DABUR INDIA LIMITED

Regd. Office : 8/3 Asaf Ali Road, New Delhi - 110002

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the Members of Dabur India Limited will be held on Tuesday, the 31st August, 2010 at Air Force Auditorium, Subroto Park, New Delhi - 110010 at 11.00 AM to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and Profit and Loss Account for the year ended on that date along with the Reports of Auditors and Directors thereon.
2. To confirm the interim dividend already paid and declare final dividend for the financial year ended 31st March, 2010.
3. To appoint a Director in place of Mr. Pradip Burman who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Amit Burman who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Dr. Anand Burman who retires by rotation and being eligible offers himself for reappointment.
6. To appoint a Director in place of Mr. P D Narang who retires by rotation and being eligible offers himself for reappointment.
7. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**

   "RESOLVED THAT Dr. Ajay Dua, who was co-opted by the Board as an Additional Director with effect from 3rd September, 2009 and who holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:-**

   "RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310 and 314 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Consent of the Company be and is hereby accorded to the :-

   I. Revision in terms of remuneration of Mr Sunil Duggal, Whole-time Director of the Company, designated as Chief Executive Officer of the company,for the remaining period of his existing tenure i.e. from 01.07.2009 till 30.07.2010, and

   II. Reappointment of Mr Sunil Duggal as a Whole-time Director of the Company, designated as Chief Executive Officer of the company, for a period of 5 years w.e.f.31st July, 2010,

   -on such remuneration and terms & conditions as set out in the explanatory statement attached to this notice."

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:-**

    "RESOLVED THAT in partial modification of the resolution passed at the 32nd Annual General Meeting held on 13.07.2007 and in accordance with the provisions of Sections 198, 269, 309, 310 and 314 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Consent of the Company be and is hereby accorded for the revision in the terms of remuneration of Mr P D Narang, w.e.f. 01.07.2009 for the remainder of his tenure as the Whole-time Director of the Company i.e. up to 31.03.2013 on such remuneration and terms & conditions as set out in the explanatory statement attached to this notice."

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**

    "RESOLVED THAT in modification of the earlier resolution passed at the 19th Annual General Meeting of the Company held on 19th September, 1994, the consent of the company be and is hereby accorded to the Board of Directors of the company under Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage and /or create charge on all the immovable and movable properties or such assets of the company wherever situate, present and future and/or with power to enter upon and take possession of the assets of the company in certain events on such terms and conditions and at such time or times and in such form or manner as it may think fit, to or in favour of Financial Institutions/ Banks/ Trustees for the Debenture holders/ lenders of Euro Convertible Bonds (ECBs) issued/ proposed to be issued, for an aggregate nominal value not exceeding Rs. 2,000,00,00,000/- (Rupees two thousand crores only) to secure the Term Loans/ Debentures/ ECBs/ together with interest, costs, charges, expenses, and other monies including premium payable in this connection in terms of the agreement to be entered into between the company and Financial Institutions/ Banks/ Trustees for the Debenture holders/ lenders of Euro Convertible Bonds (ECBs), such security to rank pari-passu with, or second or subservient to, the mortgages and / or charges already created or to be created by the company or in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board .

    RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all acts, deeds matters and things and to execute all documents, writings as may be necessary, proper or desirable or expedient to give effect to this resolution."

12. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**

"RESOLVED THAT in modification of the earlier resolution passed at the 19th Annual General Meeting of the Company held on 19th September, 1994, the consent of the company be and is hereby accorded to the Board of Directors of the company under Section 293(1)((d) of the Companies Act, 1956 to borrow any sum or sums of money from time to time at their discretion, for the purpose of business of the company, notwithstanding that the money or moneys to be borrowed together with moneys already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose, provided however, that the total amount so borrowed shall not exceed Rs. 2,000,00,00,000/- (Rupees two thousand crore only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all acts, deeds matters and things and to execute all documents, writings as may be necessary, proper or desirable or expedient to give effect to this resolution."

13. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:-**

"RESOLVED THAT

I) pursuant to the applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) Article 131 of the Articles of Association of the Company and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 (the regulations), subject to the necessary approvals and/or sanctions of Reserve Bank of India, if any, and such other appropriate / concerned authorities, as may be necessary and modifications as may be specified whilst granting the said approvals, which may at its sole discretion be agreed to by the Board of Directors, the Board of Directors of the company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee which the Board may constitute to exercise its powers including but not limited to powers conferred by this resolution) be and is hereby authorized to capitalize, a sum of Rs. 87,01,29,834 /- out of the balance standing to the credit of General Reserve Account of the Company or such other accounts as are permissible to be utilised for the purpose and apply the same in paying up in full at par 87,01,29,834 equity shares of Re. 1 each in the capital of the company, such shares to be appropriated as capital and as fully paid Bonus shares allotted and distributed to and amongst persons who at the close of business hours on the date so determined by the directors/ Company Secretary in consultation with the Stock Exchanges (Record Date) are entitled to become the registered holders of the equity shares of the company in proportion of one new Equity Share for every one existing equity share held on such Record Date by such holders respectively;

