31, 2008 |
|--|----------|------------------------------|------------------------------|
| Income : | J | | |
| Sales Less Returns | | 283,411.14 | 239,628.74 |
| Less : Excise Duty | | 2,868.03 | 3,522.33 |
| Net Sales | | <u>280,543.11</u> | <u>236,106.41</u> |
| Other Income | | 4,684.34 | 3,401.27 |
| Total Income | | <u>285,227.45</u> | <u>239,507.68</u> |
| Expenditure : | | | |
| Cost of Materials | K | 137,617.92 | 111,539.35 |
| Manufacturing Expenses | L | 9,917.95 | 8,576.74 |
| Payments to and Provisions for Employees | M | 23,469.99 | 19,930.68 |
| Selling and Administrative Expenses | N | 62,491.68 | 55,126.46 |
| Financial Expenses | O | 2,320.83 | 1,679.89 |
| Miscellaneous Expenditure Written Off | IB | 438.46 | 566.79 |
| Depreciation | | 4,485.94 | 3,643.40 |
| Total Expenditure | | <u>240,742.77</u> | <u>201,063.31</u> |
| Balance being Net Operating Profit before Tax | | 44,484.68 | 38,444.37 |
| Provision for Taxation - Current | | 4,993.87 | 4,277.19 |
| Provision for Taxation - Deferred | EB | -255.09 | 75.32 |
| Provision for Taxation - Fringe Benefit | | 665.45 | 712.71 |
| Net Profit after Taxation and before Extraordinary Item | | <u>39,080.45</u> | <u>33,379.15</u> |
| Credit Balance Trf From Merged Entity | | 0.00 | 18.58 |
| Net Profit after Tax and Extraordinary Item | | <u>39,080.45</u> | <u>33,397.73</u> |
| Minority Interest | | -40.76 | -13.05 |
| Net Profit after Minority Interest | | <u>39,121.21</u> | <u>33,410.78</u> |
| Balance Brought Forward | | 43,376.58 | 32,270.19 |
| Provision for Taxation for earlier year written back | | 0.11 | 68.55 |
| Provision for Taxation for earlier year | | 71.68 | -166.59 |
| Profit available for Appropriation | | <u>82,426.22</u> | <u>65,582.92</u> |
| Appropriation/Allocation | | | |
| Interim Divided | | 6,488.07 | 6,480.05 |
| Proposed Dividend - Final | | 8,650.76 | 6,480.17 |
| Corporate Tax on Interim Dividend | | 1,102.65 | 1,101.28 |
| Corporate Tax on Proposed Dividend | | 1,470.20 | 1,101.31 |
| Transferred to Capital Reserve | | 0.95 | 40.00 |
| Transferred to Legal Reserve | | 0.00 | 3.53 |
| Transferred to General Reserve | | 9,000.00 | 7,000.00 |
| Balance Carried over to Balance Sheet | | <u>55,713.59</u> | <u>43,376.58</u> |
| Earning Per Share (in Rs.) | | | |
| Basic | | 4.53 | 3.86 |
| Diluted | | 4.51 | 3.83 |
| No of Shares | | | |
| Basic | | 864,907,642 | 863,826,759 |
| Diluted | | 869,156,529 | 868,807,461 |
| Notes to Accounts | P | | |

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

S. Lahiri
Partner

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary



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

| | Year ended March 31, 2009 | Year ended March 31, 2008 |
|--|------------------------------|------------------------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit before Tax and Extraordinary Items | 44,484.68 | 38,444.37 |
| Add: | | |
| Depreciation | 4,485.94 | 3,643.40 |
| Impairment Loss | 258.26 | 0.00 |
| Loss on Sale of Fixed Assets | 24.84 | 198.87 |
| Miscellaneous Exp. written off | 438.45 | 602.91 |
| Miscellaneous Exp. written off (Included in Director Remuneration) | 287.12 | 328.39 |
| Interest | <u>2,320.83</u> | <u>1,679.89</u> |
| | 7,815.44 | 6,453.46 |
| | 52,300.12 | 44,897.83 |
| Less: | | |
| Interest received | 0.00 | 7.05 |
| Profit on Sale of Investment | 2,088.38 | 984.68 |
| Profit on Sale of Assets | <u>40.87</u> | <u>47.59</u> |
| Operating Profit before Working Capital Changes | 50,170.87 | 43,858.51 |
| Working Capital Changes | | |
| Increase/(Decrease) in Inventories | 7,298.48 | 4,537.58 |
| Increase/(Decrease) in Debtors | 538.09 | 3,307.10 |
| Decrease/(Increase) in Trade Payables | 1,635.14 | (10,234.58) |
| Increase/(Decrease) in Working Capital | <u>9,471.71</u> | <u>(2,389.90)</u> |
| Cash Generated from Operating Activities | 40,699.16 | 46,248.41 |
| Interest Paid | 2,316.41 | 1,694.51 |
| Tax Paid | 3,954.97 | 5,244.13 |
| Corporate Tax on Dividend | <u>2,203.95</u> | <u>1,101.28</u> |
| Cash Used(-)/(+)Generated for Operating Activities (A) | 32,223.83 | 38,208.49 |
| B. Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | (16,641.87) | (12,481.63) |
| Sale of Fixed Assets | 3,772.03 | 77.35 |
| Purchases of Investment including Investment in Subsidiaries | (399,303.53) | (295,339.51) |
| Sale of Investments | 387,067.03 | 284,022.32 |
| Cash Used(-)/(+)Generated for Investing Activities (B) | (25,106.34) | (23,721.47) |



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

| | Year ended March 31, 2009 | Year ended March 31, 2008 |
|--|------------------------------|------------------------------|
| C. Cash Flow from Financing Activities | | |
| Proceeds from Share Capital & Premium | 10.53 | 11.39 |
| Repayment(-)/Proceeds (+) of Long Term Secured Liabilities | (618.42) | (959.21) |
| Repayment(-)/Proceeds(+) from Short Term Loans | 427.42 | (1,322.90) |
| Repayment(-)/Proceeds(+) from other Unsecured Loans | 13,033.84 | (3,795.73) |
| Payment of Loan | 183.10 | (183.10) |
| Payment of Dividend | (12,968.24) | (6,647.47) |
| Cash Used(-)/+(Generated) in Financing Activities (C) | 68.23 | (12,897.02) |
| Net Increase(+)/Decrease (-) in Cash and Cash Equivalents (A+B+C) | 7,185.72 | 1,590.00 |
| Cash and Cash Equivalents Opening Balance | 7,656.81 | 6,066.81 |
| Cash and Cash Equivalents Closing Balance | 14,842.55 | 7,656.81 |

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

S. Lahiri
Partner

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary



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

| | As at March 31, 2009 | As at March 31, 2008 |
|--|-------------------------|-------------------------|
| Schedule A - Share Capital | | |
| Authorised : | | |
| 145000000 Equity shares of Re.1 each (Previous year 145000000 Equity shares of Re. 1 each) | 14,500.00 | 14,500.00 |
| | <u>14,500.00</u> | <u>14,500.00</u> |
| Issued and Subscribed: | | |
| 865076249 Equity shares of Re. 1 each fully called up (Previous year-864022973 Equity shares of Re. 1 each) | 8,650.76 | 8,640.23 |
| Total | <u>8,650.76</u> | <u>8,640.23</u> |
| Schedule B - Reserves and Surplus | | |
| Capital Reserve | 1,733.39 | 2,366.87 |
| Share Premium Account | 1,392.21 | 866.72 |
| Exchange Fluctuation Reserve | (137.06) | (55.06) |
| Employees Housing Reserve Fund | 530.78 | 529.99 |
| General Reserve : | 11,172.41 | 2,876.91 |
| Legal Reserve | 65.22 | 64.78 |
| Profit and Loss Account | 55,713.59 | 43,376.58 |
| Employee Stock Option Scheme Outstanding | 2,759.39 | 3,090.51 |
| Total | <u>73,229.93</u> | <u>53,117.30</u> |
| Schedule B2 - Minority Interest | | |
| Share Capital | 202.82 | 202.83 |
| Share Premium | 9.38 | 9.38 |
| Capital Reserve | 126.92 | 126.91 |
| General Reserve | 11.44 | 11.44 |
| Profit & Loss | 107.21 | 124.69 |
| Total | <u>457.77</u> | <u>475.25</u> |
| Schedules C - Secured Loans | | |
| I Term Loans (Other than Bank) : | | |
| GE Capital Services | 218.18 | 443.28 |
| Deferred Payment Credit | 230.43 | 514.01 |
| PICUP under Trade Tax Loan Scheme | 0.00 | 109.74 |
| II Short Term Loans - from Banks : | 9,116.54 | 8,689.12 |
| | <u>9,565.15</u> | <u>9,756.15</u> |
| Schedule D - Unsecured Loans | | |
| Deposits : | | |
| Directors | 48.13 | 48.13 |
| Companies | 0.00 | 18.44 |
| Security Deposit from Dealers and Others | 117.82 | 69.69 |
| Other Loans (from Banks) | 11,027.01 | - |
| Book Overdraft of Current Account with Banks | 0.93 | 23.79 |
| Commercial Papers | 2,000.00 | 0.00 |
| Total | <u>13,193.89</u> | <u>160.05</u> |

Notes:

- Loans include amounts due within one year Rs. 11000 (Previous year Rs. 3890.91)
- Maximum amount of commercial papers outstanding during the year Rs. 2000.00 (Previous year Rs. Nil)



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

| | As at March 31, 2009 | As at March 31, 2008 |
|--|-------------------------|-------------------------|
| Schedule EA - Current Liabilities and Provisions | | |
| A Current Liabilities : | | |
| Acceptance | 4,527.27 | 7,374.12 |
| Creditors SME Units (Goods) | 1,754.84 | 1,169.68 |
| Creditors for Goods | 7,329.89 | 16,184.74 |
| Creditors for Expenses and Other Liabilities | 33,964.34 | 20,531.93 |
| | <u>47,576.34</u> | <u>45,260.47</u> |
| Advances from Customers | 296.99 | 278.61 |
| Interest Accrued but not Due on Loans | 35.85 | 31.43 |
| Deposits - Others | - | 1.29 |
| Investor Education and Protection Fund to be Credited by : | | |
| -unpaid Dividend | 256.14 | 215.03 |
| -unpaid Matured Public Deposit | - | 5.22 |
| -interest Accrued on Public Deposit | - | 4.65 |
| | <u>48,165.32</u> | <u>45,796.70</u> |
| B. Provisions : | | |
| For Dividend (Proposed) - Final | 8,650.76 | 6,480.17 |
| For Corporate Tax on Proposed Dividend- Final | 1,470.20 | 1,101.31 |
| For Liabilities Disputed | 175.68 | 162.46 |
| For Gratuity | 1,698.63 | 1,311.35 |
| For Others | 3,616.81 | 4,940.80 |
| For Leave Salary | 477.27 | 370.41 |
| For Housing, Bonus & Gratuity & Other Welfares | 1.37 | 238.79 |
| For Taxation | 16,508.83 | 12,804.68 |
| | <u>32,599.55</u> | <u>27,409.97</u> |
| | <u>80,764.87</u> | <u>73,206.67</u> |
| Note : | | |
| SME units as above means units registered as micro and small enterprises under Micro, Small & Medium Enterprises Development Act, 2006, to the extent identified by the company. | | |
| Schedule EB - Deferred Tax Liabilities (Net) | | |
| Deferred Tax Liability : | | |
| Depreciation | 3,048.50 | 2,272.96 |
| Less: Deferred Tax Assets : | | |
| VRS Payment | 19.17 | 39.73 |
| Other Disallowances Under Section 43B of Income Tax Act, 1961 | 42.47 | 6.80 |
| Provision For Contingent Liability Charged | 59.72 | - |
| Service Benefits | 1,811.88 | 2,238.73 |
| Provision for Doubtful Debt | 419.85 | 115.47 |
| | <u>2,353.09</u> | <u>115.47</u> |
| Net Deferred Tax Liability | <u>695.41</u> | <u>327.23</u> |
| (Decrease)/Accretion in Deferred Tax Liability | 368.18 | (1,799.66) |
| Less : Deferred Tax Liability/(Asset) inherited on Merger | 0.00 | -318.23 |
| Less : Deferred Tax Assets Transferred to General Reserve | -623.27 | 2,193.21 |
| Deferred Tax Liability provided during year | <u>-255.09</u> | <u>75.32</u> |

Schedule-F (All amounts in Indian Rupees in lacs, except share data)

| Name of Asset | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|---------------------------|-----------------------|------------------|-------------------------|---------------------------|-----------------------|-----------------|-------------------------|---------------------------|---------------------|---------------------|
| | Opening 01.04.2008 | Additions | Transfer/ Adjustment | Gross Block 31.03.2009 | Opening 01.04.2008 | For the year | Transfer/ Adjustment | Gross Block 31.03.2009 | As on 31.03.2009 | As on 31.03.2008 |
| Freehold Land | 1,066.89 | 457.19 | 10.39 | 1,513.69 | 0.00 | 0.00 | 0.00 | 0.00 | 1,513.69 | 1,066.89 |
| Leasehold Land | 1,128.25 | 10.46 | 0.00 | 1,138.71 | 64.56 | 9.36 | 0.00 | 73.92 | 1,064.79 | 1,063.68 |
| Building, Roads & Culvert | 17,997.39 | 6,131.84 | 549.61 | 23,579.62 | 5,352.22 | 718.44 | 9.90 | 6,060.76 | 17,518.86 | 12,645.17 |
| Plant & Machinery | 33,942.68 | 6,819.29 | 1,556.05 | 39,205.92 | 14,537.80 | 2,586.66 | 20.64 | 17,103.82 | 22,102.10 | 19,404.88 |
| Vehicles | 1,608.32 | 942.67 | 641.74 | 1,909.25 | 747.86 | 263.70 | 156.83 | 854.73 | 1,054.52 | 860.46 |
| Furniture & Off Equipment | 4,515.90 | 182.91 | 693.46 | 4,005.35 | 2,555.40 | 155.58 | 549.29 | 2,161.69 | 1,843.66 | 1,960.50 |
| Computers | 3,540.42 | 416.84 | 305.55 | 3,651.71 | 2,367.78 | 363.27 | 255.55 | 2,475.50 | 1,176.21 | 1,172.64 |
| Patents | 1,112.87 | 0.00 | 0.00 | 1,112.87 | 555.90 | 79.01 | 0.00 | 634.91 | 477.96 | 556.97 |
| Live Stock | 0.22 | 0.00 | 0.00 | 0.22 | 0.00 | 0.00 | 0.00 | 0.00 | 0.22 | 0.22 |
| Capital Work in Progress | 4,434.73 | 6,498.27 | 4,999.75 | 5,933.25 | 0.00 | 0.00 | 0.00 | 0.00 | 5,933.25 | 4,434.73 |
| Goodwill | 2,146.44 | 0.00 | 0.00 | 2,146.44 | 0.00 | 0.00 | 0.00 | 0.00 | 2,146.44 | 2,146.44 |
| Software | 1,472.29 | 182.15 | 0.00 | 1,654.44 | 259.25 | 309.93 | 0.00 | 569.18 | 1,085.26 | 1,213.04 |
| Total | 72,966.40 | 21,641.62 | 8,756.55 | 85,851.47 | 26,440.77 | 4,485.95 | 992.21 | 29,934.51 | 55,916.96 | 46,525.63 |
| Previous Year | 61,723.16 | 12,961.48 | 1,718.24 | 72,966.40 | 23,807.14 | 3,643.40 | 1,009.77 | 26,440.77 | 46,525.63 | 37,916.02 |





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

| | Numbers (As on 31.03.2009) | As at March 31, 2009 | As at March 31, 2008 |
|--|-------------------------------|-------------------------|-------------------------|
| Schedule G - Investment | | | |
| A Current Investments | | | |
| Quoted-other than Trade | | | |
| 1 Fidelity Cash Fund (Purchase during the year) Units 8771890.76867636 (Sold during the year) Units 8771890.76867636 | - | 0.00 | 0.00 |
| 2 LIC Mutual Fund (Purchase during the year) Units 547725682.572562 (Sold during the year) Units 558945792.936264 | - | 0.00 | 1,464.00 |
| 3 DWS Mutual Fund (Purchase during the year) Units 35302900.570091 (Sold during the year) Units 19105976.8455878 | 16,196,923.72 | 1,847.00 | 0.00 |
| 4 TAURUS Mutual Fund (Purchase during the year) Units 1000000.00 (Sold during the year) Units 1000000.00 | | 0.00 | 0.00 |
| 5 Birla Mutual Fund (Purchase during the year) Units 121112797.150752 (Sold during the year) Units 121112797.150752 | - | 0.00 | 0.00 |
| 6 CHOLA Liquid Fund - Institutional Plus-Growth (Purchase during the year) Units 34290031.5657227 (Sold during the year) Units 34290031.5657227 | - | 0.00 | 0.00 |
| 7 DSP Mutual Fund (Purchase during the year) Units 790470.492204257 (Sold during the year) Units 790470.492204257 | - | 0.00 | 0.00 |
| 8 ABN Amro Mutual Fund (Purchase during the year) Units 64267024.9262336 (Sold during the year) Units 78743495.9261703 | - | 0.00 | 1,500.00 |
| 9 Lotus Liquid Fund (Purchase during the year) Units 153478044.882131 (Sold during the year) Units 158366825.131956 | - | 0.00 | 500.00 |
| 10 JPM Mutual Fund (Purchase during the year) Units 37968346.5186717 (Sold during the year) Units 37968346.5186717 | - | 0.00 | 0.00 |
| 11 Kotak Mahindra Mutual Fund (Purchase during the year) Units 172510038.336577 (Sold during the year) Units 187288554.936912 | 5,000,000.00 | 500.00 | 2,000.00 |
| 12 Principal Mutual Fund (Purchase during the year) Units 166343795.527225 (Sold during the year) Units 136718053.036589 | 29,625,742.49 | 4,100.53 | 0.00 |
| 13 Prudential Mutual Fund (Purchase during the year) Units 152950391.75243 (Sold during the year) Units 172847455.471306 (Purchased during the Year 220467.410 Units representing one seventh of units) | - | 28.57 | 2,000.00 |

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

| | Numbers (As on 31.03.2009) | As at March 31, 2009 | As at March 31, 2008 |
|--|-------------------------------|-------------------------|-------------------------|
| Schedule G - (Contd.) | | | |
| 14 Reliance Liquid Fund (Purchase during the year) Units 148465721.108742 (Sold during the year) Units 166847032.89056 | 5,000,000.00 | 500.00 | 2,500.00 |
| 15 HSBC Mutual Fund (Purchase during the year) Units 39191924.712498 (Sold during the year) Units 39191924.712498 | - | 0.00 | 0.00 |
| 16 SCB Mutual Fund (Purchase during the year) Units 25665991.1800792 (Sold during the year) Units 30665991.1800792 | - | 0.00 | 500.00 |
| 17 Sundram Mutual Fund (Purchase during the year) Units 80811230.3619198 (Sold during the year) Units 82634827.0185951 | 12,529,508.88 | 2,330.00 | 1,500.00 |
| 18 TATA Mutual Fund (Purchase during the year) Units 56908798.7299512 (Sold during the year) Units 72668243.7025466 | - | 0.00 | 2,000.00 |
| 19 UTI Mutual Fund (Purchase during the year) Units 29865117.7434285 (Sold during the year) Units 59865117.7409119 | - | 0.00 | 3,000.00 |
| 20 HDFC Mutual Fund (Purchase during the year) Units 50028812.0504174 (Sold during the year) Units 64128014.0349764 | - | 0.00 | 1,500.00 |
| 21 Templeton Mutual Fund (Purchase during the year) Units 102678288.090737 (Sold during the year) Units 102678288.094272 | - | 0.00 | 0.00 |
| 22 SBI Mutual Fund (Purchase during the year) Units 25665991.1800792 (Sold during the year) Units 30665991.1800792 | - | 0.00 | 500.00 |
| 23 JM Mutual Fund (Purchase during the year) Units 80628387.3659011 (Sold during the year) Units 90628387.3659848 | - | 0.00 | 1,000.00 |
| 24 ING Mutual Fund (Purchase during the year) Units 29303695.3048918 (Sold during the year) Units 32237365.0331399 | - | 0.00 | 300.00 |
| 25 MIRAE Mutual Fund (Purchase during the year) Units 315407.933 (Sold during the year) Units 315407.933 | - | 0.00 | 0.00 |
| 26 Edelweiss Mutual Fund (Purchase during the year) Units 3993474.22618691 (Sold during the year) Units 3993474.22618691 | - | 0.00 | 0.00 |
| 27 Canara Mutual Fund (Purchase during the year) Units 229047405.374922 (Sold during the year) Units 205644424.771289 | 23,402,980.60 | 2,500.00 | 0.00 |



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

| | Numbers (As on 31.03.2009) | As at March 31, 2009 | As at March 31, 2008 |
|--|-------------------------------|-------------------------|-------------------------|
| Schedule G - (Contd.) | | | |
| B. Long Term Investment | | | |
| I) Quoted-Equity Shares - Other than Trade | | | |
| 1 Dabur Pharma Ltd (Sold during the year Shares 100000) | - | 0.00 | 1.00 |
| II) Unquoted -equity shares - Trade Investments | | | |
| 1 Sanat Products Ltd | 50,000.00 | 105.00 | 105.00 |
| 2 Dabon International Pvt Limited | 270,000.00 | 27.00 | 27.00 |
| III) Unquoted equity shares - Other than Trade | | | |
| 1 Commerce Centre Cooperative Housing Society Limited | 15.00 | 0.02 | 0.02 |
| 2 Capexil (Agencies) Limited | 3.00 | 0.01 | 0.01 |
| 3 Dabur Employees Consumers Co-op Stores Limited | 250.00 | 0.03 | 0.03 |
| 4 Dabur Employees Cooperative Credit Society Ltd | 650.00 | 0.07 | 0.07 |
| 5 Co-operative Stores Limited, Super Bazar | 500.00 | 0.05 | 0.05 |
| 6 National Saving Certificates | - | 1.27 | 1.27 |
| 7 Kisan Vikas Patra | - | 0.07 | 0.07 |
| 8 Saraswat Co-op Bank Ltd | 1,000.00 | 0.10 | 0.10 |
| IV) Government Bonds (entirely purchased during the year) other than Trade | | | |
| 1. Power Finance Corporation of India | 20.00 | 199.83 | 0.00 |
| 2. Power Finance Corporation of India | 50.00 | 551.60 | 0.00 |
| 3. Power Finance Corporation of India | 50.00 | 548.61 | 0.00 |
| 4. IRFC Limited | 50.00 | 549.39 | 0.00 |
| 5. Rural Electrification Corporation of India | 30.00 | 300.00 | 0.00 |
| Egyptian Govt. Treasury Bill | | 150.00 | 0.00 |
| C. Advance against equity shares of Fem Care Pharma Ltd | | 20,484.35 | 0.00 |
| Total | | 34,723.50 | 20,398.62 |
| Less Provision For Diminution In Value of Long Term Trade Investment | | 26.99 | 26.99 |
| Total | | 34,696.51 | 20,371.63 |
| Notes : | | | |
| Aggregate Book Value of Unquoted Investments | | 22,890.40 | 106.63 |
| Aggregate Book Value of Quoted Investments | | 11,806.11 | 20,265.00 |
| Aggregate Market Value of Quoted Investments (Based on 31st March, 2009) | | 11,877.42 | 20,518.73 |
| Notes : | | | |
| 1 All equity shares are fully paid up. | | | |
| 2 Provision for diminution in long term trade investment pertains to investment in Dabon International Pvt. Ltd. | | | |
| Schedule H - Current Assets, Loans and Advances | | | |
| A Current Assets : | | | |
| Inventories | | | |
| - Raw Materials | | 11,786.18 | 9,131.94 |
| - Packing Materials, Stores and Spares | | 6,182.19 | 5,513.74 |
| - Stock in Process | | 6,111.74 | 3,628.32 |
| - Finished Goods | | 13,466.77 | 11,974.42 |
| | | 37,546.88 | 30,248.42 |
| Sundry Debtors (Unsecured) : | | | |
| - Debts outstanding for a period exceeding six months : | | | |
| Considered Good | | 28.24 | 612.24 |
| Considered Doubtful | | 1,477.08 | 745.40 |
| | | 1,505.32 | 1,357.64 |
| Less : Provision for Doubtful Debts | | 1,477.08 | 745.40 |
| | | 28.24 | 612.24 |
| - Other Debts (Considered Good) | | 17,760.18 | 16,619.73 |
| | | 17,788.42 | 17,231.97 |



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

| | As at | | As at | |
|--|----------------|-------------------------|----------------|-------------------------|
| | March 31, 2009 | | March 31, 2008 | |
| Schedule H - (Contd.) | | | | |
| Cash and Bank Balances : | | | | |
| Cash in Hand | | 36.07 | | 46.43 |
| - Remittance-in-transit & Cheques-in-hand | | 165.02 | | 8.40 |
| - Balance with Scheduled Banks | | | | |
| In Current Accounts | | 3,256.46 | | 6,888.02 |
| In Fixed Deposit Accounts | | 10,156.91 | | 90.16 |
| - Balance with Non Scheduled Banks | | | | |
| In Current Accounts | | 135.21 | | 575.41 |
| In Fixed Deposit Accounts | | 1,092.88 | | 48.39 |
| | | <u>14,842.55</u> | | <u>7,656.81</u> |
| | | <u>70,177.85</u> | | <u>55,137.20</u> |
| B. Loans and Advances (Unsecured, Considered Good) | | | | |
| Loans & Advances to Companies | | - | | 183.10 |
| Security Deposit with various Authorities (including Deposit with Govt. Authorities Rs. 411.90 Previous Year Rs. 887.27) | | 2,993.25 | | 2,004.84 |
| Advance Payment of Tax | | 16,716.54 | | 12,761.57 |
| Advances to Suppliers | | 1,524.70 | | 2,485.71 |
| Advances to Employees | | 300.96 | | 403.07 |
| Balance with Excise Authorities | | 1,905.21 | | 1,542.55 |
| Other Advances recoverable in cash or in kind or for value to be received | | 1,461.71 | | 2,872.31 |
| | | <u>24,902.37</u> | | <u>22,253.15</u> |
| Total (A+B) | | <u>95,080.22</u> | | <u>77,390.35</u> |
| Schedule IA - Miscellaneous Expenditure | | | | |
| (To the extent not written off or adjusted) | | | | |
| Technical Knowhow Fees Paid | 9.37 | | 28.12 | |
| Less: Amortised during the year | <u>9.37</u> | 0.00 | <u>18.75</u> | 9.37 |
| Deferred Employee Compensation under ESOP: | | | | |
| Opening Balance | 1,385.90 | | 1,953.80 | |
| Addition during the year | 527.23 | | 529.33 | |
| Less: Cancelled during the year | <u>332.85</u> | | <u>220.80</u> | |
| | 1,580.28 | | 2,262.33 | |
| Less: Amortised during the Year | <u>716.20</u> | 864.08 | <u>876.43</u> | 1,385.90 |
| Total | | <u>864.08</u> | | <u>1,395.27</u> |

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

| | As at | | As at | |
|--|----------------|-------------------|----------------|-------------------|
| | March 31, 2009 | | March 31, 2008 | |
| Schedule IB - Miscellaneous Expenditure Written Off | | | | |
| Technical Knowhow Fees Paid | | 9.37 | | 18.75 |
| Deferred Employee Compensation under ESOP | 716.20 | | 845.35 | |
| Less: Transferred to Director Remuneration | 287.12 | 429.08 | 297.31 | 548.04 |
| Total | | 438.45 | | 566.79 |
| Schedule J - Sales and Other Income | | | | |
| A. Sales : | | | | |
| Domestic Sales Less Returns | | 264,953.71 | | 207,129.17 |
| Export Sales | | 18,457.43 | | 32,499.57 |
| | | 283,411.14 | | 239,628.74 |
| B. Other Income : | | | | |
| Export Subsidy | | 681.39 | | 465.90 |
| Rent Realised | | 8.64 | | 19.40 |
| Sale of Scrap | | 733.22 | | 762.77 |
| Miscellaneous Receipts | | 1,131.84 | | 1,113.88 |
| Profit on Sale of Current Investments other than Trade | | 2,012.88 | | 972.69 |
| Profit on Sale of Long Term Investments other than Trade | | 75.50 | | 11.99 |
| Profit on Sale of Fixed Assets | | 40.87 | | 47.59 |
| Interest Received | | 0.00 | | 7.05 |
| | | 4,684.34 | | 3,401.27 |
| Schedule K - Cost of Materials | | | | |
| Raw Materials Consumed : | | | | |
| i) Opening Stock | 9,131.34 | | 7,242.46 | |
| ii) Add : Purchases | 84,055.22 | | 58,842.14 | |
| | 93,186.56 | | 66,084.60 | |
| iii) Less : Closing Stock | 11,786.18 | 81,400.38 | 9,131.94 | 56,952.66 |
| Packing Materials Consumed : | | | | |
| i) Opening Stock | 5,312.77 | | 4,853.78 | |
| ii) Add : Purchases | 45,448.50 | | 39,200.79 | |
| | 50,761.27 | | 44,054.57 | |
| iii) Less : Closing Stock | 6,045.58 | 44,715.69 | 5,312.77 | 38,741.80 |



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

| | For the year ended March 31, 2009 | For the year ended March 31, 2008 |
|--|--------------------------------------|--------------------------------------|
| Schedule K - (Contd.) | | |
| Purchase of Finished Products | 15,477.62 | 19,769.84 |
| Adjustment of Stocks in Process and Finished Goods | | |
| Opening Stock : | | |
| Stock in Process | 3,628.32 | 3,323.95 |
| Finished Products | 11,974.42 | 8,353.86 |
| | <u>15,602.74</u> | <u>11,677.80</u> |
| Closing Stock : | | |
| Stock-in-process | 6,111.74 | 3,628.32 |
| Finished Products | 13,466.77 | 11,974.42 |
| | <u>19,578.51</u> | <u>15,602.74</u> |
| Increase(-)/Decrease in Stock in Process and Finished Goods | <u>(3,975.77)</u> | <u>(3,924.94)</u> |
| | <u>137,617.92</u> | <u>111,539.35</u> |
| Schedule L - Manufacturing and Operating Expenses | | |
| Power and Fuel | 5,020.53 | 4,673.16 |
| Stores & Spares Consumed | 1,530.84 | 1,242.15 |
| Repairs & Maintenance | | |
| — Building | 309.92 | 338.35 |
| — Plant & Machinery | 600.09 | 546.48 |
| — Others | 557.21 | 420.47 |
| Processing Charges | 1,899.36 | 1,356.13 |
| | <u>9,917.95</u> | <u>8,576.74</u> |
| Schedule M - Payments to and Provisions for Employees | | |
| Salaries, Wages and Bonus | 18,670.29 | 16,460.41 |
| Contribution to Provident and other Funds | 2,152.82 | 1,390.48 |
| Workmen and Staff Welfare | 874.21 | 1,068.71 |
| Directors' Remuneration | 1,772.67 | 1,011.08 |
| | <u>23,469.99</u> | <u>19,930.68</u> |



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

| | For the year ended March 31, 2009 | For the year ended March 31, 2008 |
|--|--------------------------------------|--------------------------------------|
| Schedule N - Selling and Administrative Expenses | | |
| Rent | 2,204.22 | 1,522.77 |
| Rates and Taxes | 348.73 | 250.65 |
| Insurance | 451.10 | 415.82 |
| Sales Tax | 101.87 | 135.79 |
| Freight and Forwarding Charges | 5,958.77 | 6,704.85 |
| Cartage and Coolie | - | 40.68 |
| Commission, Discount and Rebate | 2,640.94 | 2,139.73 |
| Advertising and Publicity | 34,325.63 | 29,554.24 |
| Travel & Conveyance | 2,720.62 | 2,382.74 |
| Legal & Professional | 1,665.73 | 1,772.03 |
| Telephone, Fax Expenses | 518.03 | 491.07 |
| Security Expenses | 436.65 | 338.44 |
| General Expenses | 9,400.11 | 7,937.37 |
| Directors' Fees | 10.20 | 11.13 |
| Auditors' Remuneration: | 122.68 | 77.97 |
| Donation | 364.75 | 469.63 |
| Contribution for Scientific Research Expenses | 179.46 | 75.00 |
| Provision for Doubtful Debts | 745.87 | 498.18 |
| (Net of Excess Provision written back Rs 19.63, previous year Nil) | | |
| Loss on Sale of Fixed Assets | 24.84 | 175.07 |
| Provision for Contingent Liability | 13.22 | 73.38 |
| (Net of Provision added back Rs. 17, previous year Nil) | | |
| Share Issue Expenses | - | 35.42 |
| Preliminary Expenses | - | 0.70 |
| Fixed Assets Written Down | 258.26 | 23.80 |
| | 62,491.68 | 55,126.46 |
| Schedule O - Financial Expenses | | |
| Interest Paid On : | | |
| Fixed Period Loan | 969.36 | 576.27 |
| Others | 785.69 | 600.07 |
| Bank Charges | 565.78 | 503.55 |
| | 2,320.83 | 1,679.89 |



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

Schedule P - Accounting Policies & Notes to Accounts

A. ACCOUNTING POLICIES

Significant accounting policies are summarized below:

1. Principles of Consolidation:

The Consolidated Financial Statement relates to Dabur India Limited (the parent company) and H&B Stores Limited (a wholly owned subsidiary company incorporated in India), Dabur International Ltd., (a wholly owned body corporate incorporated in Isle of MAN), Dabur (UK) Ltd. (a wholly owned subsidiary body corporate incorporated in British Virgin Island, 100% stake wherein is held by Dabur International Ltd.), Dabur Nepal Pvt. Ltd. (a subsidiary body corporate incorporated in Nepal, 97.5% stake wherein is held by Dabur International Ltd.), Dabur Egypt Ltd. (a wholly owned subsidiary body corporate incorporated in Egypt, 76% & 24% of stake wherein are held by Dabur (UK) Ltd. and Dabur International Ltd. respectively), Asian Consumer care Pvt. Ltd. (a subsidiary body corporate incorporated in Bangladesh, 76% stake wherein is held by Dabur International Ltd.), Weikfield International (UAE) Ltd. (a subsidiary body corporate incorporated in UAE, 38.41% stake wherein is held by Dabur International Ltd. which has control of composition of board of directors of the former being raison d'être of subsidiary status) African Consumer Care Ltd (a wholly owned subsidiary body corporate incorporated in Nigeria, 90% stake wherein is held by Dabur International Ltd & 10% stake held by Dabur (UK) Ltd), Asian Consumer Care Pakistan Ltd (a wholly owned subsidiary body corporate incorporated in Pakistan, 100% stake where in is held by Dabur International Ltd) and Naturelle LLC (a subsidiary body corporate incorporated in Emirate of Ras-al-Khaimah, 90% stake wherein is held by Dabur International Ltd).

The consolidated financial statements have been prepared on the basis of AS-21, issued by ICAI under pooling of interest method read with the following basic assumptions:

- I. The financial statements of the parent company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting in unrealized profits or losses.

Investments of parent company in subsidiaries are eliminated against respective proportionate stake of parent company therein on the respective dates when such investments were made by way of debiting/crediting the difference of the two in goodwill/ capital reserve except for DNPL where the same is adjusted against share premium account.

In respect of foreign subsidiaries, rise in the value of stake of parent company in terms of reporting currency upto the date of commercial production (i.e. the date, their assets were due for capitalization) on account of exchange fluctuation has been credited to capital reserve. Subsequent generation of reserve other than that of the nature of capital reserve including gain/ loss arising on account of translating the transactions of the year, year-end assets and liabilities of the foreign subsidiaries for the purpose of consolidating with parent company's assets at exchange rates ruling on year-end-date has been recognized as reserve specifically earmarked for the purpose forming part of general reserve.

- II. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements unless stated otherwise.
- III. Minority interest, where lying, in the net income of consolidated subsidiaries have been adjusted against the income of the group so as to arrive at net income attributable to the parent company. Minority interest, consisting of equity attributable to them on the date such investments were made by the parent company and movement in their equity since the date of parent subsidiary relationship, has been disclosed in the consolidated financial statement separately from liability and equity of shareholders of parent company.



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

IV Transaction of overseas subsidiaries from overseas currencies to reporting currency :-

Current assets/ outside liabilities and income/ expenses of overseas subsidiaries have been translated in reporting currency in terms of exchange rates prevailing on year-end date and average rate respectively on the basis of non-integral operation approach as per revised AS-11 there by accounting for the aggregate net impact of exchange fluctuation in this regard as exchange reserve shown under the head of Reserve and Surplus.

Fixed assets of the overseas subsidiaries have been accounted for in terms of the exchange rate prevailing at the point of commencement of production of relevant subsidiaries pertaining to assets appearing since that point of time and at purchase price (including cost of installation) for remaining fixed assets.

2. Accounting Convention:

The accounts have been prepared in accordance with the historical cost convention.

a. Fixed Assets and Depreciation:

- Fixed assets are stated at carrying amount subject to deduction of accumulated depreciation.
- Cost includes inward freight, duties, and taxes and expenses incidental to acquisition and installation.
- Depreciation has been provided at rates provided in schedule XIV of Companies Act.
- Capital Subsidy received against fixed capital outlay is deducted from gross value of individual fixed assets, forming part of subsidy scheme granted, by way of proportionate allocation of subsidy amount thereon. Depreciation is charged on net fixed assets is subject to deduction of subsidy amount.
- In respect of part of 5/1 Sahibabad, Narenderpur and Alwar Unit of the parent company and Asian Consumer care Pvt. Ltd., Dhaka, depreciation on fixed assets have been provided on written down value method at rates prescribed under schedule XIV for remaining fixed assets, depreciations have been provided on straight line method at the rates prescribed under schedule XIV.
- Patent and trade marks are amortized equally over a period of 10 years.
- Moulds are depreciated 100% in the year of addition.
- Software's are amortized over the period of five years on straight line basis.
- For Green field project, direct expenses and overheads (except for those relating to existing employees of company deputed for project implementation) are capitalized only.

b. Impairable tangible fixed assets under cash generating unit concept and intangible fixed assets under assets specific context of AS -28 and para 83 are identified at the year-end in term of para-5 to 13 of AS-26 respectively issued by ICAI for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystallizes, is charged against revenue of the year.

Apart from test of impairment within the meaning of AS-28 issued by ICAI, individual tangible fixed assets of various CGU's are identified for written down on the ground of obsolescence, damage, redundancy & un-usability at the year end.

c. Investments:

Long term investments are held at cost. Provision is made against diminution in carrying cost of investment, if any, of permanent nature as required under AS-13 issued by ICAI.

Current investments are held at lower of cost and NAV/Market value.

d. Deferred Entitlement on LTC:

In terms of the opinion of the Expert Advisory Committee of the ICAI, the parent company has provided liability accruing on account of deferred entitlement towards LTC in the year in which the employees concerned render their services.



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

e. Inventories:

Stocks are valued at lower of cost or net realizable value. Basis of determination of cost remain as follows:

- Raw materials, Packing materials, stores & spares :- On Weighted Average Basis
- Work-in-process :- At cost of input plus overhead upto the stage of completion.
- Finished goods:- At cost of input plus appropriate Overhead.

f. Research and Development Expenses:

Contributions towards scientific research expenses are charged to the Profit & Loss Account in the year in which the contribution is made.

g. Retirement Benefits:

Liabilities in respect of retirement benefits to employees are provided for as follows :-

i. Defined Benefit Plans :

- Leave Salary of employees on the basis of actuarial valuation as per AS-15 (revised).
- Post separation benefits of directors, which is of the nature of long term employee benefit, on the basis of actuarial valuation as per AS-15 (revised).
- Gratuity Liability on the basis of actuarial valuation as per AS-15 (revised)

ii. Defined Contribution Plan :

- Liability for superannuating fund on the basis of the premium paid to the Life Insurance Corporation of India in respect of employees covered under Superannuating Fund Policy.
- Provident fund & ESI on the basis of actual liability accrued and paid to trust / authority.
- Other employees benefits as per actual liability accrued.

iii. VRS, if paid, is charged to revenue in the year of payment.

h. Recognition of Income and Expenses:

- Sales and purchases are accounted for on the basis of passing of title to the goods.
- Sales comprise of sale price of goods including excise duty and exclude sales tax and discount.
- All items of incomes and expenses have been accounted for on accrual basis except for those income recognized on realization basis on the ground of uncertainty as laid down under AS-9 issued by ICAI.

i. Income Tax & Deferred Tax

Income Tax is estimated considering the provisions of the Statute. Deferred tax is recognized for entities where the same is mandatory applicable subject to the consideration of prudence, on time differences being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods.

j. Contingent Liabilities:

Disputed liabilities and claims including claims raised by fiscal authorities, pending in appeal/court, for which no reliable estimate can be made of the amount of obligation or which are remotely poised for crystallization are not provided in accounts but disclosed in notes on accounts. However, present obligation as a result of past event with possibility of outflow of resources, when reliably estimable, is recognized in accounts.

k. Foreign Currency Translation:

In respect of foreign branches/offices integral foreign operation approach has been adopted as per revised AS-11



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

and accordingly revenue items have been converted at average of month end exchange rates during the year. Fixed assets have been converted at the rates prevailing on dates of purchase. Assets & Liabilities other than fixed assets are converted at the year-end exchange rate. Exchange gain or loss arising out of above is accounted for in Profit & Loss Account.

Transactions of parent and domestic subsidiaries with overseas parties are recognized at currency rate ruling on the date of transaction. Gain or loss arising towards rise/fall of overseas currency vis-a-vis reporting currency is accounted for in profit and loss account.

Impact of exchange fluctuation on integral operation charged to profit and loss accounted is separately disclosed in notes to accounts.

l. Employee Stock Option Purchase (ESOP):

Aggregate of quantum of option granted under the scheme in monetary term (net of consideration of issue to be paid in cash) in terms of intrinsic value has been shown as Employees Stock Option Scheme outstanding in Reserve and Surplus head of the Balance Sheet by way of debiting deferred Employee Compensation under ESOP as per guideline to the effect issued by SEBI.

- With the exercise of option and consequent issue of equity share, corresponding ESOP outstanding is transferred to share premium account.
- Employees contribution for the nominal value of share in respect to option granted to employees of subsidiary company is being reimbursed by subsidiary companies to holding company.

m. Miscellaneous Expenditure:

- Technical know-how fees paid to Technical Collaborators upto 31.03.2004 is amortized on straight line basis over a period of six years. Subsequent such expenses are charged to revenue in the year of incurrence.
- Deferred Employees Compensation under ESOP is amortized on straight-line basis over vesting period. Employee compensation in respect to option granted to subsidiary company employees is being reimbursed by subsidiary companies to holding company.
- Share issue and preliminary expenses are charged to revenue in the year of incurrence.

B. NOTES TO ACCOUNTS

1. Building constructed on leasehold land included in the value of building shown in Fixed Assets Schedule:

| | As at March 31, 2009 | As at March 31, 2008 |
|---------------|----------------------|----------------------|
| Cost/Revalued | 10736.26 | 8556.41 |
| Written Down | 7884.25 | 5969.72 |

2. Loan and Advances includes Rs.48.64 (previous year Rs.48.64) paid to Excise Authorities on behalf of Sharda Laboratories Limited, now known as SBL Limited, in respect of excise duty demand of Rs.68.13 raised by the District Excise Officer, Ghaziabad, against the parent company and Sharda Bioron Laboratories Limited. The Hon'ble Supreme Court of India had concurred with the order of the District Excise Officer, Ghaziabad.

The parent company had filed the review petition before Division Bench of the Hon'ble Supreme Court of India, which was also decided against the parent company. Pursuant to the indemnity bond executed by Sharda Laboratories Limited in favour of the company and as per terms and conditions of the contract executed with them, the recovery proceedings have been initiated by the parent company against Sharda Bioron Laboratories Limited for Rs.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 Rs.21.46 along with interest demanded by the Excise Authorities. During the year 1991-92 the parent company had received a refund of Rs.5.95 pursuant to the decision of Hon'ble Supreme Court in this regard. Necessary adjustments in respect to recovery/refund will be made as per arbitration proceeding.



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3. a. Further to para A(2)(b) above, recoverable value of cash generating units (CGUs] have been assessed based on value-in-use method which for each CGUs worked out to be much higher than corresponding book value of net assets thereby not warranting further exercise of arriving at their net-selling-price. This further confirms absence of exigency of making any provision against impairment loss.
- b. Beside those referred to in parent company financial statements, each plant of each subsidiary constitutes independent CGU.
- c. Annual discount rate considered for arriving at value-in-use of assets pertaining to each CGU are as per interest rate of external borrowing plus risk factor at a rate of two percent per annum.

4. Contingent Liabilities / Capital Contract :

- a) i) Claims not acknowledged as debts:
 - a) In respect of civil suits filed by third parties Rs 655.16 (Previous year 270.52)
 - b) In respect of claims by employees Rs 12.77 (previous year 0.50)
 - c) In respect of letters of credit Rs.2125.84 (previous year 2753.51)
 - ii. In respect of Bank Guarantees executed Rs.4103.89 (previous year 1832.77)
 - iii. In respect of Sales Tax under appeal Rs.921.49 (previous year 977.14)
 - iv. In respect of excise duty disputes pending with various judicial authorities Rs.1731.79 (previous year Rs.2135.39)
 - v. In respect of Corporate Guarantees given by the Company Rs.20.75 (previous year Rs. 20.75)
 - vi. In respect of Income tax under appeal Rs.110.67 (previous year Rs. 46.48)
- b) In respect of Bill Discounting Rs. 4527.27 (Previous year Rs.1049.42)
 - c) Estimated Amount of contract remaining to be executed on capital Account Rs.3652.28, net of advance (previous year Rs. 6683.94)
 - d) Information pursuant to AS 29 issued by ICAI:

i) Brief particulars of provisions on disputed liabilities :-

| Nature of Liability | Particular of dispute | Opening Liability | Provision made during the year | Provision adjusted during the year | Closing Provision | Forum where the dispute is pending |
|---------------------|----------------------------------|-------------------|--------------------------------|------------------------------------|-------------------|--|
| VAT | Short payment of VAT | 62.64 | 0.00 | 0.00 | 62.64 | IInd appeal filed |
| Sales Tax | Classification of Laldant Manjan | 24.32 | 0.00 | 0.00 | 24.32 | Filed review application with High Court |
| Sales Tax | Classification of Gulabari | 0.74 | 0.00 | 0.00 | 0.74 | Appeal filed before the D.C.Appeal |
| Sales Tax | Exemptions forms from dealers | 1.08 | 0.00 | 0.00 | 1.08 | IInd appeal filed before D C Appeal |
| Entry Tax | Entry tax on car | 0.29 | 0.00 | 0.00 | 0.29 | Appeal pending before D.C. |
| Sales Tax | Classification of Hajmola Candy | 27.78 | 0.00 | 0.00 | 27.78 | Appeal pending before S T Appellete |
| Sales Tax | Tax Paid purchase | 28.60 | 0.00 | 0.00 | 28.60 | Pending before High Court |
| Excise | Classification of Sanuf ka Ark | 17.00 | 0.00 | 17.00 | 0.00 | |
| Excise | Capital Goods removal | 0.00 | 30.22 | 0.00 | 30.22 | DC appeal |
| | | 162.46 | 30.22 | 17.00 | 175.68 | |

- i) Resulting outflows against above liabilities pending before Sales Tax DC/Tribunal/CCT's, if mature, are expected to be in succeeding financial year.
 - ii) Provisions are made herein for medium risk oriented issues as a measure of abundant precaution.
 - iii) Remote risk possibility of further cash outflow is presumed pertaining to contingent liabilities listed in para 4 (a) and 4 (b) above.
5. Pursuant to approval by Hon'ble High Court Delhi of parent company's application for modification of order dated Oct 17, 2003 on de-merger of Pharmaceutical Division of the company to Dabur Pharma Limited , to the effect of transfer of



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

land worth Rs 184 in favour of the parent company from the demerged entity due to refusal of HUDA to accord status of inheritance of said property to Dabur Pharma Ltd, the parent company has inherited the land against payment of requisite consideration money during the year.

6. The parent company during the year, has entered into an agreement with shareholders collectively holding controlling stake in Fem Care Pharma Ltd. (FEM, a domestic listed company) for acquisition of their shares (72.15% of total share capital subscribed and paid up therein) at a consideration of Rs.203.73 Crore subject to approval of transfer by appropriate authorities. In addition to consideration money the parent company has so far incurred Rs.1.12 Crore towards cost of proposed acquisition. Pending completion of transfer of shares, the consideration amount has been retained by the parent company appearing as advance against share of Fem Care Pharma Ltd in an escrow account specifically designated for the purpose appearing as advance against share of Fem Care in investment schedule, beneficial interest thereon accruing in favour of transferor of shares.

Interest as on 31.03.2009 accruing on escrow account amounting to Rs5.81 crore lying in bank has not been accounted for due to absence of beneficial right there on.

Consequent upon signing of aforesaid agreement, the company has submitted letter of offer to SEBI for acquisition of upto 20% of issued and subscribed share capital of FEM from the public shareholders of FEM, at a consideration of Rs. 800 per share not exceeding Rs. 56.47 Crore in terms of aggregate of consideration money in pursuance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Consent of SEBI in this regard is still pending.

7. **Employee Related Dues:**

A. Defined Benefit Plan

- (a) Pursuant to adoption of AS-15 as revised by ICAI, treatment of defined benefits obligations have been changed in terms of standard with the following adjustments incorporated in accounts.