II) pursuant to the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and consequent to the issue of bonus shares, the Board be and is hereby authorized to make fair and reasonable adjustment in price and number of shares to be issued against stock options, (including grant of fresh options as bonus options) whether granted or to be granted, under the Employee Stock Option Scheme of the company and also to capitalize the amount necessary for issue of Bonus shares upon exercise of Stock Options, vested but not exercised and unvested till the Record Date fixed for issue of Bonus shares and the amount shall stand reduced to the extent such options are not exercised.

III) the shares so distributed shall be treated for all purposes as an increase in the amount of capital held by each member and not as income;

IV) the said new equity shares to be issued and allotted as fully paid-up Bonus Shares shall be subject to the Memorandum and Articles of Association of the company and shall subject thereto rank pari passu with existing equity shares in all respects save and except that such new equity shares shall carry the right to receive dividend that may be paid/ declared on or after the allotment of such bonus shares for the financial year ending 31st March, 2011.

V) such allotment of Bonus Shares to non- resident shareholders/ Foreign Institutional Investors and other foreign investors of the company shall be subject to approval of the Reserve Bank of India under the Foreign Exchange Management Act, 2000; if any;

VI) no letter of allotment shall be issued in respect of the Bonus shares but in the case of members who hold equity shares in dematerialized form, the bonus shares shall be credited to the respective beneficiary accounts of the members with their respective depository participants and in the case of members who holds equity shares in physical form, the share certificate in respect of the Bonus Shares shall be dispatched, with in such time as prescribed by law and the relevant authorities,

VII) the Board be and is hereby authorized to take necessary steps to list the Bonus shares on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

VIII) for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do and perform all such acts, deeds, things and matters as may in its absolute discretion be deemed necessary and expedient and to settle any question or matter that may arise in connection therewith."

14 To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:-**

"RESOLVED THAT pursuant to provisions of Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956,(including any statutory modification or re-enactment thereof for the time being in force) and pursuant to provisions of Articles of Association of the company, the consent of the company be and is hereby accorded to increase the Authorized share Capital of the Company from Rs.145,00,00,000/- (Rupees One Hundred Forty Five Crores

only) divided into 145,00,00,000 equity shares of Re.1/- each to Rs.200,00,00,000/- (Rupees Two Hundred Crores only) divided into 200,00,00,000 equity shares of Re.1/- each by creation of 55,00,00,000 equity shares of Re.1/- each and consequently the existing Clause V of the Memorandum of Association of the Company relating to share capital be altered and the following substituted in its place :-

Clause V of Memorandum of Association

'The authorized share capital of the Company is Rs.200,00,00,000/- (Rupees Two Hundred Crores only) divided into 200,00,00,000 (Two Hundred Crores) equity shares of Re.1 each'

15 To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:-**

"RESOLVED THAT pursuant to provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the existing Article 4 of the Articles of Association of the Company relating to share capital be deleted and the following substituted in its place :-

'The authorized share capital of the Company is Rs.200,00,00,000/- (Rupees Two Hundred Crores only) divided into 200,00,00,000 (Two Hundred Crores) equity shares of Re.1 each with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company with power to increase and reduce the capital of the Company and divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being.'

By Order of the Board
for **DABUR INDIA LIMITED**

Regd. Office:
8/3, Asaf Ali Road,
New Delhi - 110 002
26th July, 2010

(A K JAIN)
General Manager (Finance)
& Company Secretary

NOTES

1. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no.8 to 15 of the notice set out above is annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 35th ANNUAL GENERAL MEETING.
3. The Share Transfer Books and Register of Members of the Company will remain closed from Thursday, 5th August, 2010 to Tuesday,10th August, 2010 (both days inclusive).
4. Members holding shares in physical form are requested to notify/send the following to the Registrar & Transfer Agent of the Company Karvy Computershare Pvt Ltd., 105-108, Arunachal Building, 19 Barakhamba Road, New Delhi-110001:-
   i) particulars of their bank account and email id, in case the same have not been sent earlier;
   ii) any change in their address/e-mail id/ECS mandate/ bank details;
   iii) share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account.
5. **The Securities and Exchange Board of India has notified that the shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) card to the company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.**
6. **The shares of the company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.**
7. Members holding shares in the dematerialized form are requested to notify to their Depository Participant:
   i) **their email id.**
   ii) all changes with respect to their address, email id, ECS mandate and bank details.
8. The Shareholders/Proxies are requested to produce at the Registration Counter(s) the attached attendance slip, duly completed and signed, for admission to the meeting hall.