I. Expenses recognised during the year :

| Particulars | Gratuity | Leave Salary | Post Separation benefits of director | Total |
|---|---------------|---------------|--------------------------------------|----------------|
| | (funded) | (funded) | (un-funded) | |
| A. Current Service Cost | 353.17 | 169.42 | 289.49 | 812.08 |
| B. Interest Cost | 200.43 | 38.71 | 295.55 | 534.69 |
| C. Expected Return on Plan Assets | 22.41 | -48.67 | 0.00 | -26.26 |
| D. Accumulated Loss/ Gain | -147.96 | 199.90 | 91.47 | 143.41 |
| Total Expenses recognized during the year (A+B+C+D) | 428.04 | 359.36 | 676.50 | 1463.90 |



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

B. Reconciliation of opening & closing balances of obligations

| Particulars | Gratuity | Leave Salary | Post Separation benefits of director | Total |
|---|----------------|---------------|--------------------------------------|----------------|
| | (funded) | (funded) | (un-funded) | |
| I. Obligation as on 01.04.2008 | 2473.18 | 557.05 | 4940.80 | 7971.03 |
| II. Past service cost | 13.39 | 40.16 | 0.00 | 53.55 |
| III. Current service cost | 353.17 | 169.42 | 298.76 | 821.35 |
| IV. Interest cost | 200.43 | 38.71 | 295.54 | 534.68 |
| V. Actuarial Gain / (Loss) | -144.80 | 199.90 | 91.47 | 146.57 |
| VI. Settlement/Paid | -212.17 | -242.02 | -2000.50 | -2454.68 |
| VII. Obligation as on 31.03.2009 | 2683.20 | 763.23 | 3626.07 | 7072.49 |

C. Change in Plan Assets

| Particulars | Gratuity | Leave Salary | Post Separation benefits of director | Total |
|---|---------------|---------------|--------------------------------------|----------------|
| | (funded) | (funded) | (un-funded) | |
| I. Fair Value of Plan Assets as on 01.04.2008 | 969.20 | 165.99 | 0.00 | 1135.19 |
| II. Expected Return on Plan Assets | 62.72 | 48.67 | 0.00 | 111.39 |
| III. Actuarial Gain / (Loss) | -81.97 | 0.00 | 0.00 | -81.97 |
| IV. Employer Contribution | 246.78 | 299.20 | 0.00 | 545.98 |
| V. Settlement | -212.17 | -227.90 | 0.00 | -440.07 |
| VI. Fair Value of Plan Assets as on 31.03.2009 | 984.56 | 285.96 | 0.00 | 1270.52 |

- D.** Investment detail of plan assets as on 31.03.2009 100% in reimbursement right from insurance company for fund managed by it
- E.** Actuarial Assumption :
- | | |
|---|------------------------------|
| Discount rate (%) | 6.50% |
| Estimated rate of return on plan assets (%) | 7.50% |
| Salary escalation ratio inflation (%) | 10.00% |
| Method | Projected unit credit method |
- F.** The basis used for determination of expected rate of return is average return on long term investment in government bonds
- G.** The estimate of future salary increase take in-to account regular increment, promotional increases and inflationary consequence over price index.
- H.** 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% and normal retirement age at 58
- (i) There has been rise in opening liabilities towards gratuity and leave salary by Rs.13.39 and Rs.40.16 respectively against past services cost relating to period before 01.04.2007 because of certain changes in actuarial assumption in recognition of genuine exigencies during the course of valuation for current year.



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Company has treated the difference in past service cost instead of changing the opening balance and adjusted this segment of cost with opening general reserve. This also led to decline in deferred tax liability by Rs.18.20 lacs with corresponding rise in general reserve.

- (ii) Following difference between actuarial computation and return from insurance company of the figure of settlement of claim during the year, the company has considered the settlement amount as per advice from insurance company due to factuality of the figure.
- (iii) Considering aforesaid facts, the value of obligation and planned assets have been carried in terms of valuation of actuary and insurance company respectively.
- (iv) Things stated above entailed adjustment of difference in annual accretion of liability towards gratuity and leave salary which have been made against corresponding actuarial gain/ loss.
- (v) Included in above following figures based on management estimate not being actuarially ascertained.

| | Gratuity | Leave Salary | Total |
|-----------------------------|----------|--------------|--------|
| Obligation as on 01.04.2008 | 134.78 | 77.66 | 212.44 |
| Obligation as on 31.03.2009 | 188.36 | 128.15 | 316.51 |
| Current service cost | 104.91 | 118.99 | 223.90 |

B. Defined Contribution Plan :-

Company's contribution to different defined contribution plans :-

| Particulars | 2008-09 | 2007-08 |
|-------------------------------|---------|---------|
| Provident Fund | 552.63 | 562.56 |
| Employees State Insurance | 52.16 | 55.98 |
| Employees Superannuation Fund | 300.43 | 261.82 |

8A. Related party Disclosures

Related party disclosures as required under AS-18 issued by the Institute of Chartered Accountants of India are given below:

- (a) Name of related party and nature of related party relationship where control exists: Nil
- (b) Other related parties transaction with companies under consolidation.

(i) Joint Ventures/Joint Venture Partners

Mr Rukma Rana
ACI Ltd. Bangladesh
Weikfield Product Co. Pvt. Ltd
RAK Investment Authority
Forum 1 Aviation Ltd

**(ii) Key management personnel
(Whole time directors)**

Anup Sharma
Pradip Burman
Gaurav Burman
Mohit Burman
Saket Burman
Amit Burman
Aditya Burman

Relatives of Key Management Personnel

Asha Burman
Ashok Burman & Anand Burman



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

Siddharth Burman
P D Narang
Sunil Duggal
Rukma Rana
Peter Baker (till 27th Oct, 08)
Sunder Krishnan
Sikandar Tiwana
Sarabjit Singh

(iii) Entities over which Key Management Personnel are able to exercise significant influence:

1. Welltime Housing and Finance Ltd
2. Chowdry Associates
3. Ratna Commercial Enterprises Pvt Ltd
4. Narang Management Consultant Pvt Ltd

(iv) An enterprises owned by any Director of DIL (Covered in clause 3c/cd)

1. Ratna Commercial Enterprises Pvt Ltd
2. Welltime Housing and Finance Pvt Ltd

(v) Enterprises that have a member of Key Management in common

1. Dabur Invest Corp.
2. Dabur GI Invest Corp
3. Southern Enterprises

8B. Related Party Transactions Consolidated as on 31.03.2009

| | JOINT VENTURES | ASSOCIATES | KEY MANAGEMENT PERSONNEL | RELATIVES OF KEY MANAGEMENT PERSONNEL | TOTAL | OUTSTANDING AS ON 31.03.2009 |
|--------------------------------------|-------------------|------------|--------------------------------|--|----------|------------------------------------|
| Sale of Goods | - | - | - | - | - | - |
| | (-) | (125.21) | (-) | (-) | (125.21) | (-) |
| Equity Contribution | 456.14 | - | - | - | 456.14 | 0.00 |
| | (-) | (-) | (-) | (-) | (-) | (-) |
| Loan Given | - | - | - | - | - | 77.00 |
| | (-) | (-) | (10.86) | (-) | (10.86) | (7.24) |
| Loan Received | - | - | - | - | - | 48.13 |
| | (-) | (-) | (-) | (-) | (-) | (-) |
| Rent Paid | - | - | 59.36 | - | 59.36 | - |
| | (-) | (10.35) | (47.87) | (-) | (-) | (-) |
| Security Deposit | 38.00 | - | - | - | 38.00 | 38.00 |
| | (-) | (-) | (-) | (-) | (-) | (-) |
| Refund of Security | - | - | - | - | - | - |
| | (-) | (0.60) | (-) | (-) | (0.60) | (-) |
| General Expenses | 326.84 | - | - | - | 326.84 | - |
| | (-) | (-) | (-) | (-) | (-) | (-) |
| Repayment of Loans Given(Instl.Recd) | - | 3.00 | 7.24 | - | 10.24 | - |
| | (-) | (2.00) | (3.62) | (-) | (5.62) | (-) |
| Interest Paid | - | - | 4.09 | - | 4.09 | - |
| | (-) | (-) | (3.85) | (-) | (3.85) | (-) |



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

8B. Related Party (Contd.)

| | JOINT VENTURES | ASSOCIATES | KEY MANAGEMENT PERSONNEL | RELATIVES OF KEY MANAGEMENT PERSONNEL | TOTAL | OUTSTANDING AS ON 31.03.2009 |
|-----------------------------------|-------------------|------------|--------------------------------|--|------------------------|------------------------------------|
| Interest Recd On Loans Given | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) |
| Interest Recd On Security Deposit | 2.25 (-) | - (-) | - (-) | - (-) | 2.25 (-) | - (-) |
| Remuneration/Exg./Pension | - (-) | - (-) | 1,324.32 (939.86) | - (200.78) | 1,324.32 (1,140.64) | - (-) |
| Guarantees & collaterals given | 714.29 (-) | - (-) | - (-) | - (-) | 714.29 (-) | 714.29 (-) |
| Employee Stock Option Scheme | - (-) | - (-) | 287.12 (297.31) | - (-) | 287.12 (297.31) | - (-) |

Figures in brackets are of previous year

8C. Earnings per share has been computed as under:

| | | 2008-09 | 2007-08 |
|--|---------|-----------|-----------|
| Profit after Tax and after Minority Interest | | 39121.21 | 33392.20 |
| Weighted average number of shares outstanding | Basic | 864907642 | 863826759 |
| | Diluted | 869156529 | 868807461 |
| Earnings per share (face value Re.1 per share) | Basic | 4.52 | 3.87 |
| | Diluted | 4.50 | 3.84 |

9. The company's free hold land situated at Sahibabad measuring about 7.58 acres was acquired by U.P. Government under Land Acquisition Act and the State Government had allotted and given possession of about 4.72 acres of land on lease to the company in lieu of acquired land. The company has filed a claim for compensation of Rs.572.42 before the Officer of Special Land Acquisition Officer, Ghaziabad against the land so acquired. However, keeping in view the generally accepted accounting practice, the same claim has not been considered in the books of accounts.

10. (a) Information (to the extent applicable) pursuant to AS-19 issued by ICAI

| | Not Later than 1 year | Later than 1 year not later than 5 year | Later than 5 year |
|--------------------|-----------------------|--|-------------------|
| Building & Machine | 214.48 (248.03) | 268.16 (474.68) | 0.00 0.00 |
| Cars | 33.49 (38.80) | 46.23 (61.15) | 0.00 0.00 |

(b) Lease rent debited to Profit & Loss account of the year Rs.337.96 (previous year Rs.42.21).

(c) Irrevocable lease agreement relates of flat & vehicle, lease period not exceeding five years in respect of any arrangement.



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

11. Information pursuant to AS-24 on discontinued operations (pertaining to parent company only)

| Particulars | Hair Oil Baddi | MSY Unit Baddi |
|---|-------------------|-------------------|
| 1 Discontinued since | March, 04 | Nov, 2000 |
| 2 Segment, Unit relates to in financial Statement | FMCG | FMCG |
| 3 Carrying amount of total assets | 33 (33) | 28 (28) |
| 4 Carrying amount of total liabilities | 4 (4) | 0 (0) |
| 5 Profit from ordinary activities | 0 (0) | 0 (0) |
| 6 Income Tax expenses | 0 (0) | 0 (0) |
| 7 Gain on disposal of assets | 0 (0) | 0 (0) |
| 8 Cash flow from discontinued operations: | | |
| Operating activities | 0 (0) | 0 (0) |
| Investing Activities | 0 (0) | 0 (0) |
| Financial Activities | 0 (0) | 0 (0) |

Note: I. Figures in brackets are for previous year.

II. Parts of fixed assets belonging to discontinued operations under reference have been used for new plant setup in relevant premises. Such assets have been left out of the purview of '3' above.

12. Exchange loss works out to Rs 210.48 (Previous Year Rs. 236.42) net of exchange gain Rs.793.40 (previous year Rs. 40.92) which has been debited to Profit & Loss Account.

13. Grouping and heads of accounts of the subsidiaries have been rearranged in terms of presentation of those of parent company as and when necessary. Besides, figures for previous year have been rearranged/ regrouped as and when necessary in terms of current year's grouping.

14. Investment in Joint Venture :

(a) The parent company has become a party to an agreement among seven parties as on 1.8.2008 for controlling the management of Forum 1 Aviation Limited, a domestic jointly controlled corporate entity (JCE) with part of its operation akin to jointly controlled operation, the main object of the JCE being maintenance of aircraft for use of venturers or otherwise. The contributions of venturers are towards capital build up of the JCE and periodic contribution towards cost of maintenance of air craft. 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 affairs of the management of the JCE is through representation in the composition of Board of Directors as agreed in share holder's agreement.

(b) (i) Incorporated in CFS on proportionate basis are the following assets and liabilities as on 31.03.2009 and income and expenses for the period of investment in JCE being the proportionate share of parent company estimate from un-audited financial statement of JCE.



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

Assets & Liability of JCE as on 31.03.2009 as incorporated herein :-

| | |
|---------------------|-----|
| Secured Loan | 714 |
| Creditors | 14 |
| Fixed Assets | 869 |
| Investment | 33 |
| Advance to employee | 1 |
| Cash & Bank | 70 |
| Debtors | 18 |
| Other Advances | 252 |

Income and expenses for the 8 months period ended on 31st March 2009 incorporated herein :-

| INCOME | DIL SHARE |
|---|------------------|
| Misc receipt (include revenue from flying Rs.289) | 291 |
| Total | 291 |
| EXPENSES | |
| Operation Expenses | 68 |
| Payment to and provision for employees | 37 |
| Administrative expenses | 105 |
| Financial expenses | 76 |
| Total | 286 |
| Profit (Forms part of profit in consolidated Profit & Loss account) | 5 |

- (ii) Consequent upon proportionate consolidation of financial statement of JCE excess of net assets over worth of investment in books of parent company as on 01.08.2008, working out to Rs.16 has been credited to capital reserve.
- (c) Stake of the company (Rs.456) in terms of percentage of total subscribed and paid up capital of JCE works out to 14.28%.
- (d) Parent company has paid Rs.326.84 towards its commitment on revenue expenditure of JCE for the eight months i.e. since it's entry in joint venture arrangement.

15. INFORMATION PURSUANT TO AS - 17 ISSUED BY ICAI.

Segment Report

| | Consumer Care Business | | Consumer Health Business | | Foods | | Retail | | Others | | Unallocated | | Total Consolidated | |
|---|------------------------|-----------------|--------------------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|--------------------|-----------------|
| | Current Period | Previous Period | Current Period | Previous Period | Current Period | Previous Period | Current Period | Previous Period | Current Period | Previous Period | Current Period | Previous Period | Current Period | Previous Period |
| REVENUE | | | | | | | | | | | | | | |
| External Sales | 220714 | 186419 | 21232 | 17879 | 33510 | 29748 | 597 | 5 | 7358 | 5578 | - | - | 283410 | 239629 |
| Inter-segment sales | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue | 220714 | 186419 | 21232 | 17879 | 33510 | 29748 | 597 | 5 | 7358 | 5578 | - | - | 283410 | 239629 |
| RESULT | | | | | | | | | | | | | | |
| Segment result | 56848 | 49731 | 5593 | 4700 | 5677 | 4849 | -1783 | -763 | 212 | 219 | - | - | 66547 | 58736 |
| Unallocated Corporate Expenses | - | - | - | - | - | - | - | - | - | - | 19740 | 18612 | 19740 | 18612 |
| Operating profit | 56848 | 49731 | 5593 | 4700 | 5677 | 4849 | (1783) | (763) | 212 | 219 | (19740) | (18612) | 46807 | 40124 |
| Interest expense (Net of Interest Income) | - | - | - | - | - | - | - | - | - | - | 2321 | 1680 | 2321 | 1680 |
| Income tax (Current + Deferred) | - | - | - | - | - | - | - | - | - | - | 5404 | 5065 | 5404 | 5065 |
| Profit from ordinary activities | 56848 | 49731 | 5593 | 4700 | 5677 | 4849 | (1783) | (763) | 212 | 219 | (27465) | (25357) | 39082 | 33379 |
| Exceptional item | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Minority Interest | - | - | - | - | - | - | - | - | - | - | 41 | 13 | 41 | 13 |
| Net profit | 56848 | 49731 | 5593 | 4700 | 5677 | 4849 | (1783) | (763) | 212 | 219 | (27424) | (25344) | 39123 | 33392 |
| OTHER INFORMATION | | | | | | | | | | | | | | |
| As on 31/03/09 | As on 31/03/08 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 |
| Segment assets | 58,770 | 64,766 | 6,295 | 6,314 | 11,714 | 10,913 | 1,713 | 1,922 | 3,298 | 3,325 | - | - | 81,790 | 87,240 |
| Unallocated corporate assets | - | - | - | - | - | - | - | - | - | - | 57,990 | 59,448 | 57,990 | 59,448 |
| Total assets | 58,770 | 64,766 | 6,295 | 6,314 | 11,714 | 10,913 | 1,713 | 1,922 | 3,298 | 3,325 | 57,990 | 59,448 | 139,780 | 146,687 |
| Segment liabilities | 85,91 | 30,717 | - | 895 | 76 | 3,054 | 21 | 485 | - | 64 | - | - | 8,688 | 35,215 |
| Unallocated corporate liabilities | - | - | - | - | - | - | - | - | - | - | 49,753 | 51,111 | 49,753 | 51,111 |
| Total liabilities | 8591 | 30,717 | - | 895 | 76 | 3,054 | 21 | 485 | - | 64 | 49,753 | 51,111 | 58,441 | 86,326 |
| Capital Employed | 50,179 | 34,049 | 6,296 | 5,419 | 11,638 | 7,860 | 1,692 | 1,437 | 3,298 | 3,261 | 8,237 | 8,337 | 81,339 | 60,361 |
| Depreciation | 1,893 | 1,538 | 202 | 164 | 915 | 743 | 38 | 31 | 282 | 229 | 1,156 | 939 | 4,485 | 3,613 |
| Non-cash expenses other than depreciation | - | - | - | - | - | - | - | - | - | - | 438 | 567 | 438 | 567 |

SECONDARY SEGMENT

As the company also exports, the secondary segment for the company is based on the location of customers's. Out of the total sales of Rs. 283411.14 (239628.74) the export sale is Rs 18457.43 (32499.57)

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





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

16. No deferred tax has been accounted for in respect of subsidiaries at Bangladesh and Pakistan due to continuing absence of taxable income and absence of virtual certainty of future profit to adjust said un provided deferred tax assets against accumulated loss.
No provision has been made against deferred tax for subsidiaries at Nepal, Egypt and Nigeria, impact thereof is lacking in materiality in the context of overall CFS.

Signatures to the Schedules "A" to "P" Annexed to and forming part of the Accounts.

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

S. Lahiri
Partner

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary



Consolidated Financial Statements

As per IFRS applicable to European Union



Auditors' Report

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 account comprises for the group consolidated Balance Sheet as on 31st March, 2009, consolidated statement of income for the year ended 31st March, 2009, statement of Cash Flow for the year ended on 31st March, 2009, reinstated stock holders Equity Reserves and comprehensive total income and related schedules.

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 give a true and fair view of the financial position of the Company as at 31st March, 2009 and of the results and cash flow for the year ended 31st March, 2009 in accordance with the European Union Standards and complying with the financial reporting requirements incorporated in the International Accounting Standards

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

(Manoj Kumar Das)
Partner
Membership No. 013783

Place: New Delhi
Date: 29th April, 2009

Balance Sheet

as at March 31, 2009



Schedule A

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

| | Note No. | As at March 31, 2009 | As at March 31, 2008 |
|---|----------|-------------------------|-------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash equivalents | 21 | 14,842.55 | 7,518.26 |
| Marketable securities | 26(a) | 11,878.56 | 20,453.98 |
| Accounts Receivable, net of allowances | 22 | 17,788.41 | 17,231.97 |
| Inventories | 23 | 37,546.85 | 30,248.41 |
| Other current assets | 24 | 22,701.36 | 20,033.20 |
| Total current assets | | 104,757.74 | 95,485.82 |
| Property, plant and equipment, net | 25 | 51,187.83 | 42,213.48 |
| Goodwill | 27 | 1,459.13 | 1,459.13 |
| Intangibles | 28 | 2,190.82 | 2,312.24 |
| Investments | 26(b) | 22,917.05 | 171.19 |
| Other non-current assets | 29 | 2,993.25 | 2,175.39 |
| Total assets | | 185,505.82 | 143,817.25 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| Current Liabilities | | | |
| Short term debt and current portion of long term debt | 30 | 22,192.61 | 8,779.48 |
| Trade accounts payable | 31 | 13,612.00 | 24,728.56 |
| Accrued expenses and other current liabilities | 32 | 33,316.07 | 20,922.84 |
| Total current liabilities | | 69,120.68 | 54,430.88 |
| Long term debt, excluding current portion | 34 | 212.38 | 1,361.61 |
| Other non-current liabilities | 32A | 22,478.58 | 19,748.93 |
| Total non-current liability | | 22,690.96 | 21,110.54 |
| Deffered Tax liabilities (net) | 46 | (1,205.41) | (766.36) |
| Total liabilities | | 90,606.23 | 74,775.06 |
| Minority interest | 33 | 404.45 | 445.21 |
| Stockholders' equity | | | |
| Common stock, Re 1/ Par value. | | | |
| 1450000000 equity shares authorised | | | |
| 865076249 issued and outstanding | | 8,650.77 | 8,640.24 |
| Additional paid in capital (Share Premium) | Sch. D | 1,536.40 | 1,382.49 |
| Other Reserve | 36 | 21,809.07 | 21,230.91 |
| Stock Option reserve | Sch. D | 2,620.88 | 1,706.65 |
| Retained earning | Sch. D | 60,106.59 | 35,854.61 |
| Accumulated & other comprehensive Income/(Loss) | Sch. D | (228.57) | (217.92) |
| Total liabilities and stock holders' equity | | 185,505.82 | 143,817.25 |

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

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary

Statement of Income

for the year ended March 31, 2009

Dabur India Limited | Annual Report 2008-09
Consolidated Financials as per IFRS

Schedule B

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

| | Note No. | Year ended March 31, 2009 | Year ended March 31, 2008 |
|---|------------|------------------------------|------------------------------|
| Revenue | 38 | 280,711.61 | 236,065.22 |
| Cost of revenues | 40 | 160,852.08 | 129,437.35 |
| Gross profit | | 119,859.53 | 106,627.87 |
| Operating expenses | | | |
| Selling, general and administrative expenses | 41 | 60,047.28 | 55,381.75 |
| Personnel expenses | 42 | 12,410.80 | 10,085.25 |
| Depreciation and amortisation | 42A | 5,024.35 | 4,479.04 |
| Financial expenses | 43 | 2,320.83 | 1,679.89 |
| Total operating expenses | | 79,803.26 | 71,625.93 |
| Operating Income | | 40,056.27 | 35,001.94 |
| Other income, net | 39 | 3,256.81 | 2,038.23 |
| Income before provision for taxes | | 43,313.08 | 37,040.17 |
| Provision for taxes | | | |
| Current tax expenses | 45 | 4,993.87 | 4,276.88 |
| Deferred tax benefit | 46 | (431.96) | 111.70 |
| Minority interest | | (40.76) | (13.05) |
| Distributable Profit | | 38,791.92 | 32,664.64 |
| Dividend | | 7,590.72 | 7,581.34 |
| Retained Profit | | 31,201.20 | 25,083.30 |
| Earning per common share | | | |
| Basic | | 4.49 | 3.78 |
| Diluted | | 4.46 | 3.76 |
| Weighted Average common shares outstanding | | | |
| Basic | | 864,907,642 | 863,826,759 |
| Diluted | | 869,156,529 | 868,807,461 |

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

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary



Schedule C

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

| | Year ended March 31, 2009 | Year ended March 31, 2008 |
|--|------------------------------|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Income | 38,791.93 | 32,664.64 |
| Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities | | |
| Depreciation and amortization | 5,282.61 | 4,479.04 |
| Provision for Taxation | 4,993.87 | 4,989.60 |
| Deferred tax benefits | (431.96) | 111.70 |
| Loss / (gain) on disposal of property, plant and equipment | (16.03) | 131.28 |
| Loss / (gain) on disposal of investment | (2,088.38) | (984.68) |
| Amortization of employees stock option plan expenses | 1,068.14 | 850.62 |
| Minority interest | (40.76) | (13.05) |
| Interest expenses | 2,320.83 | 1,679.89 |
| Changes in operating assets and liabilities | | |
| (Increase) / decrease in accounts Receivable | (556.44) | (3781.03) |
| (Increase) / decrease in Inventories | (7,298.44) | (4483.74) |
| Decrease / (increase) in other non current assets | (817.86) | (333.77) |
| Decrease / (increase) in other current assets | (2,806.71) | (3366.31) |
| Increase / (decrease) in account payable | (11,116.56) | 7319.11 |
| Increase / (decrease) in other Current Liabilities | 13,603.64 | 2403.99 |
| Increase / (decrease) in other non current liabilities | 2,729.65 | 4305.60 |
| Dividend Tax | (2,203.96) | (1101.28) |
| Income tax paid | (4,993.87) | (4989.60) |
| Interest paid | (2,320.83) | (1,679.89) |
| Net cash provided by operating activities | 34,098.89 | 38202.12 |
| Cash flow from Investing activities | | |
| Expenditure on property, plant and equipment | (16,459.72) | (11578.79) |
| Proceeds from sale of property, land and equipment | 2,780.62 | 97.34 |
| Purchase of intangibles | (182.15) | (902.85) |
| Purchase of Securities | (22,904.37) | 0.00 |
| Purchase of Marketable securities | (11,806.10) | (20264.00) |
| Sale of other securities | 22,352.38 | 8946.68 |
| Net cash issued in investing activities | (26,219.34) | (23701.62) |
| Cash flows from financing activities | | |
| Proceeds from exercise of stock option | 10.53 | 11.39 |
| Increase of short term debts (net) | 13,413.13 | (5030.62) |
| Repayment of long term debts (net) | (1,149.23) | (1113.00) |
| Payment of dividend | (12,968.24) | (6480.05) |



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

| | Year ended March 31, 2009 | Year ended March 31, 2008 |
|--|------------------------------|------------------------------|
| Net cash provided by financing activities | (693.81) | (12612.28) |
| Net increase in cash and cash equivalent during the year | 7,185.74 | 1888.22 |
| Cash and cash equivalent at the beginning of the year | 7,656.81 | 5768.60 |
| Cash and cash equivalent at the end of the year | 14,842.55 | 7656.81 |

Cash and Cash equivalent is net off Bank overdrafts.

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

Manoj Kumar Das
Partner

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary

STATEMENT OF STOCK HOLDERS' EQUITY, RESERVE AND COMPREHENSIVE TOTAL INCOME AS ON 31.03.2009

SCHEDULE - D

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

| Particulars: | No. of shares | Stock Holder's Equity | Share Premium/ Capital Redemption Reserve | Other Reserve | Stock Option Reserve | Retained Earning | Minority Interest | Comprehensive Total Income |
|--|------------------|-----------------------|--|------------------|----------------------|------------------|-------------------|----------------------------|
| Opening Balance as on 01.04.2008 | 864022973 | 8640.24 | 1382.49 | 21230.91 | 1706.65 | 35854.61 | 445.21 | -217.92 |
| Transfer Retained earning and other Reserve | | | | -632.25 | | 632.25 | | |
| Issue of Share against exercise of stock option (Note No. 35) | 1053276 | 10.53 | | | | | | |
| Premium amount against exercise of stock option | | | 153.91 | | -153.91 | | | |
| Stock option amortisation (Note No 5 and 2.1.1 including FBT) | | | | | 1,068.14 | | | |
| Translation adjustment | | | | | | | | -82.00 |
| Additional liability towards service benefit (net of deferred assets Rs. 623.27) | | | | 1,210.41 | | | | |
| Unrealised gain on short term investment (net of deferred Tax 5.86, Note No 2.1.4) | | | | | | -7,581.48 | | 71.35 |
| Payment of Dividend 2007-08 | | | | | | 31,201.20 | -40.76 | |
| Net Income | | | | | | | | |
| Closing Balance as on 31.03.2009 | 865076249 | 8,650.77 | 1,536.40 | 21,809.07 | 2,620.88 | 60,106.59 | 404.45 | -228.57 |





SEGMENT REPORT AND RELATED INFORMATION MARCH 2009 IN CONFORMITY TO IFRS 14 **Schedule E**
(All amounts in Indian Rupees in lacs, except share data)

| | Consumer Care Business | | Consumer Health Business | | Foods | | Retail | | Others | | Unallocated | | Total Consolidated | |
|---|------------------------|-----------------|--------------------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|--------------------|-----------------|
| | Current Period | Previous Period | Current Period | Previous Period | Current Period | Previous Period | Current Period | Previous Period | Current Period | Previous Period | Current Period | Previous Period | Current Period | Previous Period |
| REVENUE | | | | | | | | | | | | | | |
| External Sales | 218612 | 185467 | 21030 | 15796 | 33191 | 29829 | 591 | 5 | 7288 | 4968 | | | 280712 | 236065 |
| Inter-segment sales | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue | 218612 | 185467 | 21030 | 15796 | 33191 | 29829 | 591 | 5 | 7288 | 4968 | | | 280712 | 236065 |
| RESULT | | | | | | | | | | | | | | |
| Segment result | 51470 | 47102 | 5064 | 3626 | 5140 | 4519 | (1614) | (711) | 192 | 204 | - | - | 60251 | 54741 |
| Unallocated corporate expenses | - | - | - | - | - | - | - | - | - | - | (17874) | (18059) | (17874) | (18059) |
| Operating profit | 51470 | 47102 | 5064 | 3626 | 5140 | 4519 | (1614) | (711) | 192 | 204 | (17874) | (18059) | 42377 | 36682 |
| Interest expense (Net of Interest Income) | - | - | - | - | - | - | - | - | - | - | 2321 | 1680 | 2321 | 1680 |
| Income Tax (Current + Deferred) | - | - | - | - | - | - | - | - | - | - | 4562 | 4389 | 4562 | 4389 |
| Profit from ordinary activities | 51470 | 47102 | 5064 | 3626 | 5140 | 4519 | (1614) | (711) | 192 | 204 | (24757) | (24127) | 35494 | 30613 |
| Other Income | | | | | | | | | | | | | | |
| Net Profit | 51470 | 47102 | 5064 | 3626 | 5140 | 4519 | (1614) | (711) | 192 | 204 | (21500) | (22089) | 38751 | 32652 |
| Exceptional item | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Minority Interest | - | - | - | - | - | - | - | - | - | - | (41) | (13) | (41) | (13) |
| Net profit | 51470 | 47102 | 5064 | 3626 | 5140 | 4519 | (1614) | (711) | 192 | 204 | (21460) | (22076) | 38792 | 32665 |
| OTHER INFORMATION | | | | | | | | | | | | | | |
| Segment assets | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 | As on 31/03/09 | As on 31/03/08 |
| Unallocated corporate assets | 78910 | 63498 | 7276 | 6191 | 13790 | 10700 | 1941 | 1884 | 3359 | 3260 | - | - | 105276 | 85533 |
| Total assets | 78910 | 63498 | 7276 | 6191 | 13790 | 10700 | 1941 | 1884 | 3359 | 3260 | 80231 | 58284 | 80231 | 58284 |
| Segment liabilities | 25127 | 26607 | 915 | 775 | 1982 | 2645 | 233 | 420 | 477 | 56 | - | - | 28733 | 30503 |
| Unallocated corporate liabilities | - | - | - | - | - | - | - | - | - | - | 61873 | 44272 | 61873 | 44272 |
| Total liabilities | 25127 | 26607 | 915 | 775 | 1982 | 2645 | 233 | 420 | 477 | 56 | 61873 | 44272 | 90606 | 74775 |
| Capital expenditure | 26774 | 21009 | 2008 | 1151 | 3805 | 6146 | 536 | 1045 | 927 | 1566 | 17139 | 11297 | 51188 | 42213 |
| Depreciation | 2121 | 1890 | 226 | 201 | 1025 | 914 | 42 | 38 | 316 | 282 | 1295 | 1154 | 5024 | 4479 |

SECONDARY SEGMENT

As the company also exports, the secondary segment for the company is based on the location of customers. Out of the total sales of Rs. 283411.14 (239628.74) the export sale is Rs 18457.43 (Rs. 32499.57)



The reconciliation of net income as per Indian GAAP and IFRS (EU)

| | | (Rs. in Crores) |
|---|--------|--|
| Particulars | | Audited for the Year ended on 31.03.2009 |
| Consolidated net profit as per Indian GAAP | | 391.21 |
| Add: Difference for | | |
| (a) Stock Option amorisation | 0.10 | |
| (b) Technical knowhow fees written off | 0.09 | |
| (c) Profit on reinstatement of Long Term Loan | 0.13 | 0.32 |
| Total | | 391.53 |
| Less: Difference for | | |
| (a) Depreciation | 5.38 | |
| (b) Deferred tax | (1.77) | 3.61 |
| Consolidated net profit as per IFRS (EU) | | 387.92 |



Notes to Consolidated Financial Statement Compiled under IFRS applicable to European Union for the year ended 31.3.2009

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

1 Business combination:

Dabur India Limited (DIL) along with its 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 companies presently have manufacturing facilities in eight countries, namely India, Bangladesh, Nepal, Dubai, Sarjah, Ras-Al-Khaima, Egypt & Nigeria. 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 | Shareholding |
|--------------------------------------|---------------------------|--|
| Dabur Nepal Pvt Ltd | Nepal | 97.5% by Dabur International Ltd |
| Dabur (UK) Ltd | British Virgin Island | 100% by Dabur International Ltd |
| Dabur International Ltd | Isle of MAN | 100% |
| Weikfiled International (UAE) Ltd, * | United Arab Emirate | 38.41% by Dabur International Ltd |
| H&B Stores Ltd | India | 100% |
| Dabur Egypt Ltd | Egypt | 76% by Dabur (UK) Ltd & 24% by Dabur International Ltd |
| African Consumer Care Ltd | Nigeria | 90% by Dabur International Ltd & 10% by Dabur (UK) Ltd |
| Asian Consumer Care Pvt Ltd | Bangladesh | 76% by Dabur International Ltd |
| Asian Consumer Care Pakistan Pvt Ltd | Pakistan | 99.99% by Dabur International Ltd |
| Naturelle LLC | Emirates of Ras Al Khaima | 100% by Dabur International Ltd |

*Control on composition of Board of Directors by parent company arises de'tre of subsidiary status.

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 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.

However purchase method has been applied for consolidation / merger of any new entity or change in business combination of existing entities forming the group.

2. First time 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 to 1st April, 2006.

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

2.1 Stockholder's equity. Share premium, other reserve and minority interest as on 31.03.09

2.1.1 (a) During financial year 2008-09, 1053276 number of equity shares of Re. 1/- each of DIL have been issued to employees against exercise of stock option thereby raising equity base of stock holders by INR 10.53.

(b) Fair Value of Grant of Stock option under Black Schole method amortised during the year 2008-09 works out to INR 705.24 (excluding FBT of INR 363.17).



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

- 2.1.2 Consequent upto of making share based payment as discussed in preceding paragraph, fair value of premium component of equity share issued on exercise of option by the beneficiaries during the year determined on BLACK SCHOLES Model aggregating INR 153.91 has been charged off to Stock Option reserve with corresponding credit to share premium account.
- 2.1.3 Share of loss of INR 40.76 of minority stake holders for financial year 2008-09 has been debited to minority interest account.
- 2.1.4 Incremental unrealized gain (net of deferred tax) towards readily marketable equity securities held for sale amounting to INR 71.35 has been charged off to Comprehensive Total Income. Similarly Exchange translation loss of INR 82.00 have been credited to Comprehensive Total Income.

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 applicable to EU. 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 liabilities. Actual result could differ from these estimates. The management's estimates of charge back rebates, discount, returns and the useful life of tangible, impairment of fixed assets, treatment of goodwill and intangibles with estimable lifespan, realization of deferred assets present sensitive estimate in particular.

4. Foreign Currency Translation :

Functional currency of DIL is in 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 result of translation adjustment are recorded as component of other comprehensive income. Fixed assets and equities have been accounted for in terms of exchange rate ruling on the date of transaction.

Total exchange loss during financial year 2008-09 was INR 82.00 which has been accounted for as comprehensive total income. Relevant loss INR186.15 is net of gain on account of translation of financial instrument (accounts receivable and accounts payable) in reporting currency.

5. 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 amount used for taxation purposes. Deferred tax is provided on temporary differences arising on investments in Group undertakings, except where the 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.

The Fringe Benefit Tax is included as part of the related expenses which give rise to such tax.

6. Research and Development :

Research expenditure is charged to income statement in the year in which it is incurred. Development expenditure is charged to income statement in the year it is incurred, unless it meets the recognition criteria of IAS 38 on Intangible Assets.

7. 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 that have indefinite useful lives are tested annually 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 acquired is allocated to the relevant cash generating unit of group of cash generating units expected to benefit from the acquisition for the purpose of impairment testing of goodwill.

8. Inventories :

Inventories are stated at the lower of cost and net realizable value. 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



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

labour and overheads, where appropriate. Net realizable value is the estimated selling price less costs to completion and sale.

9. Investment Securities :

(i) The Group Companies follow investment policies, which are consistent with the provision of IAS-32 & 39. Short term readily marketable securities are held at market price at period end. Investment held for long term in securities where significant influence exists are valued at fair value. Unrealised gain and losses, net of related tax effect are reported as a separate component of stock holder's equity in comprehensive total income until realized. Realised gain or losses on sale of securities are computed with reference to their weighted average cost. Realised gains, losses and decline in value on non-readily marketable available-for-sale securities that are judged to be other than temporary, are included in the statement of income. Interest and dividend income is recognized when earned.

(ii) The company during the year has entered into an agreement with shareholders collectively holding controlling interest in Fem Care Pharma Ltd (FEM), a domestic listed company for acquisition of their shares (72.15% of total share capital subscribed and paid up therein) at a consideration of INR 20372 subject to approval of transfer by appropriate authorities.

Pending approval of the transfer formalities the value of stake paid and kept to the escrow account, is treated as advance against share, in the investment category.

The interest benefit of deposit in escrow account accruing thereon INR581 is not accounted for due to absence of beneficial right therein.

The company has so far incurred INR112 towards cost of proposed acquisition in making the total investment of INR 20484.35.

10. 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. Assets under capital leases and leasehold improvements are amortized over the lower of their estimated useful lives or the term of the lease.

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 Consolidated Statement of Income.

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.

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

Assets held & used 31.03.09

| 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 |

Property, plant & equipment aggregating INR 218.18 are mortgaged/hypothecated to bank and financial institutions towards security on loan.

11. Intangibles (Patent and Software) :

Patents, 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.

12. 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 in terms of book values which are indicated in the consolidated balance sheet. Goodwill is not amortized but subjected to periodic impairment test. Goodwill of business combination, if works out to negative, is recognized as income.

13. Financial Instruments :

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the



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

relevant instrument and derecognized when it ceases to be a party to such provisions. Such assets and liabilities are classified as current if they are expected to be realised or settled within 12 months after the balance sheet date. If not, they are classified as non-current financial instruments are classified in conformity to the provision of IAS-32 and IAS-39.

14. 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 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.

15. Advertising Cost :

Expenditure on advertising is expensed when incurred.

16. Earnings per share :

In accordance with IAS-33, "Earning per Share", basic earning 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 common and diluted common equivalent shares outstanding during the period.

16.1 Earning / (loss), if material, on discontinued operation is disclosed separately.

17. Revenue Recognition :

17.1 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 (iv) collectibility is reasonably assured.

Provisions 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 recognized. 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.

17.2 Interest, Royalty, Dividend :

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

17.3 Borrowing Costs :

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.

17.4 Segment Report :

Segment Report has been drawn in application of IAS-14. The group does not have any associates. It has one joint venture which has not been considered as entire investment therein has already been provided for and investment thereon is negligible. The segment report has been furnished on the basis of reportable industries segment.

Regarding geographical segment since export sale to un-affiliated customers do not exceed 10% of total sale, the same has not been furnished.

Major industrial segment include consumer care business, consumer health business, food business and others.

17.5 Employees are entitled to post retirement benefit under defined contribution plan and defined benefit plan.

The Group operates both defined benefit and defined contribution schemes. The net deficit or surplus for each defined benefit scheme is calculated in accordance with IAS-19 based on the present value of defined benefit obligation at the Balance Sheet date less fair value of the scheme assets.

Defined benefit plans relate to Gratuity, Leave Salary and retirement benefits of Directors.



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

18. 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 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 are not recognized unless realization of income is virtually certain. However, the same is disclosed by way of note in financial statement.

19. The directors of the parent company have recommended dividend amounting to INR 10120.96 (including dividend tax INR 1470.20) per share INR 1/- for financial year ended 31.3.2009 not being recognizable under IFRS as laid down in IAS-10 but provided as per requirement of Indian GAAP has been maintained in the Retained Earnings. Further DIL has paid interim dividend of INR 7590.72 (including INR 1102.65 on account of tax thereon) during & for financial year 2008-09 which has been duly recognized as distribution of profit. The final dividend of 2007-08 of INR7581.48 (including tax of 1101.31) has been taken in the retained income.

20. Reconciliation of Weighted Average Equity Outstanding Basic vis-à-vis diluted :

| | |
|---|-----------|
| i) Weighted average number of basic shares | 864907642 |
| ii) Additional right on equity share arising under grant of option under ESOP exercisable on future dates | 4248887 |
| iii) Weighted average diluted equity share outstanding | 869156529 |

21. Cash & Cash Equivalent :

Cash & cash equivalent comprises following:

| | 2009 | 2008 |
|---------------------------------|-----------------|----------------|
| Cash in hand | 36.07 | 46.43 |
| Remittance in transit | 165.02 | 8.40 |
| Balance with scheduled Bank | 3256.46 | 6888.02 |
| Balance with non-scheduled Bank | 135.21 | 575.41 |
| Fixed Deposit Accounts | 11249.79 | 0.00 |
| Total | 14842.55 | 7518.26 |

Cash equivalent represent deposits placed with Banks in the normal course of business operation. Balance with non-schedule bank is net off bank overdraft.

22. Accounts Receivable :

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

Total account receivable as at March 31, 2009, net of allowance for doubtful account of INR 1477.08 (INR 745.40 previous year) amounts to INR 17788.41 (INR 7231.97 previous year).

23. Inventories :

Inventories comprises of the following :-

| | 2009 | 2008 |
|-----------------------------------|-----------------|-----------------|
| Raw Materials | 11786.18 | 9131.94 |
| Packing material, stores & spares | 6182.19 | 5513.74 |
| Stock in progress | 6111.74 | 3628.32 |
| Finished goods | 13466.74 | 11974.42 |
| Total | 37546.85 | 30248.42 |



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

24. Other Current assets :

Other current assets comprise of the following :

| | 2009 | 2008 |
|---|-----------------|-----------------|
| Advance payment of Tax | 16716.54 | 12761.57 |
| Advance to suppliers | 1524.70 | 2485.71 |
| Advance to employees | 300.96 | 371.07 |
| Balances with excise authority | 1905.21 | 1542.55 |
| Other advances recoverable in cash or in kind or value to be received | 2253.95 | 2872.31 |
| Total | 22701.36 | 20033.21 |

25. Property, Plant & Equipment:

Property, Plant & Equipment Comprise of the following :

| | 2009 | 2008 |
|--------------------------------|-----------------|-----------------|
| Freehold Land | 1513.69 | 1066.89 |
| Leasehold Land | 1138.72 | 1128.26 |
| Building, Roads & Culverts | 23579.62 | 17997.39 |
| Plant & Machinery | 39205.93 | 33942.69 |
| Vehicles | 1909.25 | 1608.32 |
| Furnitures & office Equipment | 4005.34 | 4515.89 |
| Computers | 3651.71 | 3540.42 |
| Capital Work in Progress | 5933.25 | 4434.73 |
| Total Gross Block | 80937.73 | 68234.59 |
| Less: Accumulated Depreciation | (29749.90) | (26021.11) |
| Net Block | 51187.83 | 42213.48 |

During the year plant & machinery, vehicle, furniture & fixture and computer costing INR 1556.05, INR 641.74, INR 693.46 & INR 305.55 were sold. Accumulated depreciation thereon aggregated INR 982.31.

The depreciation expenses relating to Property, Plant and Equipment for the year is INR 4720.78 (4320.01 previous year).

26. Investment:

| | 2009 | 2008 |
|---|-----------------|-----------------|
| a) Current Investment: | | |
| Cost of the Investment | 11806.10 | 20264.00 |
| Gross unrealized holding gain in accumulated other comprehensive income | 72.46 | 189.88 |
| Carrying Value | 11878.56 | 20453.98 |

The company during the year has entered into an agreement with shareholders collectively holding controlling stake in Fem Care Pharma Ltd (FEM), a domestic listed company for acquisition of their shares (72.15% of total share capital subscribed and paid up therein) at a consideration of INR203.73 Crore subject to approval of transfer by appropriate authorities. In addition to consideration money the company has so far incurred INR1.12 Crore towards cost of proposed acquisition. Pending completion of transfer of shares, the consideration amount has been retained in an escrow account specifically designated for the purpose, appearing in investment schedule as advance against shares of Fem Care Pharma Ltd, the beneficial interest thereon accruing in favour of transferor of shares.

b) Investment readily available for sale

(i) Readily marketable equity securities:

| | | |
|---|------------|--------------|
| Cost of the Investment | Nil | 1.00 |
| Gross unrealized holding gain in accumulated other comprehensive income | - | 63.75 |
| Carrying Value | Nil | 64.75 |



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

| | | |
|--|-----------------|---------------|
| (ii) Readily marketable debt securities (Gross unrealized holding gain INR Nil) | Nil | NIL |
| (iii) Not readily marketable equity securities: | | |
| Cost of the Investment | 22917.05 | 106.44 |
| Gross unrealized holding gain in accumulated other comprehensive income | Nil | Nil |
| Carrying Value | 22917.05 | 106.44 |

27. Goodwill :

| | 2009 | 2008 |
|---------------------------------|----------------|----------------|
| Gross Goodwill | 17614.13 | 17614.13 |
| Cumulative impairment provision | 16155.00 | 16155.00 |
| Net Goodwill | 1459.13 | 1459.13 |

Components of Goodwill :

- 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 2287.50. Excess of consideration money over the net asset value of the investee entity amounting to INR 825.40 has been accounted for as Goodwill.
- On September 14, 2003, the parent company acquired 38.41% stake in Weikfield International UAE Limited by way of acquiring 615 numbers 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 PFRS as on 1.4.06.
- 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 INR 16345.20. INR 15582.35, 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 INR 10.30 of goodwill inherited from Balance Sheet of subsidiaries were impaired subject to due test of impairment during reinstatement of account in IFRS.
- As on April 01, 2006, three entities, Balsara Hygiene Products Ltd., Balsara Home Products 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 statements as subsidiaries of DIL. The merger, contributed to additional goodwill of INR 632.23 in CFS which has been carried in balance sheet and is subjected to due test of impairment.

28. Details of intangible assets (Patent & Software) :

| | 2009 | 2008 |
|--------------------|----------------|----------------|
| Patents | 1112.87 | 1112.87 |
| Software | 1654.44 | 1472.29 |
| Less: Amortisation | 576.48 | 272.92 |
| Total | 2190.83 | 2312.24 |

29. Other non-current assets :

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

| | 2009 | 2008 |
|--|----------------|----------------|
| Security deposits with various authorities | 2993.25 | 2004.84 |
| Advance to employee | 0.00 | 32.00 |
| Fixed Deposit | 0.00 | 138.55 |
| Total | 2993.25 | 2175.39 |



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

30. 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 | 3599.63 | 11.00% | Stock, movable properties & guarantee by Dabur India Ltd |
| Asian Consumer Care P Ltd | Standard Chartered Bank & ABN AMRO Bank | 630.88 | 11.00% | Stock, book debts, leasehold property, movable property plant, equipment & personal guarantee of one director |
| Weikfiled International (UAE) Ltd | Standard Chartered Bank & ABN AMRO Bank | 170.94 | 5.00% | Stock, book debts, leasehold property, movable property plant, equipment & personal guarantee of one director |
| Naturelle LLC | ABN AMRO | 3287.86 | Libor+1.5% | Movable properties & guarantee by Dabur India Limited |
| Short Term Loan | | | | |
| Dabur India Limited | Consortium of IDBI, SCB, SBI, ABN & HDFC | 608.31 | 8.00% | Stock & book debts |
| Dabur India Limited | ICICI Bank Ltd | 8000.00 | 7.25% | |
| Dabur India Limited | Yes Bank Ltd | 2000.00 | 7.00% | |
| Dabur India Limited | Barclay Bank Ltd | 1000.00 | 7.00% | |
| Dabur India Limited | The Hongkong & Shanghai Bank | 2000.00 | 8.25% | |
| Dabur Nepal Pvt Ltd | Deposit of Directors | 48.13 | | |
| Dabur International Limited | Deposit of Directors & Co. | 66.15 | 8.50% | |
| Asian Consumer Care Pakistan Pvt Ltd | | 39.41 | | |
| Forum 1 Aviation Limited | | 714.29 | | |
| African Consumer Care Ltd | | 27.01 | | |
| Total | | 22192.61 | | |

31. Trade Accounts payable :

Trade accounts payable of INR 13612.00 (PY INR 24728.56) comprise trade creditors for goods & services which include notes payable of INR 4527.27 (PY. INR 7374.12).

32. Accrued expenses & other current liabilities :

Accrued expenses & other current liabilities comprise the following :

| | 2009 | 2008 |
|---|-----------------|-----------------|
| Ge Capital Services | 218.18 | 0.00 |
| Bonus | 0 | 80.86 |
| Creditor for expenses & other liabilities | 32391.09 | 20531.93 |
| Advance from customer | 296.99 | 278.61 |
| Security Deposit from dealers | 117.82 | 0.00 |
| Interest accrued but not due on loans | 35.85 | 31.43 |
| Investor education and protection fund | 256.14 | - |
| Total | 33316.07 | 20922.84 |

The agreement with dealers are renewed from time to time and the dealers security deposit is treated as current liabilities on this reason.



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

32A. Other non-current liabilities :

| | 2009 | 2008 |
|-----------------------------------|-----------------|-----------------|
| Leave salary | 477.27 | 370.41 |
| Housing, gratuity & other welfare | 5492.49 | 6572.54 |
| Taxation | 16508.82 | 12804.68 |
| Deposits others | - | 1.29 |
| Total | 22478.58 | 19748.93 |

33. Minority Interest :

| | 2009 | 2008 |
|-----------------------|---------------|---------------|
| Stock holder's equity | 202.82 | 161.79 |
| Share Premium | 9.38 | 9.38 |
| Other Reserve | 138.36 | 146.49 |
| Retained earning | 53.89 | 127.55 |
| Total | 404.45 | 445.21 |

34. Long Term Debt, excluding Current portion :

| Name of entity | Bank/Inst. | Amount | Rate of interest | Nature of security | Repayment Terms |
|-----------------------|-------------------------|--------|------------------|----------------------------|-----------------|
| Dabur Nepal Pvt. Ltd. | Standard Chartered Bank | 212.38 | 11% | Movable & immovable assets | Quarterly |

Disclosed amount in the Long Term Debts from Financial Institution and bank remain at Fair Value when considered in the context of fair value of return on long term loans in the country, the borrowing relates to.

35. 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 10.54, towards exercise of stock option by minority.

b) Employees Stock Exchange option :

Non-cancelled component of additional paid in share net-off quantum remaining unamortized shown separately under retain additional paid-in capital.