   Photocopies of Attendance Slip will not be entertained for issuing Gate Pass for attending Annual General Meeting. However, in case of non-receipt of Notice of Annual General Meeting, members are requested to write to the Company at its registered office for issuing the duplicate of the same.
9. In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the Company Secretary at the Registered Office of the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
10 Pursuant to provisions of Section 205C of the Companies Act, 1956 the amount of dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, till date the Company has transferred the unpaid and unclaimed amount pertaining to interim dividend for the financial year 2002-2003 to the IEPF. Members who have not yet encashed their dividend warrants for the financial year 2002-03 (final dividend) onwards are requested to make their claims to the company immediately. Members may please note that no claim shall lie either against the Fund or the Company in respect of dividend which remain unclaimed and

unpaid for a period of seven years from the date it is lying in the unpaid dividend account and no payment shall be made in respect of such claims.

11. As a measure of economy, copies of Annual Reports will not be distributed at the venue of the Annual General Meeting. Members are, therefore, requested to bring their own copies of the Annual Reports to the meeting.

12. All the documents referred to in the accompanying notice, explanatory statement and Register of Directors' Shareholding are open for inspection at the registered office of the Company on all working days between 11.00 am to 1.00 pm up to the date of Annual General Meeting. Register of Directors' Shareholding shall be open for inspection upto 3 days after the Annual General Meeting.

13. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Registrar & Transfer Agents of the Company the prescribed Form 2B, which can be downloaded from our website www.dabur.com

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EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.8

The Board of Directors has appointed Dr. Ajay Dua as an Additional Non Executive Independent Director of the Company w.e.f. 3rd September, 2009 in terms of Section 260 of the Companies Act, 1956.

Pursuant to section 260 of the Companies Act, 1956 Dr. Ajay Dua shall hold office only upto the date of ensuing Annual General Meeting. Valid Notice along with requisite deposit under section 257 of the Companies Act, 1956 has been received from a member of the Company proposing the candidature of Dr. Ajay Dua for the office of Director of the Company.

Dr. Dua has done M.Sc (Econ.) from London School of Economics and Politics and hold diplomas in Business Administration and Marketing Management. He was awarded a Ph.D by the University of Bombay for his work on Economics of Urban Renewal Programmes.

A retired civil servant, Dr. Dua joined the Indian Administrative Service in 1971. He has held a variety of senior assignments in the Government of Maharashtra and the Government of India. With a strong academic background and diverse work- experience Dr Dua is currently a senior business advisor / Board Member of several multinational firms.

The Board considers that his association as a Director will be beneficial to and in the interest of the company.

The Board of Directors recommends for your approval his appointment as Director of the company, liable to retire by rotation.

Dr. Ajay Dua does not belongs to promoters family. Besides, he is not related to any other director of the company in terms of Section 2(41) and section 6 read with Schedule 1A of the Companies Act, 1956.

None of the Directors other than Dr. Ajay Dua, himself, is concerned or interested in the resolution.

Item No.9

1. Mr. Sunil Duggal was reappointed as a wholetime Director of the company for a period of 5 years w.e.f. 31st July, 2005 on the remuneration and other terms and conditions as approved by the members of the company in the Annual General Meeting held on 15th July, 2005. In order to adequately compensate key management executives of the company in the highly competitive employment market which currently prevails, the Board of Directors has w.e.f. 01.07.2009,revised the remuneration of Mr. Sunil Duggal in line with the remuneration being drawn by his counterparts in the industry, as detailed hereunder in Section I.

2. Further, as the existing tenure of Mr. Sunil Duggal as Whole time Director of the company will expire on 30th July, 2010 the Board of Directors of the company in its meeting held on 18th June, 2010 has reappointed him as Whole-time Director of the company, designated as Chief Executive Officer of the company for a further period of five years w.e.f. 31st July, 2010 on the remuneration and terms and conditions, as detailed hereunder in Section I.

   The Remuneration cum Compensation Committee of the Board in its meeting held on 27.01.2010 has considered and recommended the aforesaid increase in remuneration and reappointment of Mr. Sunil Duggal to the Board for their approval.

Section I

A. Basic Salary

   -Rs. 1,25,00,000 - 1,40,00,000 per annum for the period w.e.f.01.07.2009 till 30.07.2010 with an authority to the Board to increase the same from time to time in accordance with the limits specified in Schedule XIII of the Companies Act, 1956, as amended from time to time. The annual or other increments will be merit based and will take into account the Company's performance, and

   - Rs.1,40,00,000 per annum for the period w.e.f.31.07.2010 till 30.07.2015; with an authority to the Board to increase the same from time to time in accordance with the limits specified in Schedule XIII of the Companies Act, 1956, as amended from time to time. The annual or other increments will be merit based and will take into account the Company's performance.