36. Movement of other Reserve :

| Particulars | As on 01.04.08 | Transfer from Retained Earning | Utilised for Transition Provision | As on 31.03.09 |
|---------------------------|----------------|--------------------------------|-----------------------------------|-----------------|
| Capital Reserve | 2193.60 | (-) 633.48 | 0 | 1560.12 |
| Employees Housing Reserve | 456.03 | (+) 0.79 | 0 | 456.82 |
| Legal Reserve | 64.77 | (+) 0.44 | 0 | 65.21 |
| Other Revenue Reserve | 18516.51 | (+) 1210.41 | 0 | 19726.92 |
| Total | | (+) 578.16 | 0 | 21809.07 |
| Other Reserve | 21230.91 | | | |

Revenue reserve includes consolidation reserve and merger reserve accumulated since years back which are not specifically quantifiable because of adoption of pooling method for the purpose of consolidation and merger for reason discussed in Business combination in note 1.



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

37. 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.

| | 2009 | Nos. 2008 |
|--------------------------------------|---------|--------------|
| Outstanding at beginning of the year | 5073660 | 6124608 |
| Granted | 563472 | 529426 |
| Exercised | 1053276 | 1139165 |
| Cancelled | 588449 | 441209 |
| Outstanding at the end of the year | 3995407 | 5073660 |

Particulars of disclosure regarding share based payments :

| | For the year | Cumulative |
|--|--|--------------------------|
| 1. Number of Options granted | 5,63,472 | 1,24,74,558 |
| 2. Pricing formula Black Scholes Pricing | Each option carries the right to the holder to apply for equity shares of the company at par | |
| 3. Options vested | 10,53,276 | 56,26,031 |
| 4. Options exercised | 10,53,276 | 55,99,381 |
| 5. Total number of shares arising as a result of exercise of option | 10,53,276 | 61,01,140 |
| 6. Options lapsed/cancelled | 5,88,449 | 28,79,770 |
| 7. Variation in terms of options | None | None |
| 8. Money realized by exercise of options INR | 10,53,276 | 61,01,140 |
| 9. Total number of options in force | 39,95,407 | 39,95,407 |
| 10. Weighted average exercise price (per option) weighted average fair value of per option : (per intrinsic value method) (per black scholes model) | | Rs. 115.09 Rs. 112.98 |
| 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 | | 6.60 |
| -Expected life | | 1 to 5 years |
| -Expected Volatility | | 14.21% |
| -Expected Dividend yield | | 2.32% |
| -Price of underlying shares in the Market at the time of option grant | | Rs. 94.48 |
| 12. Share based payment led to charge of INR 705.24 on Profit & Loss account with corresponding rise in Stock Option Reserve account in balance sheet | | |

38. Revenue:

| | 2009 | 2008 |
|-----------------------------|------------------|------------------|
| Domestic sales less returns | 260839.57 | 202336.99 |
| Export sales | 18457.43 | 32499.57 |
| Subsidy | 681.39 | 465.90 |
| Sale of scrap | 733.22 | 762.77 |
| Total | 280711.61 | 236065.22 |



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

39. Other Income:

| | 2009 | 2008 |
|---------------------------------------|----------------|----------------|
| Rent Realised | 8.64 | 19.40 |
| Misc Receipt | 1143.76 | 1165.44 |
| Profit on sale of investment | 2088.38 | 984.68 |
| Royalty | 0.00 | - |
| Profit / loss on sale of fixed assets | 16.03 | -131.28 |
| Total | 3256.81 | 2038.23 |

40. Cost of Revenue:

| | 2009 | 2008 |
|---|------------------|------------------|
| Raw Material consumed | 81400.38 | 56898.83 |
| Packing Materials consumed | 44715.69 | 38741.79 |
| Purchase of Finished goods | 16919.62 | 15902.93 |
| Increase(-) / Decrease in stock in process & finished goods | -3975.77 | -1500.03 |
| Manufacturing Expenses | 9917.95 | 8576.74 |
| Patent write off | - | 18.75 |
| Workmen & staff welfare | 11874.21 | 10798.35 |
| Total | 160852.08 | 129437.35 |

41. Selling, General & Administrative expenses:

| | 2009 | 2008 |
|--|-----------------|-----------------|
| Rent | 2204.22 | 1522.77 |
| Rates & Taxes | 348.73 | 250.65 |
| Insurance | 451.10 | 415.82 |
| Freight & forwarding charges | 4516.77 | 8187.53 |
| Commission , Discount | 1496.70 | 1005.67 |
| Advertisement & Publicity | 34325.63 | 29554.24 |
| Travel & Conveyance | 2720.62 | 2382.74 |
| Telephone | 518.03 | 491.07 |
| Legal & Professional Telephone, fax expenses | 1665.73 | 1772.03 |
| Security expenses | 436.65 | 338.44 |
| General expenses | 9668.66 | 7942.41 |
| Directors fees | 10.20 | 11.13 |
| Auditors' remuneration | 122.68 | 77.97 |
| Donation | 364.75 | 469.63 |
| Contribution to scientific research expenses | 179.46 | 75.00 |
| Bad debts | 745.87 | 498.18 |
| Provision for contingent liability | 13.22 | 73.38 |
| Fixed Assets written down | 258.26 | 0.00 |
| Total | 60047.28 | 55068.66 |

42. Personnel Expenses:

| | 2009 | 2008 |
|-------------------------|-----------------|----------------|
| Directors' remuneration | 1485.55 | 713.77 |
| Salaries & benefits | 9857.11 | 8121.25 |
| ESOP Employees | 1068.14 | 850.62 |
| Total | 12410.80 | 9685.63 |



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

42A. Depreciation & Amortization:

| | 2009 | 2008 |
|---|----------------|----------------|
| Depreciation on Property, Plant & Equipment (Note 35) | 4720.78 | 4320.01 |
| Amortisation of Software (Note 28) | 303.57 | 159.03 |
| Total | 5024.35 | 4479.04 |

43. Financial Expenses:

| | 2009 | 2008 |
|-------------------|----------------|----------------|
| Fixed period loan | 969.36 | 576.27 |
| Others | 785.69 | 600.07 |
| Bank charges | 565.78 | 503.55 |
| Total | 2320.83 | 1679.89 |

44. Fair value of financial instruments :

The company uses the following methods and assumptions to estimate fair value of each class of financial instruments for which it is practicable to estimate fair value.

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

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

Investments – The fair value of some investments are estimated based on their quoted market prices. For other investments, for which there are no quoted market prices, a reasonable estimate of fair value could not be made without incurring significant costs.

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

Long term debt – The fair value of debt of the company is estimated based on quoted market prices or current rates offered to the company for same or similar debt. The carrying value of material long term debt approximates its fair value.

Estimated fair values of the Company’s financial instruments are as follows :

| | 2009 | 2008 |
|--|----------|----------|
| Cash & cash equivalent | 3592.76 | 7518.26 |
| Accounts receivable | 17788.41 | 17231.97 |
| Investment for which : | | |
| Practicable to estimate fair value | 11878.56 | 20520.17 |
| Non-practicable to estimate fair value | 22917.05 | 105.00 |
| Accounts payable | 13612.00 | 24728.55 |
| Long term debts | 212.38 | 1361.61 |

45. Income Taxes:

Current Tax expenses includes foreign income tax provision of INR 2.74 (previous year INR 138.33) for Dabur Nepal Pvt. Ltd. and INR 32.68 (previous year INR 76.95) for Asian Consumer Care Pakistan Ltd and INR 197.59 (previous year INR 11.29) for Dabur Egypt Ltd and INR 6.07 (previous year INR 5.46) for Asian Consumer Care Pvt. Ltd., Bangladesh.



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

46. The break-up of deferred tax liability/benefit:

| | 2009 | 2008 |
|--|----------|---------|
| A. Deferred tax liability (Non-Current) | | |
| Depreciation of Plant & equipment | 1582.57 | 1445.57 |
| Long term investment | 130.54 | 130.54 |
| B. Deffered tax assets (Non Current) | 1713.11 | 1576.11 |
| VRS payment | 0.00 | 0.00 |
| Service Benefits | 2369.21 | 2193.21 |
| Longterm Investment | 0.00 | 0.00 |
| Technical know how fees | 8.46 | 8.46 |
| Provision for contingent Liability | 59.71 | - |
| Provision for Doubtful debts | 304.35 | - |
| Total Deferred Tax Assets (Non Current) | 2741.73 | 2201.67 |
| C. Deferred Tax Liability (A-B) | -1028.62 | -625.56 |
| D. Deferred Tax Liability (Current) | | |
| Current investment | 36.81 | 36.81 |
| Total Deferred Tax Liability (Current) | 36.81 | 36.81 |
| E. Deferred tax assets (Current) | | |
| Service Benefits | 45.51 | 45.51 |
| Disallowance | 168.09 | 132.09 |
| F. Total Deferred tax assets (Current) | 176.79 | 140.79 |
| G. Total Deferred tax liability (C-F) | -1205.41 | -766.35 |

- a) Deferred Tax recognized on temporary difference which arise when non-monetary items of any entity is located at Functional currency but taxable profit is indexed at different currency.

47. Related party transaction :

- a. Sale of goods of INR NIL (previous year INR. 125.21) to ACI Ltd., Bangladesh, a joint venture partner.
- b. Rent paid INR NIL (previous year INR 10.35) to ACI Ltd., Bangladesh, a joint venture partner and INR 59.36 (previous year INR 47.87) to Key management personnel.
- c. Remuneration to key management personnel INR 1382.93 (previous year INR 1002.46).
- d. Loan given to Key Management Personnel INR NIL (previous year INR 7.24).
- e. Director Fees INR 10.20 (previous year INR 11.12).
- f. Exgratia and Pension to relative of Key management personnel INR NIL (previous year INR 200.78).
- g. Repayment of Loan INR 3.00 (previous year INR 2.00) received from Welltime Housing & Finance Ltd. and Associates in which a key management personnel exercises significant influence.
- h. Services received amounting to INR NIL (previous year INR 26.04) from ACI Ltd., Bangladesh, a joint venture partner.
- i. Loan taken from director amounting to INR 48.13 (previous year INR 48.13)
- j. Interest paid on loan taken from director amounting to INR 4.09 (previous year INR 3.85).
- k. Payment to post employment defined benefit plan INR 1463.90 (Balance as on 31.03.09 INR 7072.49 (previous year 7971.03). Share based payment to key management personnel (ESOP) INR 287.12

Note :

- i) Key Management personnel include Mr. Pradip Burman, Mr. Amit Burman, Mr. Mohit Burman, Mr P.D. Narang, Mr. Sunil Duggal, Mr. Siddarth Burman, Mr. Peter Baker, Mr. R.S. Rana, Mr. Anup Sharma, Mr. Gaurav Burman, Mr. Saket Burman, Mr. Sarabjeet Singh, Mr. Sundar Krishnan, Mr. Sikandar Nawaz, Mr. Mohd. Khan, all directors of group companies.
- ii) Relatives of key management personnel include Mr V.C.Burman. Mr. A C Burman and Mrs Asha Burman.



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

48. Other contingency & capital commitment :

- a) The group company is involved in certain claims, fiscal assessments and litigation arising in the ordinary course of business. Management believes that these claims taken individually or together, will not have a material effect on the financial statement of the company.

List of contingencies are as follows:

| | 2009 | 2008 |
|---|----------------|---------|
| Claims not acknowledged as debts in respect of Guarantees furnished | 667.93 | 271.02 |
| Current | 4124.64 | 7786.21 |
| Non Current | 0.00 | 0.00 |
| Bills purchased/discounted under letter of credit | 6653.11 | 3802.93 |
| Demand for taxes pending disposal of appeal(s) | 2763.95 | 3159.01 |
| In respect of capital Commitment for unexpected contract | 3652.28 | 6683.94 |

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

| Guaranteed party | Name of party on whose behalf guarantee issued | Carrying Amount | Fair Value |
|---------------------------|--|-----------------|----------------|
| | | As on 31/03/09 | As on 31/03/08 |
| HDFC Limited | J P Sharma | 7.50 | 7.50 |
| HDFC Limited | Naseem Ahmed | 4.50 | 4.50 |
| HDFC Limited | R S Saini | 8.75 | 8.75 |
| HDFC Limited | Dabur India Limited | 200.00 | 0.00 |
| HSBC, New Delhi | Dabur Egypt Limited | 0.00 | 258.01 |
| HSBC Ltd. | Dabur Egypt Limited | 0.00 | 189.06 |
| National Societe Generale | Dabur Egypt Limited | 0.00 | 1099.17 |
| ABN Amro Bank | Dabur Oncology Plc | 0.00 | 1988.25 |
| ABN Amro Bank | Naturelle LLC | 0.00 | 2398.20 |
| Hongkong Bank | Dabur India Limited | 1478.02 | 74.69 |
| Hongkong Bank | H&B Stores Ltd | 1.90 | 0.90 |
| Punjab National Bank | Dabur India Limited | 131.65 | 125.75 |
| IDBI Bank Ltd | Dabur India Limited | 18.81 | 10.81 |
| ICICI Bank Ltd | Dabur India Limited | 21.84 | 0.00 |
| Nepal Arab Bank Ltd | Dabur Nepal Pvt Ltd | 2250.15 | 1615.89 |
| Standard Chartered Bank | Weikfield International (UAE) Ltd | 1.52 | 4.73 |

None of the parties favoring whom guarantee 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 SBI 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. Necessary adjustments in respect of recovery/refund will be made as per the arbitration proceedings.



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

49. 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 controlling noteworthy percentage of total indigenous sale. Exports are predominantly destined to West Asia, South Asia and South East Asian Countries.

Products constituting lions share of the total revenue include Chywanprash, Hajmola, Hair Oil, Fruit Juices, Honey, Shampoo, Toothpaste and other Cosmetics etc.

50. Employees post retirement benefit :

A) Defined Benefit Plan

(a) 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.

I. Expenses recognized during the period :

| Particulars | Gratuity | Leave Salary | Post Separation | Total |
|--|----------|--------------|-------------------------------------|---------|
| | (funded) | (funded) | benefits of director (un-funded) | |
| A. Current Service Cost | 353.17 | 169.42 | 289.49 | 812.08 |
| B. Interest Cost | 200.43 | 38.71 | 295.55 | 534.69 |
| C. Expected Return on Plan Assets | 22.41 | -48.67 | 0.00 | -26.26 |
| D. Accumulated Loss/ Gain | -147.96 | 199.90 | 91.47 | 143.41 |
| E. Total Expenses recognized during the year (A+B+C+D+E) | 428.04 | 359.36 | 676.50 | 1463.90 |

II. Reconciliation of opening and closing balances of obligations.

| Particulars | Gratuity | Leave Salary | Post Separation | Total |
|----------------------------------|----------|--------------|-------------------------------------|-----------|
| | (funded) | (funded) | benefits of director (un-funded) | |
| I. Obligation as on 01.04.2008 | 2473.18 | 557.05 | 4940.80 | 7971.03 |
| II. Past service cost | 13.39 | 40.16 | 0.00 | 53.55 |
| III. Current service cost | 353.17 | 169.42 | 298.76 | 821.35 |
| IV. Interest cost | 200.43 | 38.71 | 295.54 | 534.68 |
| V. Actuarial Gain / (Loss) | (144.80) | 199.90 | 91.47 | 146.57 |
| VI. Settlement | (212.17) | (242.02) | (2000.50) | (2454.68) |
| VII. Obligation as on 31.03.2009 | 2683.20 | 763.23 | 3626.07 | 7072.49 |

III. Change in Plan Assets :-

| Particulars | Gratuity | Leave Salary | Post Separation | Total |
|--|----------|--------------|-------------------------------------|----------|
| | (funded) | (funded) | benefits of Director (un-funded) | |
| I. Fair Value of Plan Assets as on 01.04.2008 | 969.20 | 165.99 | 0.00 | 1135.19 |
| II. Expected Return on Plan Assets | 62.72 | 48.67 | 0.00 | 111.39 |
| III. Actuarial Gain / (Loss) | (81.97) | 0.00 | 0.00 | (81.97) |
| IV. Employer Contribution | 246.78 | 299.20 | 0.00 | 545.98 |
| V. Settlement | (212.17) | (227.90) | 0.00 | (440.07) |
| VI. Fair Value of Plan Assets as on 31.03.2009 | 984.56 | 285.96 | 0.00 | 1270.52 |



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

- IV. Investment detail of plan assets as on 31.03.2009
100% in reimbursement right from insurance company for fund managed by it
- V. Actuarial Assumption :
 - Discount rate 6.50%
 - Estimated rate of return on plan assets 7.50%
 - Salary escalation ratio inflation 10.00%
 - Method Projected unit credit method.
- VI. The basis used for determination of expected rate of return is average return high yield on long term investment in government bonds.
- VII. The estimate of future salary increase take into account regular increment, promotional increases and inflationary consequence over price index.
- VIII. 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 | 2008-09 | 2007-08 |
|-------------------------------|---------|---------|
| Provident Fund | 552.63 | 562.56 |
| Employee State Insurance | 52.16 | 55.98 |
| Employees Superannuation Fund | 300.43 | 261.82 |

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.

51. Impairment of Goodwill :-

Gross goodwill amounting to INR 17614.13 has arisen against consolidation / merger of Dabur International Limited, UAE, Weikfield International Limited, UAE and Balsara Group, respective contribution to gross goodwill being INR 825.40, INR 562.35 and INR 16226.38.

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 INR562.35 and INR15592.65 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.

- 52. Total Assets includes INR 33 held for sales with reference to IFRS 5. Total Liabilities includes INR 33 held for disposal with reference to IFRS 5.
- 53. Exchange loss works out to INR 236.42 which has been recognized in income statement and included in General Charges. All resulting exchange differences of foreign operations amounting to INR 82 has been debited to Comprehensive total income statement (Refer Sch- F) .

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

Manoj Kumar Das
Partner

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

Chairman
Whole time Director
Whole time Director

Place : New Delhi
Date : 29th April, 2009

A.K. Jain

GM (Finance) &
Company Secretary

Real BURRST

Liteness of fruits,
Burst of refreshment!





Dabur India Limited

8/3, Asaf Ali Road, New Delhi - 110002, India

Website: www.dabur.com

Email: corpcomm@dabur.com

Email for investors: investors@dabur.com



C ontents

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Ten Year Highlights

| Rs. crore | FY00 | FY01* | FY02* | FY03 | FY04* | FY05 | FY06* | FY07^ | FY08 | FY09 |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| Operating Results: | | | | | | | | | | |
| Sales | 982 | 1100 | 1200 | 1285 | 1236 | 1417 | 1757 | 2080 | 2396 | 2834 |
| Other Income | 34 | 19 | 12 | 7 | 9 | 9 | 13 | 26 | 34 | 47 |
| EBITDA | 128 | 137 | 144 | 162 | 164 | 217 | 300 | 376 | 443 | 517 |
| EBITDA Margins (%) | 13.0 | 12.5 | 12.0 | 12.6 | 13.3 | 15.3 | 17.1 | 18.1 | 18.5 | 18.3 |
| Profit Before Tax (PBT) | 81 | 85 | 82 | 106 | 124 | 176 | 257 | 319 | 384 | 445 |
| Taxes | 4 | 7 | 14 | 14 | 15 | 19 | 30 | 39 | 52 | 54 |
| Tax Rate (%) | 4.5 | 8.5 | 16.6 | 13.3 | 12.0 | 10.8 | 11.7 | 12.1 | 13.4 | 12.1 |
| Profit After Tax (PAT) | 77 | 78 | 64 | 85 | 107 | 156 | 214 | 282 | 333 | 391 |
| PAT Margins (%) | 7.9 | 7.1 | 5.4 | 6.6 | 8.6 | 11.0 | 12.2 | 13.5 | 13.9 | 13.8 |
| Financial Position: | | | | | | | | | | |
| Fixed Assets (Net) | 251 | 243 | 371 | 257 | 250 | 295 | 512 | 379 | 465 | 559 |
| Current Assets, Loans & Advances | 412 | 393 | 504 | 522 | 340 | 408 | 471 | 640 | 774 | 951 |
| Current Liabilities & Provisions | 108 | 158 | 183 | 241 | 294 | 400 | 436 | 452 | 732 | 808 |
| Net Working Capital | 304 | 235 | 322 | 281 | 46 | 8 | 35 | 189 | 42 | 143 |
| Days of Sales | 113 | 78 | 98 | 80 | 14 | 2 | 7 | 33 | 6 | 18 |
| Total Assets | 609 | 558 | 705 | 640 | 433 | 543 | 624 | 670 | 749 | 1081 |
| Share Capital | 29 | 29 | 29 | 29 | 29 | 29 | 57 | 86 | 86 | 86.5 |
| Reserves & Surplus | 292 | 334 | 365 | 388 | 257 | 335 | 440 | 393 | 531 | 731 |
| SHARE HOLDERS' FUNDS | 320 | 362 | 393 | 417 | 286 | 364 | 497 | 480 | 618 | 818 |
| Loan Funds | 289 | 196 | 304 | 964 | 132 | 164 | 121 | 160 | 99 | 228 |
| Total Capital Employed | 609 | 558 | 705 | 640 | 433 | 543 | 624 | 670 | 749 | 1081 |
| ROCE (%) | 17.0 | 19.5 | 12.6 | 16.1 | 28.6 | 31.3 | 39.0 | 45.7 | 47.6 | 38.8 |
| RONW (%) | 24.7 | 22.0 | 16.6 | 20.6 | 38.1 | 43.5 | 46.1 | 61.3 | 55.3 | 48.4 |
| Equity Share Data: | | | | | | | | | | |
| Earnings Per Share (Rs.) | 27.1 | 2.7 | 2.3 | 3.0 | 3.7 | 5.4 | 3.7 | 3.3 | 3.9 | 4.5 |
| Dividend Per Share (Rs.) | 10.0 | 1.0 | 0.5 | 1.4 | 2.0 | 2.5 | 1.8 | 1.42 | 1.5 | 1.75 |
| No of Shares (In cr.) | 2.9 | 2.9 | 28.6 | 28.6 | 28.6 | 28.6 | 57.3 | 86.3 | 86.4 | 86.5 |

Sales refer to Gross Sales Less Net of Sales Tax/VAT

* Stock split from Rs. 10/share to Rs. 1/share

* Consolidated results from FY02 onwards

* Dabur Pharma got de-merged

* Bonus issue of 1:1 was issued during the year

* Bonus issue of 1:2 was issued during the year



Corporate Information

Board of Directors

Dr. Anand Burman
Chairman

Mr. Amit Burman
Vice Chairman

Mr. Pradip Burman
Director

Mr. Mohit Burman
Director

Mr. P. D. Narang
Director

Mr. Sunil Duggal
Director

Mr. Analjit Singh
Director

Mr. R. C. Bhargava
Director

Mr. P. N. Vijay
Director

Dr. S. Narayan
Director

Mr. Albert Wiseman Paterson
Director

GM (Finance) & Company Secretary

Mr. Ashok Jain

Auditors

M/s G. Basu & Co.
Chartered Accountants

Internal Auditors

Price Waterhouse Coopers Pvt. Ltd.

Bankers

Punjab National Bank
Standard Chartered Bank
HSBC Ltd.

State Bank of India
ABN Amro Bank NV
Citibank NA

HDFC Bank Ltd.
IDBI Bank Ltd.

Corporate Office

Dabur India Limited,
Dabur Tower,
Kanshambhi, Sahibabad,
Ghaziabad - 201010,
Uttar Pradesh, India.
Tel.: 0120 - 3982000, 3001000
Fax : 0120 - 4374935
Website: www.dabur.com
Email: investors@dabur.com

Registered Office

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



C hairman's message

Dear Shareholders,

It is with great pleasure, and a sense of satisfaction, that I write to you at the end of yet another path-breaking year for Dabur.

It was indeed a momentous year for your Company, which successfully withstood the downturn that swept through the global and the Indian economy, to move ahead firmly on the growth trajectory. Despite various negatives such as slow down in the economy, mounting cost pressures and sharp currency fluctuations, 2008-09 saw Dabur move ahead on the growth track and remain on the upswing in every aspect of its business. On a consolidated basis, revenues have increased by 18.3% to Rs. 2,834.1 crores and Net Profit has grown by 17.5% to Rs. 391.2 crores.

A good part of this growth has been driven by the successful introduction of a host of new products and variants, which ensured that Dabur not just retained, but even enhanced its leadership position in key product categories. Boosted by a series of such initiatives, and led by a far-sighted and forward-thinking management team, your Company not only maintained, but enhanced its market position in several key highly competitive categories across the Fast Moving Consumer Goods (FMCG) space.

Details of most of these initiatives and your Company's achievements for the year 2008-09 have been elaborated in the Management's Discussion and Analysis section of this report. Here, I would like to address some of key factors that helped your Company tackle the challenges of the year and which shall enable it to make the most of the opportunities in the years to come.

Even though the Indian economy had gone into depression during the year, the FMCG sector did not witness any visible signs of

demand contraction. On the contrary, the sector has been moving ahead at a healthy pace as consumer spending on everyday use products at popular price points have continued to attract good demand, both from rural and urban India. The rural consumers – thanks to increased spending power on account of higher agri-commodity realizations and investments in the rural economy — have, in fact, been the key driving force for the sector.

For Dabur, it's imperative that we take cognizance of the changing dynamics of the market and appropriately build these into our plans in order to address the challenges and take advantage of the emerging opportunities.

One such change that happened during the year was the churn in organized retail industry. There was a sharp slowdown in this sector, which led to several retail chains facing a severe resource crunch and pressure on sales and profitability. Since many of these chains are our channel partners, the Company needed to take cognizance of the issues and address them effectively so that the impact on our business was minimal. Dabur addressed this by putting in place appropriate strategies in working capital management, terms of trade and sales force focus. This has helped us maintain our shares and grow our business in modern trade in spite of a general slow down in this distribution channel.

The Company saw strong demand emerging in rural and semi urban markets and took advantage of this through its diverse product basket, extensive

distribution network that penetrates even remote geographical markets and its unique herbal and natural heritage. This is in recognition of the fact that almost 70% of India's population resides in rural and semi urban areas and the rural economy accounts for close to 50% of India's GDP. Dabur has always catered to these markets by providing relevant products and increasing its penetration, reach and contact with the consumers.

Your Company also gives due share of attention to its urban consumers who have much higher spending power and disposable incomes. Aligning its products to meet the ever-changing needs of the urban customer remains a corner stone of Dabur's operational strategy. Dabur has always kept itself firmly focused on identifying and developing products that are in line with the changing consumer needs in terms of variety, quality, packaging and communication. New communications strategies, with a host of new brand ambassadors, further contributed significantly to Dabur's brand and market enhancement initiatives during the year.

In line with its stated strategy of pursuing inorganic growth through synergistic acquisitions, your Company initiated the process of acquiring 72.15% of Fem Care Pharma Ltd (FCPL), a leading player in the women's skin care products market, for Rs 203.7 crore in an all-cash deal. The acquisition process will be completed by the first quarter of the 2009-10 fiscal and is likely to open new vistas of growth for Dabur in the fast-growing mainstream skin care segment.

Your Company's International Business Division was another key driver of growth with a strong 40% increase in revenue. We have built strong capabilities to tap emerging opportunities in the overseas markets. Expansion of existing markets and foray into new geographies will continue to drive growth in the international business. Having established its presence in the Middle East and North African markets, your Company is now looking at expanding its presence to other parts of Africa and Asia.

Your Company's healthcare portfolio received a boost with the Consumer Health Division clocking a good rate of growth and succeeding in launching a range of OTC products for everyday health needs in line with changing lifestyles and health requirements. The Company will increasingly leverage its huge expertise in this area to provide safe and efficacious remedies which address the modern day health needs.

That the growth opportunities are huge needs no elaboration. While the year 2008-09 had ended strong, we foresee several challenges ahead. While input cost fluctuations and growing competition are likely to continue to pose serious challenges, I can assure you that your Company is fully geared to tackle the situation and continue to grow, both in volume and value terms. Dabur's inherent strengths ensure that Dabur will continue to pursue its long-term growth strategy – both organic and inorganic – in the years to come.

2009-10 is a historic year for Dabur as it marks the completion of 125 years of Dabur's journey that started in 1884 in Kolkatta. This annual report highlights some of the milestones of this wonderful and exciting journey and we shall be celebrating "125 years of Dabur" through a series of events during the year.

The quality, drive and expertise of our employees are second to none. With their dedication, and your encouragement and support, I am confident that Dabur will continue to achieve many more such years of exceptional progress. I would like to take this opportunity to thank all our employees, associates, suppliers, distributors and shareholders for being part of this journey with us.

Dr. Anand Burman
Chairman



Know us better

Dabur India Limited is the world's largest Ayurvedic & Natural Health Care Company & among India's leading Personal & Health Care Companies.

Business structure

Dabur operates through three focused Strategic Business Units

Consumer Care Division (CCD)

Addresses consumer needs across the entire FMCG spectrum through four distinct business portfolios: Personal Care, Health Care, Home Care and Foods.

Brand portfolio & architecture

The Company's brand portfolio comprises of over 350 products positioned across the herbal and natural space. Dabur India's FMCG portfolio includes four flagship brands with distinct brand identities.



Herbal & Ayurvedic
Health Care

A trusted name in natural healthcare for the past 125 years, Dabur is known for providing a range of efficacious and time-tested health care products based on the principles of Ayurveda



Natural
Personal Care

A premium personal care brand & a leader in its category, Vatika is a popular name in the natural personal care space offering a whole range of nature-based solutions



Tasty
Digestives

Tasty fun-filled digestives available in interesting formats like tablets and candies, Hajmola appeals to all age groups



Fruit-based
Beverages

India's leading brand of packaged fruit juices, Real provides the largest range of refreshing & healthy fruit juices that are 100% natural and free of preservatives

Backed by a 125-year legacy built on quality and experience, Dabur is dedicated to the health and well-being of every household.

2

Consumer Healthcare Division (CHD)

Offers a range of ethical and OTC products that deliver the age-old benefits of Ayurveda in modern ready-to-use formats.

3

International Business Division (IBD)

Caters to the health & personal care needs of customers across different international markets spanning Middle East, North & West Africa, EU and US through its brands Dabur and Vatika.

Leadership & excellence

It is apt to say that not a day in the lives of people is complete without using Dabur's products. And it is the Company's commitment to evolve with the changing needs of its customers that has helped a 125-year-old Dabur emerge a favourite among even the modern Indian consumer and win market share across categories.



Dabur Chyawanprash is the largest selling Ayurvedic health supplement with over 65% market share.



Dabur Honey is the market leader in the branded honey market in India.



Vatika ranked as the fastest growing shampoo brand in 2008-09, making it to the top of the charts for the third year in running.



Dabur Amla Hair Oil continues to be a high growth brand in urban and rural markets by winning away users of mustard and other unbranded oils.



Hajmola commands over 80% market share in the herbal digestives category.



Real Fruit Juices command market leadership in pure juices category with 50% share.



With brands like **Dabur Red Toothpaste**, **Babool** and **Meewak**, Dabur controls 16% share of the oral care market and has doubled its share in the last 5 years.



Gulabari skin range outperforms the market becoming one of the fastest growing brands in skin care.

Operations & distribution

The Company's manufacturing activities spanning various consumer products categories are carried out in 17 factories spread across India and abroad. The company recently operationalised its new plant at Ras-al-Khaimah in the UAE.

Dabur's domestic distribution network comprises 50 C&F agents and about 4,500 distributors. Driven by the sheer popularity of its product portfolio, Dabur finds a place of pride in over 2.5 million retail outlets in India with geographic footprint spanning over 60 countries.

The billion rupee brands



People power

Dabur India employs about 3000 employees across all areas of operations. The Company has a team of well qualified scientists,

Ayurvedic doctors, pharmacists, agronomists, botanists, tissue culture specialists to drive its R&D operations.



Celebrating
125 Years
 OF HEALTH &
 WELL BEING
 1884 - 2009



1884

Dabur founded by Dr. S. K. Burman as an Ayurvedic Pharmacy in Kolkata.

Early 1900's

First Company to provide health care through scientifically tested & automated production of formulations based on traditional science.

1940

Launches Dabur Amla Hair Oil which becomes the largest selling hair oil brand in India.

1949

First company to brand Chyawanprash and market it extensively.

1984

Completes a century of bringing health and well-being to consumers across the country.

1986

Becomes a Public Limited Company.

1994

Comes out with its first public issue. The Company's shares issued at a premium and oversubscribed more than 21 times, a testimony of investor confidence in the Company.

1996

Launches Réal Fruit Juices - a new concept in the Indian foods market. The first Indian brand of 100% pure natural fruit juices made to international standards, Réal becomes the fastest growing and largest selling juice brand in the country.

2006

Figures in the 'Top 10 Great Places To Work'.

Crosses the \$2-billion mark in market capitalization & adopts US GAAP in line with its commitment to follow global best practices.

2007

Ranked among 'Asia's Best Under A Billion' enterprises by Forbes.



1970

Forays into the Oral Care & Digestives segments.

1972

Company shifts base to Delhi from Kolkata.

1978

An Ayurvedic medicine used as a digestive aid is branded and launched as Hajmola tablet, which became one of the most popular products in digestives category.

1979

Commissions one of the largest, most modern and best equipped production facilities for Ayurvedic medicines at that time.

1998

To inculcate a spirit of corporate governance, professionalism and to compete in changing business times, the Burman family appoints professional CEO to manage the company.

2000

Surpasses the Rs.1,000 crore turnover mark and assumes its position amongst the top FMCG companies.

2005

As part of its strategy to supplement growth through inorganic route, acquires Balsara's Hygiene and Home products businesses.

Receives the "ICSI National Award for Excellence in Corporate Governance", an award given by an eminent jury constituted by the ICSI.

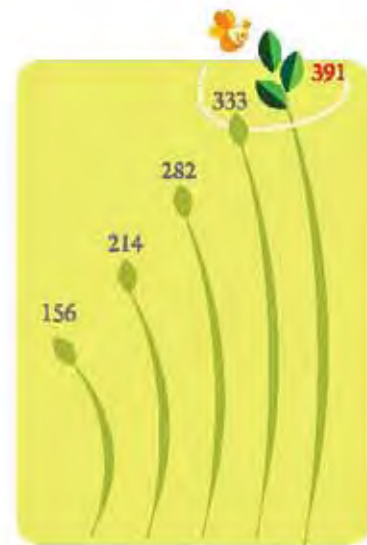
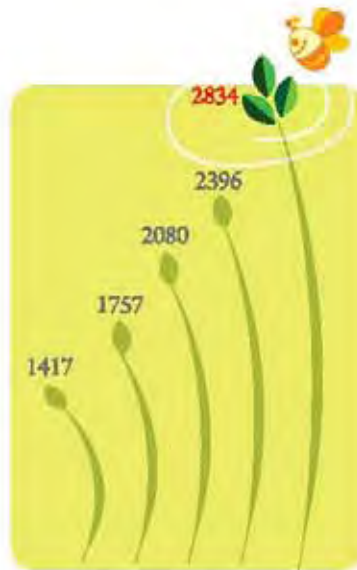
2008

Steps into organized retail market with the setting up of new stores in Delhi, Hyderabad & Bangalore.

Acquires Fem Care Pharma Limited, a company operating in the beauty care segment with well established brands.

P

erformance at a glance



Based on consolidated financials of Dabur India Limited for the 5-year period from 2004-05 to 2008-09

Net Sales (Rs. cr.)

Profit After Tax (Rs. cr.)

A

ccolades 2008-09

Dabur India Ltd. bags the NDTV Profit Business Leadership Award in the FMCG category - Personal Care category, beating several big multinationals

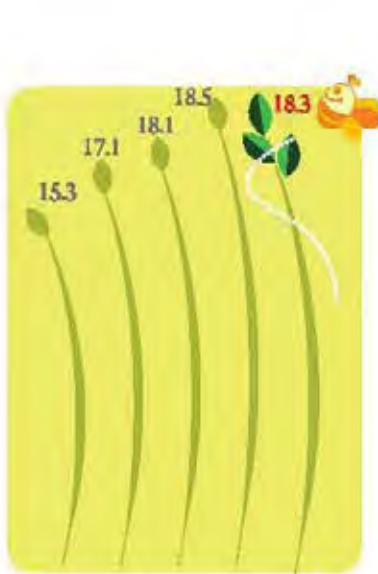
NDTV
PROFIT
India's No. 1 Business News Channel



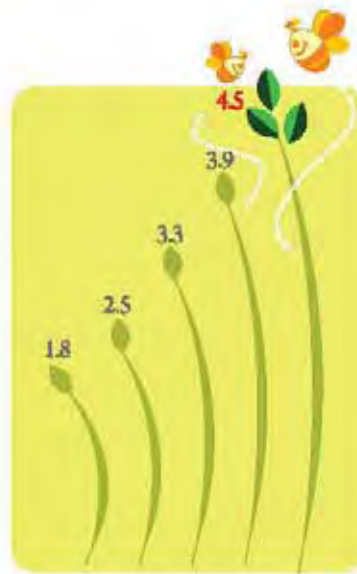
BUSINESS
LEADERSHIP
AWARDS
2008

BRAND EQUITY
MOST TRUSTED BRANDS
2008

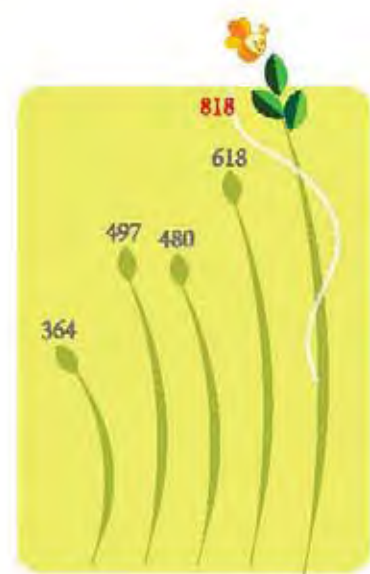
Hajmola, Dabur Amla, Vatika & Dabur Foods feature in the Most Trusted Brands in India list prepared by Economic Times-Brand Equity



EBIDTA Margins (%)



EPS (Rs.)



Shareholders' Fund (Rs. cr.)



Consumers vote Dabur's flagship fruit juice brand Réal as Trusted Brand in the fruit juice space for the third year in a row

Dabur India Ltd. ranks amongst India's Most Innovative Companies in a Business Today-Monitor Group survey



Dabur India Ltd CEO Mr. Sunil Duggal is named the Best Corporate Leader of 2008 at the B&E Leadership and Excellence Awards

The Buzz at Dabur

Buzzing with
new ambassadors



M.S. Dhoni is
youth ambassador
for Dabur
Chyawanprash



Zaheer Khan
adds pace to
Dabur
Glucose
this summer

Dabur Honey
is also Disney's
Winnie
the Pooh's
favourite now



Dabur Vatika
Dandruff
Control Shampoo
signs
Preity Zinta
as brand
ambassador

Sakshi Tanwar
endorses
Sanifresh
Toilet Cleaner





Dabur steps into mainstream skin care market with the launch of three new products - **Moisturising Cream, Moisturising Lotion & Face Freshener Spray** - under the Gulabari brand



Dabur launches **Vatika Dandruff Control Shampoo** range



Buzzing with new products



Dabur introduces age-old Ayurvedic remedies in modern, ready-to-use formats with products like **Active Blood Purifier, Active Antacid** etc.



Dabur enters hard surface cleaner market with **Dazzal**

Dabur shakes up malted food drink market with **Chyawan Junior**



Nikita Narayan is 'Dabur Gulabari Miss Fresh Face' of Hyderabad

Clinical Trial says **Dabur Lal Tail** offers twice faster growth among infants



Dabur Amla organises **rural beauty pageant** with the aim of empowering women in rural India



Buzzing with activities



Dabur India Ltd. acquires **72.15%** of Fem Care Pharma Ltd. for **Rs. 203.7 cr.** in an all-cash deal



Dabur rolls out an **advanced sales training programme, Astra**, that seeks to empower the sales force to deal with the growing complexities of the retail landscape



IMA, Dabur join hands to fight **Dengue, Chikungunya**

Dabur strengthens attack against spurious products makers

Making a difference

For growth to be responsible, it should go beyond numbers... it should do good to the society, create a better world. That's just the kind of growth that Dabur India believes in, and constantly strives for.

At Dabur, our commitment to good governance, ethical conduct and social responsibility is core to our way of doing business, and is strongly aligned with our drive to create and increase value for all stakeholders. We define Corporate Social Responsibility (CSR) as conducting business in ways that provide social, environmental and economic benefits for the communities and geographies where we operate. Our CSR initiatives are driven through Sustainable Development Society or SUNDESH, an outcome of the vision of Dabur India Ltd founder Dr. S.K Burman.

SUNDESH is sworn to the mission of ensuring overall socio-economic development of the rural & urban poor on a sustainable basis, through different participatory and need-based initiatives. It aims to reach out to the weaker and more vulnerable sections – such as women and children, illiterate and unemployed – of the society.

Today, SUNDESH operates in Ghaziabad and Gautam Budha Nagar district of Uttar Pradesh, and has more recently established presence in Rudrapur district of Uttarakhand. Over the years, it has contributed to many worthy causes, addressing children's literacy, improving healthcare services, skill development, and environment, to name a few.

Rural Health Care Services

SUNDESH's Health Post at village Chouna offers primary health services to the poor and

the marginalized rural people at a reasonable cost. Broad category of services offered include Out Patient Department (OPD) services, diagnostic facilities and mother & child health care, reproductive & child health care guidance. Besides organizing eye and women's health check-up camps, the center also provides free of cost cataract operations throughout the year.

SUNDESH – in association with CARE India Trust and the Uttar Pradesh State AIDS Control Society – has been running awareness drives on HIV-AIDS with the migrant population. Under this initiative – which seeks to cover a migratory population of about 25,000 people in the urban areas of Ghaziabad – workshops & street plays are organized to create awareness and to sensitize the community.

Women Empowerment

Women are important agents of sustainable development and their equality & empowerment through education, better health awareness and skill development are central to a holistic development of the society. With this in mind, SUNDESH has rolled out a host of educational initiatives that focus on preventing gender bias in the family and giving equal importance to the girl child. Workshops are also organized to make the community aware about the importance of the girl child and prevent female foeticide.

Education

For an emerging and developing country like India, development of underprivileged children holds the key to the progress of the nation itself. SUNDESH works towards educating poor & under-privileged children and school dropouts between the



"What is that life worth which cannot bring comfort to others"

**-Dr. S K Burman
Founder,
Dabur India Ltd.**

www.sundesh.org



age group of 6-14 years by holding classes at non-formal education centres in villages. After completing their basic education, these children – who either have never had a chance to see a school from inside or have dropped out from school - are encouraged to get enrolled in formal schools. Till date, 2,110 children have benefited from the programme, and 824 kids have joined formal schools.

SUNDESH also runs **adult literacy programmes** for people above the age of 18 years, and even encourages rural women in the age group of 14-35 years to join such programmes.

Q Skill Development

Taking into account the changing employment scenario and emerging opportunities of self-employment, a host of capability enhancement programmes have been introduced offering vocational training in cutting & tailoring, machine & hand embroidery, bee keeping, mushroom farming, mehandi application and vermi-composting.

Women are particularly encouraged to take up income-generation programmes and are awarded certificates after the completion of training. Almost 1981 women have till date been offered such training and they are now supplementing their household income.

Q Self Help Groups

As part of efforts towards poverty alleviation, SUNDESH has set up Self Help Groups of 15 people each, who are trained to develop their capability to address and solve problems through ongoing interactions. Besides, the habit of regular savings is inculcated within the group, and capital raised is mobilized to improve their livelihoods and living standards.

Today, 73 such groups have been formed among below poverty line families and 93 among general families. These groups have been linked with

banks, and the loans raised are utilized for setting up new businesses like dairy units, grocery shops, mobile repair units, medical stores, poultry units, small dhabas, sweet shops, etc. The success of this initiative can be gauged by the fact that repayment of bank loans is almost 100%.

Q Still a long way to go...

A beginning has been made but there still miles to go before the huge disparity is bridged and a better future delivered to both the rural and urban poor.



Sustainability Report

At Dabur, environment and nature is the lifeline of our business. With a portfolio of Ayurveda and nature-based products, conservation of nature & natural resources is deep rooted in our organizational DNA, and in every aspect of our ever-growing business.

We, at Dabur, have not merely incorporated the concept of sustainability into the core of our business but have, in fact, expanded it to encompass our aspirations and responsibilities to the society and to the environment. It is this concept that inspires us to optimize our business performance to tackle the new and growing challenges of environment and technology.

Technology Absorption, along with Health, Safety and Environment Protection.

Conservation of Energy

The year 2008-09 was a landmark one for Dabur in terms of the various energy conservation measures undertaken by the Company. Successful implementation of various energy conservation projects led to a 13.8% reduction in the Company's energy bill. What was noteworthy was the fact that this reduction has come despite an 8-9% volume increase in manufacturing, and an average 11.7% increase in cost of key input fuels.

and improve hygiene conditions & productivity.

Technology Absorption

During the year, Dabur has also made continuous efforts towards technology absorption and innovation, which have contributed towards preserving natural resources. These efforts include:

- Minimum use of water in process by pre-concentration of herbal extract and reduction in concentration time
- Uniform heating using hot water as against steam earlier, resulting in 30%



It is a concept on which we aspire to build an organization that will continue to increase value for all our stakeholders for generations to come, through intensive focus on Conservation of Energy and

The host of measures – key among them being use of bio-fuels in boilers, generation of biogas and installation of energy efficient equipment – helped lower the cost of production, besides reduce effluent

reduction in bulk wastage by using non-stick coating and formulation change

- Improvement in water treatment plant through introduction of RO (Reverse Osmosis) system for DM water,

reutilization of waste water from pump seal cooling and RO reject waste-water management

- Introduction of water efficient CIP system with recycling of water in fruit juice manufacturing

Health Safety & Environmental Review

Renewing the commitment to Health Safety and Environment, Dabur has



- Development of in-house technology to convert fruit waste into organic manure by using the culture *Lactobacillus burchi*

Simultaneously, the Company undertook a series of innovative packaging concepts, relating to distinctive repackaging of some of the top brands and launch of new products in unique cost-effective packs.

As a result, the Company achieved a host of significant benefits in terms of product improvement, cost reduction, product development, import substitution, cleaner environment and waste disposal, amongst others.

formulated a policy focusing on People, Technology and Facilities. A dedicated "Safety Management Team" has also been put in place to work towards the prevention of untoward incidents at the corporate and unit level, besides educate & motivate employees on various aspects of Health, Safety and Environment.

The Company is also continuously monitoring its waste in adherence with the pollution control norms. In pursuance of its commitment towards the society, efforts have also been initiated to conserve and maintain the ground water level. The efforts include implementation of

rainwater harvesting, which has delivered encouraging results and has put the company on the path to becoming a Water-Positive Corporation.

Dabur also initiated a Carbon Foot Print Study at the unit level with an aim to become a carbon positive Company in years to come.

At Dabur, we are committed to sustainable development throughout our diverse operations. And, we will strive to translate the good intentions into concrete and lasting results, contributing to the ultimate good of the society.

M

anagement Discussion and Analysis

The strength of the Company's business strategies and competence in execution were demonstrated in its strong performance during 2008-09, when it not only weathered the storm unleashed by the global economic meltdown but successfully delivered consistent growth, quarter on quarter.

The economic well-being of any country and the spending power of its people play an important role in defining the characteristics of its FMCG sector. In India, for four consecutive years till 2008, it was a dream run for the economy, with the Gross Domestic Product (GDP) recording an increase of 7.5%, 9.5%, 9.7% and 9% from fiscal 2004-05 to 2007-08. This prosperity augured well for the people, with per capita income growing at 7.4% p.a., representing the fastest ever improvement in living standards over a four-year period. The gross domestic savings rate too shot up from 29.8% to 37.7% during the period 2003-04

to 2007-08.¹ The key growth drivers for this period were agriculture, services, manufacturing, along with trade and construction.

This phase of strong growth has been impacted in 2008-09 by one of the worst economic crises witnessed in the history of the world. The banking crisis which started in the US sub-prime property market triggered the collapse of several large financial institutions, including banks, mortgage and insurance companies. The crisis deepened further impacting other sectors of the US economy and



spreading beyond the boundaries of US as well. Global growth and output plummeted leading to a sharp fall in asset values across advanced and emerging economies, decrease in household wealth and incomes and thereby putting downward pressure on consumer demand. These problems were exacerbated by the volatile price of various commodities, crude and mineral oil. While commodity and oil prices eased in the latter part of the fiscal, the slowdown intensified with the US, Europe and Japan sliding into recession.

Probably no economy of the world can emerge completely unscathed in such an adverse global environment. India, although affected to a lesser extent, has not been insulated from the global events. The credit and fiscal markets in the country have tightened and asset markets have declined sharply. The growth rate in its GDP has slowed down and the Central Statistical Organization (CSO) of India has pegged GDP growth for Fiscal 2008-09 at 7.1 per cent, which would be the lowest in the last 5 years.

India's Industrial output has seen a major contraction with growth coming down to 2.8% during April 2008-February 2009 as compared to 8.8% in the corresponding period in the previous year. The year-on-year growth in bank credit to the commercial sector slowed down to 16.9% during 2008-09, compared with 20.3% in 2007-08. The year also saw a period of commodity-led high inflationary environment, which was followed by an acute correction in the commodity prices globally following the crash on the world

Did you know?

Dabur Vatika is the fastest selling shampoo brand in the country for three years in a row





financial markets due to liquidity and demand concerns. Inflation in India measured through Whole Sale Price Index (WPI) rose to as high as 12% during September, 2008 before cooling off to 0.26% by the end of March, 2009.

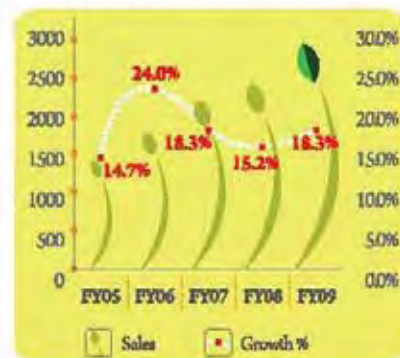
In these uncertain and bleak market conditions, your Company has posted one of its strongest performances in the last 5 years, growing the Revenues by 18.3% and Net Profit by 17.5%. In fact, the growth in Net Profit excluding the loss in the retail venture is 19.6%. The highlights of the Company's performance in 2008-09 on a consolidated basis are:

- Consolidated Sales increased to Rs. 2834.1 crore in 2008-09 from Rs. 2396.3 crore in 2007-08, registering a growth of 18.3%.
- Earnings before interest, depreciation, taxes and amortization (EBIDTA) increased to Rs. 517.3 crore in 2008-09 from Rs. 443.3 crore in 2007-08, registering growth of 16.7%

- Consolidated Profits After Tax (PAT) went up to Rs. 391.2 crore in 2008-09 from Rs. 332.9 crore, going up by 17.5%.
- Earnings per share (EPS) went up to Rs. 4.5 in 2008-09 from Rs. 3.8 in 2007-08.

The strength of the Company's business strategies and competence in execution were demonstrated in its strong performance during 2008-09, when it not only weathered the storm unleashed by the global economic meltdown but successfully delivered consistent growth, quarter on quarter. The 18.3% growth in Consolidated Sales was driven largely by increased volumes, which accounted for almost three fourths of the total revenue growth. This has been one of the highest growths recorded during the last 5 years with the exception of 2005-06, the year in which growth was boosted by the Balsara acquisition that added additional 10% to the topline. (See Chart A)

Chart A: Consolidated Sales and growth during last 5 years



In spite of the highly uncertain market conditions and apprehensions of a slowdown, the Company continued to drive its key strategic initiatives and invest aggressively behind its brands and businesses during 2008-09.

Pursuing its strategy of inorganic growth through acquisitions that provide significant cost and revenue synergies and enhance its market position, the Company announced

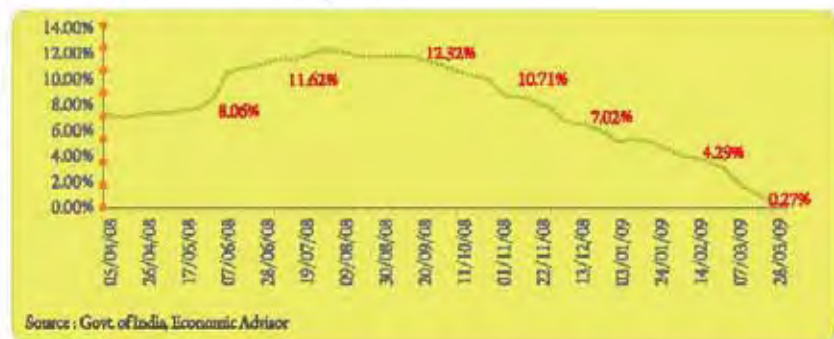
the acquisition of 72.15% of Fem Care Pharma Ltd (FCPL), a leading player in the women's skin care products market, for Rs.203.7 crore in an all-cash deal. The process of regulatory approvals for the acquisition, including an open offer for an additional 20% of the equity, is underway and is likely to be completed in the first quarter of next fiscal. The Company believes this acquisition will open new vistas of growth in the fast-growing mainstream skin care segment and will accrue significant cost and revenue synergies.

On the operational front, one of the major challenges faced during the year was the significant inflationary environment fuelled by upward movement of crude and agri-commodity-based raw materials. Due to this, inflation touched a peak of 12-13% in September 2008 (See Chart B). Responding to this challenge, the Company

embarked on a number of proactive measures to manage the cost pressures. An aggressive planning, forecasting and hedging strategy on the one hand, and efficient management of cost on the other helped curtail the impact of inflation. Calibrated price increases taken by the Company also helped in protecting the operating margins and yet maintain its strong volume-driven growth. While the Company increased the

prices of its products to pass on some of the increase in costs, these were quite moderate as compared to the average price hikes in the industry. In fact, the price increases taken by the Company were among the lowest in the industry thereby ruling out the need for any roll back of prices post the correction in input costs, which has been the case in some categories where steep price increases of 15-25% were witnessed.

Chart B : Movement of WPI during 2008-09



In addition to excellent material cost management, a series of strategic initiatives helped the Company deliver even in these difficult times. Product innovation and superior packaging coupled with effective communication initiatives and a host of consumer activations enabled the company drive double-digit growth across its categories. While many of the Dabur offerings became more modern and contemporary with the introduction of new packaging and look and feel, the portfolio remained aligned to the Company's core strategy of offering brands and products on the herbal and natural platform.

The national launch of Dabur Chyawan Junior, a malt-based nutritional drink

incorporating the goodness of Chyawanprash, was one of the milestones in this journey and also marked the Company's entry into the large and growing Malted Food Drink (MFD) market with a unique and well-researched product offering. For the third year in a row, the Company's Vatika Shampoo brand remained the fastest growing shampoo brand in the country with growth of 31.5%, significantly outperforming the category. Dabur Amla Hair Oil, one of the largest brands in Dabur portfolio, posted its best-ever growth of 20.4% with its revenues crossing the Rs.300-crore mark. The Company's international business reported strong growth of 40% during the year increasing its contribution to 18.5% of total

consolidated sales from 15.7% in the previous year.

Some of the other key achievements during the year were:

- Successful extension of Gulabari brand to a range of skin care products accelerating the brand's growth to over 40%.
- Dabur Red Tooth Paste, a unique toothpaste based on Ayurvedic knowledge, became a Rs.100 crore brand within a period of 5 years of its launch.
- Consumer Health Division, Dabur's original and oldest business division bounced back with strong 20% growth aided by aggressive OTC launches.

Did you know?

Dabur Chyawan Junior is the first Ayurvedic malted food drink in India, incorporating the goodness of Chyawanprash in a chocolate-flavoured granular format



- The company entered the fast growing hard Surface Cleaners category with the national launch of Dazzl floor and kitchen cleaners

Rural India has been the key growth driver for the FMCG market during the year. Recognizing the huge growth opportunity residing in rural & small town India, Dabur undertook specific initiatives to strengthen its rural penetration. These included the roll-out of a rural-focused sales initiative across eight key states that contribute to a majority of overall rural sales, sprucing rural distribution reach, developing innovative trade promotions, launching consumer activation programmes and introducing special product packs for these markets. These initiatives paid good dividends leading to a strong momentum in the Company's rural markets.

Lastly, one of the Company's biggest successes during the year has been its operational excellence, which is evident in its EBIDTA margins remaining at 18.3% vis-à-vis 18.5% in the previous year. This has been a result of its unwavering focus on maximizing efficiency in all its operations – be it sourcing, manufacturing, sales & distribution, supply chain, advertising & media costs and other indirect costs. With this, the company delivered a good growth in its Net Profit, which increased by 17.5% for the consolidated business and by 19.6% after excluding the losses on account of the newly launched retail venture.

Strategic Business Units

The Company's business is structured in three strategically aligned strategic business units:

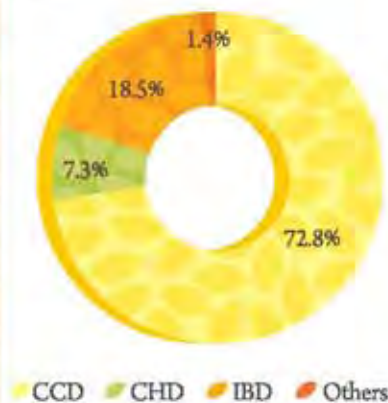
- Consumer Care Division (CCD) which markets a wide range of products across various consumer categories. This

division accounted for 72.8% of the Company's consolidated sales in 2008-09. (Refer Chart C)

- Consumer Health Division (CHD) which offers over-the-counter (OTC) products, branded ethical and classical products based on the Ayurveda platform. This Division accounted for 7.3% of Consolidated Sales in 2008-09.
- International Business Division (IBD) which has made rapid strides and become a key growth driver for the Company. With its business spread over Middle East, North Africa, West Africa and South Asia, the division contributed to 18.5% of the Consolidated Sales in 2008-09.

Dabur's product portfolio is spread over a good mix of less penetrated and high growth categories. The Company's positioning on the 'health and wellness' platform, backed by its ANH (Ayurvedic/Natural/Herbal) platforms provides it a unique distinctiveness and consumer appeal. This, combined with the Company's ability to create new categories and sub-categories, make it uniquely positioned to capture lifestyle and demographic changes-led growth in the FMCG space.

Chart C : Division-wise Consolidated Sales



Consumer Care Division (CCD)

Extension of existing brands to more sub-categories and making more choice available to consumers, coupled with increased focus on rural penetration, was the key platform on which CCD leveraged its growth during 2008-09. The division reported growth of 13.8%, supported by strong performance across various segments. The CCD business is divided into four key portfolios: healthcare, personal care, home care and foods. These cater to a number of consumer market segments including hair care, oral care, baby and skin care, health supplements, digestives, home care and foods. Share of these product segments in CCD sales is presented in Chart D.

Chart D : Category-wise share of CCD Sales



Health Care

With a share of 44%, the Health Care segment continued to be the largest contributor to CCD's sales during the fiscal, reporting impressive growth across all its three categories: Health Supplements, Oral Care and Digestives.

Did you know?

Dabur Chyawanprash is the first branded Chyawanprash and is the largest selling Ayurveda-based product in India



Health Supplements

This category reported an 11.3% growth during 2008-09.

Dabur Chyawanprash, which is the flagship brand in this category, recorded good gains in market share which went up from 62.3% in 2007-08 to 64.1% in 2008-09 (volume share as per A C Nielsen). This was supported by a number of initiatives taken to enhance the brand image and increase consumer awareness. The key among them was enlisting a new brand ambassador, youth icon M.S.Dhoni in addition to Amitabh Bachhan, coupled with the unveiling of a new, modern and attractive packaging format that enhanced the product appeal while retaining its traditional legacy.

Chyawan Junior, a malted food drink

format (MFD) with the benefits of immunity, was rolled out in the North, East and West regions. The product performed well, gaining 1% share of the MFD segment in these key markets in just three months of launch. This breakthrough product, which marked Dabur's entry into the large Rs.1900 crore MFD market, will be one of the avenues for bringing in new and younger consumers into the Chyawanprash fold and expanding its franchise.

The sugar-free variant Dabur Chyawanprakash also performed well during the year as consumer acceptance increased for this product.

Dabur Honey, the largest selling brand of honey in the country, continued its steady performance on the back of its compelling

anti-sugar, high nutrition proposition. For the first time in the history of advertising, the Amitabh Bachchan-MS Dhoni combine was leveraged to take the Dabur Honey brand campaign to a new level. The duo takes forward Dabur's message to 'Drop Sugar & Switch to Dabur Honey' for a healthier life. To drive consumption among kids, Dabur Honey tied up with Disney's popular character 'Winnie The Pooh', which now features on the new trendy Dabur Honey Eazee Squeazy pack. The Company also came out with a coffee table book on honey-based recipes for everyday cooking to increase awareness about the product.

Taking its celebrity-endorsement strategy ahead, the Company signed a new brand ambassador, cricketer Zaheer Khan for its Dabur Glucose campaign. Epitomizing and

exemplifying the 'Total Energy' (energy for the body and for the mind) theme, Zaheer Khan is expected to add pace to the Company's flagship energy drink marketing campaign. Introduction of reusable jars and the launch of two variants (Orange and Lemon) continued to ensure steady growth for Dabur Glucose during the year and helped it maintain its market share.

Oral Care

This category reported a growth of 4.8% during the year with toothpastes segment growing by 11.3%. After three quarters of sluggish growth during fiscal 2008-09, resulting mainly from cost inflation leading to higher product prices of select SKUs, Babool brand bounced back with a double digit growth during the fourth quarter. The

Company further enhanced the brand offerings across various value price points. The Neem variant of Babool, which was launched during 2008-09, gained share in the neem toothpaste category.

A star performer in the toothpaste portfolio, Dabur Red Toothpaste reported 21.4% growth during the fiscal on the strength of effective communication underlining its superior herbal formulation which is based on Ayurveda and has been scientifically validated. With targeted advertising and extensive school activation programmes, the brand's market share went up from 3.0% in 2007-08 to 3.3% during 2008-09 (source: A C Nielsen Retail Audit Report). The fact that the brand has touched the Rs.100 crore mark within 5 years of launch further reinforces the product excellence and popularity.

An important development during the year was the re-launch of Meswak. On the back of new packaging and communication that focused on the wonderful properties of the herb that forms the core of the toothpaste, Meswak recorded an impressive 17.2% growth in sales.

Red Toothpowder declined marginally albeit maintaining its market share. The toothpowder category reported lower growth as usage patterns are changing and consumers are opting for toothpastes rather than toothpowders. Dabur's oral care portfolio offers a variety of choices to the consumers to upgrade to toothpastes and therefore is largely able to retain the consumers in some or other oral care format.

Did you know?

Dabur Red Toothpaste has become a Rs. 100 crore brand within just five years of its birth



Digestives

The Digestives category reported growth of 11.8%. The three key offerings in this category are Hajmola tablets - focusing on the 'tasty digestives' theme; Hingoli - on gas relief; and Hajmola candy - on the tangy and spicy taste. Growth in this category was supported by Hajmola tablets, which grew by 13.7% and Hajmola candy, which reported a robust 17.9% increase for the fiscal 2008-09.

The company launched a new campaign with the theme 'Hajmola kare khana complete', which established Hajmola's post-meal connect and boosted growth for the brand. Alongside, a consumer contact campaign to promote Hajmola among dabbawalas, dhabas, hotels, restaurant chains, food courts etc. emerged as an effective strategy to take the post-meal association further & boost sales. As part of this initiative, the Company adopted 140 dhabas on the five highways connected to Delhi and branded these dhabas, giving

them a new look and feel. Customers at these dhabas were served Hajmola as the post-meal digestive. Dabur is now preparing to extend this initiative to cover over 1000 dhabas across the country. Similar branding and sampling initiatives were also undertaken with the dabbawallahs (tiffin carriers) in Mumbai and branded food retail chains in Delhi-NCR. The Company is now introducing a 50-paise sachet containing two Hajmola tablets, targeted mainly at institutional consumers. The introduction of new variants like Pudina and Nimbu continued to add excitement around the brand, and these flavours have become hugely popular.

A host of advertising and promotion initiatives pushed up sales of Hajmola Candy during the year. The 'audio candy' advertisement campaign was particularly beneficial in promoting Hajmola Candy, especially among children. Innovative marketing and tie-ups with kids' TV channels helped boost the campaign

further. A key initiative undertaken during the year was school activation, which covered almost seven lac students in schools across the country. Another key initiative was the introduction of Mega jars that enabled Hajmola Candy to make its way forcefully back into large retail outlets where it was previously being overtaken by local and other brands.

Personal Care

Comprising Hair Care and Baby & Skin Care, this portfolio is the second largest contributor to CCD sales, with a 37 % share. During 2008-09, this portfolio reported a strong 21.5% growth, of which significant growth came out of higher volumes - a considerable achievement given the intense and challenging inflationary scenario in terms of the input costs that impacted the FMCG industry during the year. Led by impressive growth across brands, the Personal Care portfolio emerged as the fastest growing segment in CCD during the year.

Did you know?

Almost 2.5 crore Hajmola tablets are consumed in India every day



Did you know?

Dabur Amla Hair Oil is Dabur's single largest brand and a market leader in the non-coco hair oil market.



Hair Care

Hair care segment recorded impressive growth of 22.8% during the fiscal 2008-09.

The star performer in the hair oil segment was the flagship brand Dabur Amla hair oil, which reported a growth of 20.4%, while Vatika hair oil turned around from lackluster performance last year to report double-digit growth. Anmol coconut oil reported strong growth during this period on account of its focus on value segment in select geographies.

The strong growth in Amla Hair Oil was led by the brand's focus on conversion of customers from loose mustard oil and a number of customer activation

programmes were launched to bring more consumers into its fold and enhance usage. The brand crossed Rs.300 crore in turnover and ranks as one of the largest and fastest growing brands in the hair oil category. The year also saw the introduction of Dabur Amla Hair Oil in a Re 1 sachet, a move that is expected to add further momentum to the brand's growth.

The growth of Vatika Hair Oil was driven by a total revamp, encompassing qualitative change in the product, new packaging and a new communication strategy, which saw 1.5 lakh households being directly contacted on the new platform of 'scientifically proven to be better than normal coconut oil.'

The growth in the oils segment happened despite a hike in prices, primarily on account of a stronger leverage of the distribution reach and an excellent price proposition, combined with a geographically segmented strategy focusing on East and North India, where the market was previously dominated by smaller discounted brands.

Light hair oil market represents an exciting growth opportunity with category size estimated at around Rs. 500 crore. The Company staged an entry into this sub category with the launch of two variants – Vatika Enriched Almond Hair Oil and Dabur Amla Flower Magic Hair Oil. These two variants are being test marketed in select markets.

Vatika range of shampoos emerged as the fastest growing shampoo brand in India for the third consecutive year reporting 31.5% growth. Its variants, namely Henna Cream, Root Strengthening and Black Shine shampoos, performed exceptionally well adding significantly to the overall growth. Vatika now has a market share of 6.8% (volume share as per A C Nielsen Audit Report) as compared to 5.7% for the previous fiscal 2007-08.

With the anti-dandruff shampoos constituting more than one-third of the total shampoo market in India, the Company sees great growth potential in this category. As a step in this direction, the Company created a new sub-brand Vatika

Dandruff control under which three anti dandruff shampoo variants are being launched.

In order to continue the momentum and take the new initiatives forward, the Company has signed Preity Zinta as the new brand ambassador. This is expected to enhance the brand's connect and saliency among the target consumer segment.

Dabur marked its entry into the health shampoo segment by test marketing a new product - Dabur Total Protect Health Shampoo. This product is formulated with Ayurvedic herbs and provides a natural and healthy alternative to consumers who are wary of using chemicals. The results of the

test market will determine the future strategy for this product.

Baby and Skin Care

The Skin Care category saw impressive growth, with Gulabari brand crossing the Rs.40 crore turnover mark, reporting a growth of 40.6% during the year.

Gulabari's growth was driven by increasing sales of Gulabari rose water and its extension into mainstream skin care with the introduction of new products like Dabur Gulabari Moisturizing Cold Cream and Dabur Gulabari Moisturizing Lotion. The introduction of Dabur Gulabari Premium Rose Touch Face Freshener Spray - a breakthrough product in the





Indian skin care market - also contributed to the growth of the Gulabari franchise.

Skin care is a focus category for Dabur, and moving forward, the Company plans to widen its offerings in this market while continuing to build on its Ayurvedic domain knowledge. The company is planning to launch a range of premium Ayurvedic skin care products in the coming fiscal under a new brand name, further strengthening its presence in this very attractive & high growth market.

These initiatives coupled with the acquired Fem portfolio would give the Company a sizeable presence in the skin care market in the coming years.

Dabur Lal Tail which is a key player in the baby massage oil segment reported strong growth of 19.6% backed by various consumer promotion activities. The product's efficacy was also proven through

an independent clinical trial that rated Dabur Lal Tail as the most effective massage oil for height and weight growth for infants. The study noted that Dabur Lal Tail offers twice faster rate of height and weight growth among infants as compared to no massage at all.

Some smaller brands in the baby care portfolio such as Dabur Janam Ghunti and Gripe Water were transferred to Consumer Health Division (CHD) for enabling better focus and channel synergies.

Home Care

Dabur is a significant player in the evolving and under penetrated Home Care category in India. Home Care portfolio, which came into the Dabur fold with the acquisition of Balsara in 2005, has a share of 5.7% of CCD revenues. The portfolio registered a growth of 9.7% during 2008-09.

The portfolio comprises of 3 categories: Air

Care, Mosquito Repellants and Surface Cleaners.

In the Air Care category, the Company provides a range of products under the Odonil brand. The Company launched Air Freshener Gels in this segment during the year. The brand, though faced with increasing competition from other players as well as private labels, continues to build its equity and strengthen loyalty with its consumers.

In the personal applicator Mosquito Repellent Cream category, Dabur's Odomos is a market leader with 84% share. As part of its efforts to offer consumers a wider choice, the Company has, during the course of the year, expanded the Odomos range with the introduction of a convenient spray format and a new value added format, christened Odomos Naturals. Odomos Naturals comes with the goodness of citronella (a natural mosquito repellent)



and aloe vera. Odomos is now certified by Indian Medical Association (IMA) as safe for use on skin and being highly effective against disease causing mosquitoes.

The year also saw Dabur enter the floor and kitchen cleaners market with the national launch of Dazzl. Two new products - a disinfectant Floor Cleaner and an anti-bacterial Kitchen Cleaner - were introduced under the Dazzl brand. Popular television bahu Smriti Irani has been roped in as the celebrity endorser for the brand.

Dazzl has already garnered a 5% share of the non-phenyl, branded floor & kitchen cleaner market. Dazzl Floor Cleaners are available in Floral, Lemon and Pine fragrances.

Dabur operates in another segment of the surface cleaning market with Sanifresh, a specialized toilet cleaner. The focus was on winning the consumer value equation

through selective advertising, improved product, and providing a better deal to the consumer. A new brand Ambassador, popular TV star, Saakshi Tanwar was signed on for the brand. Scale formation in toilets due to hard water in many parts of India is a big-problem. Towards solving this problem, Sanifresh Extra Power was soft-launched during the year as the most powerful toilet cleaner. All these initiatives resulted in more than 30% growth for this brand.

Our third brand in the surface cleaning category, Odopic dish cleaner, also registered double digit growths.

Foods

Foods division, which was merged with CCD during 2008-09 is now fully integrated with the consumer care division and contributes 13.3% to the CCD sales. This segment comprises mainly fruit

beverages under the Real & Activ brands and culinary additives under the Hommade brand. The foods business recorded a growth of 14.4% for the year, riding on the plank of health & wellness and established superiority.

The growth was driven by a 14.9% increase in the Real and Activ range of fruit juices, while the Hommade brand also recorded a strong growth of 19.6%.

The category achieved this growth despite a month-long shut down at its plant in Nepal, which led to supply disruptions and hence some loss of sales. However, the Company has taken appropriate steps to build a backup plan in case such events re-occur in the future and has built additional manufacturing capacities in India.

On the marketing front, the Company successfully aligned its Activ range of fruit

juices to its 'health & wellness' strategy through a new 'No Sugar' campaign. A new 'Weekend' campaign to promote various flavours of Real was launched during the year which was quite effective in increasing awareness about its range and variety. In an effort to further sharpen the brand positioning of Real fruit juice range, the company has launched a campaign focusing on 'fruit power' and what it means for consumers, especially children. The Company also launched a new flavour 'Apple Nectar' under Real to leverage the growing preference for this variant.

The Dabur culinary range offered under the Hommade brand is performing quite well and the Company is now looking at expanding the range and getting it listed on more and more counters. With increasing consumption of Ready to Cook products and ingredients, the Company sees good potential in this category going forward.

International Business Division

The division, which has been transformed from being a small operation into a multi-location business spreading through the Middle East, North Africa, West Africa and South Asia, grew by 39.9% during the year and emerged as the fastest growing division of the Company.

The division's performance was supported by strong volume-led growth as well as price increases undertaken to offset the impact of high inflation on input costs during the year. This acceleration in growth of IBD led to its contribution to Dabur's consolidated revenue going up to 18.5% for FY09 from 15.7% a year ago.

The key categories accelerating the division's growth are Hair Creams, Toothpastes, Hair Oils and Conditioners. It is pertinent to mention that the brand architecture in the Company's overseas

markets remains similar to that in India, though the products sold under these brands are customized and modified to the requirements of these markets.

A significant contributor to the division's growth during 2008-09 was geographical expansion, resulting from opening up of fresh markets like Lebanon, Turkey, Algeria, Morocco and Mauritania that offer new avenues for growth.

The division's topline growth was boosted by robust performances in key geographies like GCC, Egypt, Nigeria and Bangladesh.

GCC, which is one of the Company's key markets, grew by 46% during the year as a result of excellent offtakes witnessed in the Vatika Hair Oil franchise, and also high growth in Vatika Naturals styling hair cream.

Egypt, which has emerged as another key geography, doubled itself with a growth of

Did you know?

Dabur's international business has grown at a CAGR of 32% in the last 5 years and contributes to 19% of total sales



Did you know?

Dabur ranks among the Top 50 OTC companies in the world and is the largest OTC company in India



99% during the fiscal with strong performances from Vatika Hair Cream and Vatika Olive Lite Hair Oil.

Nigeria, which is predominantly an Oral Care market for IBD, delivered a strong 36% growth for the year. Brands that delivered strong performances during the year in this market were Dabur Herbal Toothpaste and Dabur Herbal Gel.

Asian Consumer Care, Bangladesh, performed exceedingly well, reporting a growth of 56% during the fiscal. The growth was led by increased distribution penetration and focused brand approach.

Nepal which is one of the key markets in the Indian subcontinent, recorded a steady growth of 11%. The Pakistan operations were, however, impacted by the political uncertainty prevailing in the country. The year saw the division continuing to pursue an aggressive new product development strategy, marked by a slew of product launches. The Amla franchise,

which has been strong in the Hair Oil domain, was extended to the Hair Cream Category with the launch of Dabur Amla Hair Cream. The division also launched several attractive shampoo variants and hair conditioners.

The Company is now looking at expanding to other parts of Africa, taking East Africa in the first phase, followed by West and South. The Company's vision is to become one of the biggest FMCG companies in North Africa and the Middle East region.

Consumer Health Division (CHD)

The Consumer Health Division, comprising a range of healthcare products that provide Ayurveda-based solutions for health related issues, continued to be a key focus area for the Company during the year. With both the OTC (Over the Counter) and Classical product categories continuing to drive the Company's CHD business, the focus on consolidation of the business that was initiated during the

previous year continued.

As with other Ayurvedic products of the Company, this division also saw extensive visibility campaigns undertaken across key markets on the plank of 'Asar Dikhta Hai'. The Company's campaign to promote Ayurveda as a healthy and natural way to good health and good life, as validated by scientific principles, gave dividends and the year 2008-09 turned out to be a strong growth year for this division.

During the year under review, CHD registered an 18.9% growth, with both, the Ethical & OTC portfolio doing well across the range driven by packaging upgradation, mass media activities and a whole range of on ground consumer activations including Dabur Ayurvedic Health Camps.

With Juhi Chawla as its brand ambassador, the Women's Health portfolio comprising Dashmularishta and Ashokarishta did well growing by 13.2% and 14.2% respectively. The newly launched Dabur Active Blood

Purifier also gained market share in this segment.

Other new products launched during the year - Dabur Super Thanda Tail and Dabur Active Antacid evoked a good market response. Dabur Badam Tail, launched during the previous year, recorded 20.6% growth, with sales touching about Rs.6 crore in the second year of its launch.

The Honitus franchise in this segment grew 13.6% during 2008-09 with new variants Mulethi Power and Honey Mint, adding to the brand portfolio.

Some of the brands from digestives & baby care portfolio in CCD have been shifted to CHD towards the latter part of the year to provide them with better distribution alignment and better brand focus. Focused marketing and distribution efforts helped

boost growth for the transferred brands - Hingoli, Janam Ghunti, Pudinhara, Sat Isab Gol, Gripe Water - which almost uniformly recorded a 20% growth during the year and continue to be systematically integrated into the CHD portfolio.

Going ahead, the Company plans to further add to the OTC portfolio through introduction of new Ayurvedic products in modern, ready-to-use formats and re-packaging and re-launch of existing products, coupled with extensive above-the-line marketing activities.

Sales & Distribution

Continued focus on improving penetration, increasing product availability and a realignment of the distribution framework were the key highlights of the Company's sales and distribution strategy during 2008-09.

Significant investments to strengthen market presence, through activation programmes targeted at key urban channels and rural markets, was a major initiative aimed at strengthening the sales and distribution system, that today covers 25 lakh retail outlets across the country.

Further, the integration of Dabur Foods with Consumer Care Division gave the Foods portfolio access to platforms of strategic channel activation programmes created by CCD, besides providing scale and cost benefits to enable greater reach and efficiency for the Foods portfolio.

Going forward, the Company is revamping its sales structure by dividing its foot soldiers into three focus groups of Home & Personal Care, Healthcare and Foods. This division is being effected in 100 key markets, which have been identified as high-



growth business markets. This restructuring is aimed at creating focus groups within the Company's sales force and the sales personnel with the Company's stockist, to enable them to sell products more efficiently and effectively. Christened DARE 2, this initiative is expected to further empower the Dabur sales force and create greater bandwidth to beat any potential slowdown in the market.

Wholesale trade plays a crucial role in ensuring that Dabur brands reach the most inaccessible terrain in a highly cost-effective manner. During the year, the activation programme for wholesale trade was extended to 350 towns covering almost 30% of the CCD business during the year, resulting in increased brand availability across markets.

Special market activation initiatives, including the 'Dabur Parivaar' programme was rolled out for the Grocery Trade during

the year. Under this scheme, the Company adopted and nurtured top 10,000 stores across the country, providing a strong platform for building brand awareness and consumer activation. This initiative sought to build long-term relationships with grocery stores by offering them special discounts and rewards, as well as merchandizing solutions to strengthen shelf presence and create customized displays.

In order to combat the widening turbulence in the modern retail market and sustain growth in this scenario, the Company has developed a comprehensive strategy focused on share gains in key categories. The thrust was on the creation of a distinct identity for Dabur brands - core being its herbal expertise - that is relevant for shoppers. Building an effective servicing and activation system to address complexities of multiple formats and supply chain configurations were critical elements

of this approach.

The Company also widened its presence in the rural markets - which have been resilient to the slowdown - to further build on its already strong small town and rural franchise presence. The Company rolled out a special rural focused sales initiative across eight key states - UP, Punjab, MP, Chhattisgarh, Bihar, West Bengal, Maharashtra and Gujarat - that contribute to approximately 70% of the rural potential. Rural distribution reach was stepped up in these states by penetrating into villages with population under 3,000. Under this initiative, field resources were significantly increased in the high potential districts of these states to increase contact frequencies and improve coverage by over 30%. The rural trade opportunity was also leveraged through 'Dabur Apanao, Lakshmi Laao' programme for the sub stockist network in these focus states.



Did you know?

Rural markets contribute to almost 50% of Dabur's total sales in India



Besides, a dedicated sales training initiative-ASTRA - was also launched in order to enhance the quality of field execution. The programme is aimed at managing channel complexities with respect to sales and distribution and is undertaken through 'train the trainer' programme using 75 professional actors to train more than 2,000 channel partners across the country. The Astra training consultancy module has been created in five vernacular Indian languages - Bengali, Tamil, Telugu, Malayalam and Kannada.

During the year, the Company also significantly enhanced the foot print of its transaction software 'Drishti' for stockists, integrating the real time market information into its IT network. The Drishti foot print now covers almost 70% of business and is helping the Company improve field efficiencies and quality of decision-making in sales, while also helping it reduce costs.

Development of a comprehensive IT package 'MITR', integrating all aspects of the modern trade channel, has also been rolled out to enable tracking of service levels and prioritizing investments. Technologies like SMS enterprise solutions have been harnessed to provide field teams with real time information on sales updates and stock status, thereby improving efficiencies.

The Retail Business - new

In March 2008, Dabur had launched a chain of health and beauty retail stores under the new brand. During the year, the Company opened 9 stores in the Delhi NCR region and South India. However, the organized retail industry went through a severe crunch with slowdown in offtake and financial pressures leading to closure of a few players. Also, the continued churn in retail has seen many players put their expansion plans on hold. This has brought

the sector to a standstill with new store rollouts coming to a halt and most retail chains looking at rationalization of stores to improve business viability. Dabur's retail venture has also been impacted resulting in lower than expected sales velocity. Moreover, due to high prevailing rental costs it was decided to postpone some of the store openings till a more opportune time. Although the initial experience indicates that specialized health and beauty retailing has good long-term potential and will gain currency with revival of this sector, the Company has slowed down the pace of expansion keeping in view the turmoil in the industry. In addition, the Company is fine tuning the store format, location strategy and renegotiating the rental costs in line with the decline in real estate prices. All this is expected to lead to a quicker break even at store level and reduce the loss incurred by the business.

Operations

Dabur's businesses have a strong back-end support in Procurement, Manufacturing, Research & Development and Human Resource management, all of which witnessed several key initiatives to boost performance during the year.

Procurement

Controlling costs in the prevailing inflationary scenario was one of the biggest challenges faced by the Company during the year under review. The Company effectively tackled this challenge on the strength of its strategic futuristic planning,

use of calibrated hedging mechanisms and e-sourcing initiatives.

One of the key factors that enabled the Company to keep costs under control was the short and medium-term planning programme that ensured regular forecasts from its team of strategic planners within each division and department. Three-month forecasts on the industry scenario were provided by these planners to the brand teams for taking effective measures to combat inflation.

Concurrently, the creation of a Dabur Inflation Basket focusing on the

commodities most relevant to the Company's operations helped maintain and manage costs effectively. The Dabur Inflation Basket, which was linked to WPI, helped the Company come out with actual Inflation figures that enabled it to plan ahead in a more focused manner.

Participation in the Futures Exchange also helped prepare the Company adequately against inflationary trends. Apart from incorporating more commodities, the Company enhanced its activity on this front by participating on international exchanges for procurement required in its International Business Division.



Manufacturing

Domestic

Dabur has 11 production facilities in India, out of which two main units are at Baddi (Himachal Pradesh) and Pantnagar (Uttaranchal); and seven factories which are located at Sahibabad (Uttar Pradesh), Jammu, Silvassa, Alwar, Katni, Narendrapur and Pithampur. The Foods business is serviced by manufacturing facilities at Newai (Rajasthan) and Siliguri (West Bengal).

Capacity expansion & facility up-gradation: During the year, the Company scaled up its operations in its Pantnagar facility and expanded sourcing in both Pantnagar and Baddi. It increased capacity considerably for production of Oral Care, Shampoo, Hair Oils, Creams and Lotions and Health Supplements. The Company is also in the process of expanding its Glucose facilities at Uttaranchal.

In the fruit juice segment, the Newai (Rajasthan) facility, which was an acquired unit, has witnessed doubling of volumes through increase in capacity of the sterilizer.

Since water in the region was scarce, the Company went in for extensive conservation and recycling of water and also got sanction from the state government for drawing more water. De-bottlenecking of some of the manufacturing systems also contributed in a big way to capacity enhancements at this facility.

Environment protection: A key thrust area at the manufacturing facilities was environment protection, with structured initiatives undertaken to control carbon emissions. The Company, after extensive screening of several agencies, has tied up with a reputed consultant to study carbon greenhouse gas emissions at three of its sites, namely Pantnagar, Baddi and Newai.

Efficiency enhancement: The Company continued to improve productivity at all its manufacturing locations through various cost reduction and energy saving initiatives. In Baddi, the Company initiated Total Productivity Management (TPM) principles through an external consultant, moving towards increased automation and multi-operator concept.

A number of cost reduction and process improvement projects were undertaken to reduce costs in manufacturing of a number of products. The Company also implemented alternate fuel technologies for steam generation at its units at Sahibabad and Katni.

In the future, the Company plans to set up new manufacturing facilities at Baddi, Himachal Pradesh to cater to its future growth requirements in addition to expanding its facilities at other locations.

International Operations

During 2008-09, the Company expanded its capacities in IBD with the commencement of operations at Ras-al-Khaimah in the UAE, enabling it to re-organize its operations in the Middle East. The timely commissioning of this plant helped support the Company's strong growth in IBD. During the year, the Company also started its Nigeria operations by refurbishing an acquired unit for the oral care segment.

Egypt is an important destination for the Company with strong growth coming from this market. The manufacturing facilities in Egypt have been expanded and enhanced to meet the future growth requirements. Further, to service the growing Egypt market, the Company plans to set up another greenfield facility by 2010-11. The Egypt facilities, catering to North Africa and parts of East and Central Africa (Comesa region), will focus on manufacture of Hair Care products, along with some Oral Care products.

Nepal turned out to be a significant contributor to the Company's growth despite the political turmoil in the country. The focus in Nepal was on getting more out of the existing assets, which was managed

International Footprint



Map not to scale

★ Key Markets | ★ Manufacturing Facilities

Did you know?

Dabur introduced over 20 new products and variants across categories in 2008-09



through improved efficiencies and de-bottlenecking. Despite a month-long strike, political uncertainty and severe power cuts, which resulted in both energy and labour costs going up significantly, the Company managed to increase production volumes in Nepal.

R&D and Innovation

At Dabur, R&D lies at the heart of everything the Company does. From strengthening the Company's presence in the herbal niche, to innovating on newer and differentiated herbal and natural products spanning newer categories; from making a 3000-year old science contemporary to suit the needs and aspirations of today's modern and urban consumers through path-breaking packaging and product proposition, to

scientifically validating the widespread benefits of science for increasing acceptance of the Company's products, R&D's role is axiomatic.

In terms of product and packaging innovations, the Company successfully developed new variants in Hajmola, a new range of surface cleaners, new variants in shampoo, a range of natural conditioners and light hair oils, new packaging for Meswak toothpaste, Amla Hair Oil in sachet format, new OTC products such as Harde Goli, Honitus chewable tablets and Antacid.

Up-gradation of quality was another focus area and the Company's thrust was on measuring and monitoring quality end-to-end - from suppliers to marketing. Several

products were repackaged and upgraded to better designs and formats during the year as part of this exercise. These included Odonil Gel, Chywan Junior pack, Meswak, Gulabari, Light Hair oil (Amla Flower Magic & Vatika Enriched Almond Hair Oil), Re 1 hair oils sachets.

Human Resources

People always have been, and shall continue to be, central to Dabur's growth story. Always at the forefront in terms of employee engagement and HR initiatives, the Company is continually investing in the development of its human resources through a series of employee-friendly measures aimed at talent acquisition, development, motivation and retention.

Dabur's new rewards programme for

employees - 'Applause' - seeks to reward employees in various categories like the Rising Star (best newcomer), Honours Club (employee of the year), Trailblazer (employee of the year) and Eureka (for the best idea generation).

Besides, spot awards are also given to recognize employees at any time for demonstration of actions, which are innovative, save cost, promote team spirit, institute new initiatives and raise standards of performance. The rewards, presented at the annual Utsav function, go beyond cash and include goodies like LCD TV, iPod, music system as well as BlackBerry handsets. Employees are also given a citation and other rewards.

With this system of employee rewards, the Company's game plan is to increase employee engagement levels and create more employee touch points and opportunities to recognize talent, both on a formal and informal basis.

The company had also rolled out the 'Astra' programme, as detailed earlier. Besides, a new programme was launched in March 2009 to address the business complexities arising out of the increasing number of products and SKUs by bringing a category focus into the organization, for which about 100 personnel were recruited.

A key HR initiative at Dabur is internal communication. Apart from Intranet, each manufacturing facility and regional office has its own newsletter, with a local language component. Also, annual scholarships are given to children of employees under the Dabur Protsahan programme as a part of which 197 children were awarded scholarships.

In its overseas offices, the Company achieved a significant milestone in the staffing of its Ras-al-Khaimah factory, which was designed for two shifts but had to be expanded to include three shifts soon after operations started.

The Company believes in total transparency and has put in place a number of formal and informal processes to get employee feedback, along with a system of holding a bi-annual survey.

A vibrant culture, average employee age of 31-32 years, direct recruitment from some of the top B-schools in the country under the Young Managers' Development Program and Conduct of Competency Development Centres for elevation are some of the other important HR initiatives of the Company. As of 31 March 2009, the company employs 4,222 people in various parts of its business.

Industrial Relations

The Company has an excellent track record of industrial relations, which, by and large, remained good during the year. Though events outside the Company's control

impacted industrial relations in the Nepal facility, this did not affect the performance, with the unit, in fact, delivering good growth and output.

Corporate Social Responsibility

As a responsible corporate citizen, the Company has put in place several initiatives to fulfill its social responsibility and contribute actively to the growth of the society. These have been covered in detail in a separate section of this report.

Financial Review (on a consolidated basis)

The Company reported healthy growth and profitability during 2008-09. Table 1 below provides the abridged profit and loss account for the Company on a consolidated basis.

With the strategic and operational initiatives outlined herein above, the Company increased its Consolidated Sales by 18.3% to Rs. 2834.1 crore in 2008-09 from Rs. 2396.3 crore in 2007-08.

While the environment remained quite inflationary for most part of the year, the

Table 1: DIL's Abridged Profit and Loss Statement, on a consolidated basis (Rs.crore)

| | 2008-09 | 2007-08 | Change |
|-------------------------------|---------|---------|--------|
| Sales | 2834.1 | 2396.3 | 18.3% |
| Other Operating Income | 25.6 | 24.0 | 6.8% |
| EBIDTA | 517.3 | 443.3 | 16.7% |
| Depreciation | 49.2 | 42.1 | 16.9% |
| Interest | 23.2 | 16.8 | 38.1% |
| PBT | 444.9 | 384.4 | 15.7% |
| PAT (after minority interest) | 391.2 | 332.9 | 17.5% |

Company was able to mitigate the impact of inflation and maintain its EBIDTA margin at 18.3% in 2008-09 as compared to 18.5% in 2007-08 (See Table 2). In fact the EBIDTA margin for the core FMCG business after excluding the loss of the retail venture touched 18.9% (See Table 3).

Table 2: Key financial ratios of DIL, on a consolidated basis (Rs.crore)

| | 2008-09 | 2007-08 |
|----------------|---------|---------|
| EBIDTA / Sales | 18.3% | 18.5% |
| PAT / Sales | 13.8% | 13.9% |
| ROCE | 38.8% | 47.6% |
| RONW | 48.4% | 55.3% |

During the year, the Company announced the acquisition of 72.15% of Fem Care Pharma Ltd (FCPL) for Rs. 203.73 crore in an all-cash deal. This amount has been deposited in an escrow account on which the beneficial interest is accruing to the transferors. The acquisition process including the open offer for additional 20% of FCPL's equity is underway and post the completion of this process, FCPL will become a subsidiary of DIL. Therefore the DIL financials for FY2008-09 do not include the sales and profitability of FCPL. As the funds have already been deposited in the escrow and the corresponding returns are not yet accruing to the Company, the ROCE of the company was impacted. However the ROCE will improve once the acquisition of FCPL gets completed and its profits get consolidated with DIL. The acquisition has been funded out of internal accruals of the Company.

The ROCE was also impacted to some extent by the Retail Venture which has been set up under H&B Stores Limited, a 100% subsidiary of DIL. 2008-09 was the first full year of operations for this business. As the venture is at an initial stage, the subsidiary

incurred a loss of Rs.17.9 crore during the year. Excluding the impact of Retail the profitability and financial ratios of the core FMCG were even better which are presented in Table 3 below:

Table 3: Key financial ratios of DIL, excluding Retail (Rs.crore)

| | 2008-09 | 2007-08 |
|----------------|---------|---------|
| EBIDTA / Sales | 18.9% | 18.8% |
| PAT / Sales | 14.5% | 14.2% |
| ROCE | 42% | 47.8% |
| RONW | 50.6% | 55.2% |

The net working capital of the company was at 18.4 days of sales as compared to 6.4 days in 2007-08. However this increase was on account of surplus cash to the extent of Rs.100 crore excluding which the net working capital was at 5.5 days of sales.

The Company declared a total dividend of 175% for the financial year 2008-09 which translates into a payout ratio of 45% of consolidated net profit.

Internal Control Systems

Dabur has a robust internal audit and control system manned and managed by qualified and experienced people. PriceWaterhouse Coopers is the internal auditor for the company and its subsidiaries.

The Company follows Standard Operating Procedures (SOPs) that are in line with the best global practices, and have been laid down across the process flows, along with authority controls for each activity.

Dabur has also introduced the COSO framework for internal controls and adequacy of internal audit. Under this framework, various risks facing the Company are identified and assessed

routinely across all levels and functions, and suitable control activities are designed to address and mitigate the significant risks.

The internal audit department reports to the Audit Committee of the Board of Directors, which recommends control measure from time to time. To read the report of the Audit Committee on internal control and adequacy, refer to the section on Corporate Governance of the Annual Report.

Risk Management

Dabur like any other enterprise having national as well global business interests, is exposed to business risks which may be internal as well as external. In the broadest sense, we define risk as the eventuality of not achieving our financial, operative, or strategic goals as planned. To ensure our long-term corporate success, it is therefore essential that risks be effectively identified, analyzed and then mitigated by means of appropriate control measures. We have a comprehensive risk management system in place, which enables us to recognize and analyze risks early and to take the appropriate action. This system is implemented as an integral part of our business processes across the entire Dabur operations and includes recording, monitoring, and controlling internal enterprise business risks and addressing them through informed and objective strategies.

The risk management system is spearheaded by the Chief Risk Officer (CRO) of the Company, who is responsible for, and ensures, effective risk management - both risk identification and mitigation. A team of risk officers at each Company location supports the CRO. Each employee is entitled to identify risk and report it to the concerned risk officer, who in turn reports it to the CRO.

Did you know!

Dabur Honey is the largest branded honey in the country, accounting for over 75% of the organized market.



The risks are reported in the Risk Register and classified in terms of their impact and probability of occurrence. The Risk Register is an inventory of risks affecting Dabur, and covers various functions like marketing, operations, regulatory affairs, finance and human resource development. The risks are further mapped in terms of mitigation action to be taken and the people who are responsible for taking such actions. The Risk Register is reviewed periodically by senior management and is presented to the Audit Committee on a quarterly basis.

One of the key risks faced by the company in today's scenario is continued economic slowdown and deterioration of macro economic indicators which can impact the

spending power of consumers and put pressure on their incomes and consumption. A poor monsoon, if it happens, can impact rural incomes and dampen rural consumption and spends. Increase of imitation / fake products and brands can hamper our growth. Any unexpected changes in regulatory framework pertaining to fiscal benefits and health related issues which may impact parts of our business or profitability is one of risks faced by the company.

However the Company is well aware of these risks and challenges and has put in place mechanisms to ensure that they are managed and mitigated with adequate timely actions.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downward trend in the domestic FMCG industry, rise in input costs, exchange rate fluctuations, and significant changes in political and economic environment in India, environment standards, tax laws, litigation and labour relations.



Dabur withstands gloom with organic strength

Co's Strategic Move To Explore Non-Western Export Markets Pays Off

Ratna Bhushan
NEW DELHI

FOR the Rs 2,396-crore home-grown Dabur India, nature has paid rich dividends. The global financial slowdown that has nudged consumer spending worldwide left Dabur products relatively untouched thanks to smart moves by the FMCG major to explore non-western export markets and the general shopping trend of going organic.

A year back, when it was considering expanding in MENA (Middle East & North Africa) markets, Dabur decided to set up a new manufacturing facility in Ras al Khaimah (UAE). The plant was commissioned in July '08 to manufacture personal care products. Soon, output from this facility could not keep pace with demand and

markets—which have remained insulated from this slowdown—and traditional trade channels,” Mr Duggal says. During the course of the year, the company heightened investments behind brands and products with a strong small town and rural franchise focus on the legs—these were more likely to surge ahead even in a slowdown.

It rolled out a special rural-focused sales initiative across seven key states—UP, MP, Bihar, Punjab, West Bengal, Maharashtra and Gujarat, stepping up rural reach by going into villages with pop-



विकास की ओर ड़ाबर

शरत चेलव्ही

मौजूदा समय में जब बाजार में अस्थिरता का माहौल है, तो ड़ाबर इंडिया में निवेश को उपयुक्त दिखता है। कंपनी का विकास रिकॉर्ड देखकर भी यही कहा सकता है कि उसने लगातार बेहतर रिजल्ट दिए हैं और ज़ने सालों से भी उससे बेसी ही उम्मीद है। पिछले 5 सालों में कंपनी को सर्वोच्च विकास में 18 फीसद और मुद्रा मुद्रा में 23 फीसद की बढ़ोतरी देनी पड़ी है। कंपनी ने मुद्रा को एक अत्युत्पीड़न वाले बन्दे वाली कंपनी को ड़ाबर से निकालकर देवी से विकास करने वाली एकमात्र कंपनी में बदल कर लिया है। इसमें भी यह दिखी कंपनी है, जिसके पास हर तरह के उपकरण

(कॉपीराइट, अर्जेंट) और हींग केरल सेमिनल में ओटीएम। भले ही वैश्वीय संकट ने कंपनी को अपने अधिक उपकरणों में पर धित कर के दूसरी दिशा में इस क्षेत्र को विज्ञान में 13 फीसद का उन्नत हुआ है पिछले पांच सालों की औसत विकास दर 16.4 फीसद की तुलना में कम है। हालाँकि कंपनी का ध्यान इन मामलों पर है और ड़ाबर जहाँ बजट है कि कंपनी इस क्षेत्र में फिर से जान मुक़े में जुट रही है और ड़ाबर केरल, इंडिया, फ़ॉरेन, मुद्रा और विकास केरल सेमिनल पर विशेष ध्यान दे रही है। कंपनी को योजन पुरावारी बल मुद्रा विकास केरल उपकरणों के विकास कर भी है और इस क्षेत्र में कंपनी केरल सेमिनल, केरल, कोरल, कोरल और माइक्रोफ़ाइलिंग सेमिनल

Dhoni, Big Bee join hands to sweeten Dabur honey

Saurabh Turakhia
Mumbai, December 1

MORE people getting conscious of health and hazards of sugar in honey companies are wasting no time in pushing the natural sweetener as a better alternative with lesser calo-



...bur, which has been projecting Dabur Honey as a healthier alternative is now driving the message hard-... latest commercial features Ma-... ra Singh Dhoni, who was recently

...dustry in... Dabur... switch to...

Dabur Q4 net up, sees steady growth in FY10

By C. L. KUNCHERIA
feedback@livemint.com
NEW DELHI

Quarterly consolidated profit at Dabur India Ltd rose 31% to Rs1.04 crore, led by increased sales in its two key units, and its finance chief on Wednesday said the firm would maintain its growth pace in 2009-10 too. Revenue rose by a fifth to 7.37 crore.

The maker of Dabur Amla hair oil and Vatika shampoo would improve its core margins by up to 1 percentage point in the year that began 1 April on cooling commodity prices and cost

the next year will mirror this year's growth, again on a higher base," Verma said over the telephone.

Asked about commodity prices, which had hit record levels in the September quarter, Verma said Dabur's raw material costs had come down in the March quarter from the previous quarter, and would continue to decline.

"Coupled with other initiatives we have taken in managing our costs...we will see some marginal growth in margins this financial year," he said. "But nothing dramatic will happen."

Dabur picks up 72.15% in Fem Care for Rs 203.7cr

Values Skincare Co At Rs 282.4 Cr, To Make Open Offer For Additional 20% Shares

The Business
MUMBAI

DABUR India on Friday announced the acquisition of 72.15% of women's skin-care company Fem Care Private (FCP) for Rs 203.7 crore in an all-cash deal.



The transaction involves a 100% premium of the price paid for the acquisition of Fem Care Private, which is a 100% owned subsidiary of Dabur India. The deal is expected to be completed by the end of the year.

The acquisition of Fem Care Private is a key move by Dabur India to expand its presence in the women's skin-care market. The company is expected to continue to invest in research and development to create innovative products for this segment.

'Dabur Vatika emerges as fastest selling shampoo'

Manika Gupta | TNN

New Delhi: Dabur India's premium shampoo, Vatika, has emerged as the fastest selling brand in the first six months (April-Sept) of the current financial year. According to the latest AC Nielsen ORG Marg data, Vatika reported a 38% growth in sales (volume terms) during April-September 2008 as compared to an industry average of 10%. In value terms also, it emerged as the fastest growing shampoo brand with a growth rate of 33% as against