B. Special Allowance

   Upto Rs. 1,00,00,000 per annum for the period w.e.f. 01.07.2009 till 30.07.2010 and upto Rs. 2,00,00,000 per annum for the period w.e.f. 31.07.2010 till 30.07.2015 with authority to Board to fix his special allowance within these limit from time to time.

C. Performance linked incentive

   As per rules of the company as determined by the Board of Directors.

D. Perquisites & Allowances

   In addition to the prescribed basic salary, special allowance and performance linked incentives Mr. Sunil Duggal will also

be entitled to perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof, house maintenance allowance, medical reimbursement, coverage under medical and personal accident insurance, coverage under keyman insurance scheme, leave travel allowance/concession for self and his family, special allowance, contribution to PF, superannuation fund and payment of gratuity, club fees, tax u/s 192(1A) of Income Tax Act, paid by employer on behalf of employee and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board with Mr Sunil Duggal, provided that such perquisites and allowances will be subject to 400% of the basic salary.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per income tax rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

However, the following perquisites & allowances shall not be included in the computation of perquisites and allowances for the purpose of calculating the ceiling of 400% of the basic salary:-

- Provision for use of the Company's car with driver for official duties and telephones at residence (including payment of local calls and long distance official calls, mobile phone, internet facility, any other communication facility).
- Encashment of unavailed leave as per the rules of the Company.
- Long Service Award as per rules of the Company.

E. In addition to the above Mr. Sunil Duggal will also be entitled for Stock Options as may be decided from time to time by the Remuneration cum Compensation Committee in terms of Employees Stock Option Scheme of the Company.

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of tenure of aforesaid director, the Company has no profits or inadequate profits, the Company will pay remuneration by way of salary, perquisites and allowances to the said director subject to compliance with the applicable provisions of Schedule XIII of the Companies Act, 1956, and if necessary, with the approval of Central Government.

The above remuneration payable to Mr. Sunil Duggal is subject to the condition that the total remuneration including perquisites shall not exceed 5% of the net profits individually and 10% of the net profits collectively payable to all the Managing Directors/Whole Time Directors as calculated in accordance with Sections 198 and 309 of the Companies Act,1956 or any amendment thereto or any other provisions as may be applicable.

The terms of appointment and remuneration given herein above be altered, varied and increased from time to time by the Board of Directors of the Company, as it may at its discretion deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof for the time being in force or any amendments made thereto as may be agreed by the Board of Directors and the concerned director. The Board of Directors is also authorised to fix the quantum of benefits payable to the appointee after considering his performance and length of service and on fulfillment of other criteria laid by the Board from time to time.

Mr. Sunil Duggal does not belongs to promoters family. Besides, he is not related to any other director of the company in terms of Section 2(41) and section 6 read with Schedule 1A of the Companies Act, 1956.

The copy of resolution passed by the Board of Directors of the company in its meeting held on 18.06.2010 approving the aforesaid proposal alongwith other documents is available for inspection by the members of the company at its registered office between11.00 AM to 1.00 PM on all working days till the date of the Annual General Meeting.

This explanatory statement together with the accompanying notice may also be treated as an abstract under section 302 of the Companies Act, 1956.

The Board of Directors recommends the resolution for your approval.

None of the Directors other than Mr. Sunil Duggal, himself, is concerned or interested in the resolution.

Item No.10

Mr. P D Narang was reappointed as a wholetime Director of the company for a period of 5 years w.e.f. 1st April, 2008 on the remuneration and other terms and conditions as approved by the members of the company in the Annual General Meeting held on 13.07.2007. In order to adequately compensate key management executives of the company in the highly competitive employment market which currently prevails, it is proposed that the compensation paid to Mr. P D Narang, Whole time Director of the company be revised w.e.f. 01.07.2009, for the remainder of his tenure as Whole time Director of the company i.e. upto 31.03.2013 in line with the remuneration being drawn by his counterparts in the industry, on the following remuneration and terms and conditions.

The Remuneration cum Compensation Committee in its meeting held on 27.01.2010 also reviewed and then recommended the aforesaid increase in remuneration of Mr. P D Narang to the Board for their approval.

A. Basic Salary

Rs.1,30,00,000 per annum with an authority to the Board to increase the same from time to time in accordance with the limits specified in Schedule XIII of the Companies Act, 1956, as amended from time to time. The annual or other increments will be merit based and will take into account the Company's performance.

B. Special Allowance

Not exceeding Rs. 1,00,00,000 per annum with authority to Board to fix his special allowance within this limit from time to time.

C. Performance linked incentive

As per rules of the company as determined by the Board of Directors.

D. Perquisites & Allowances

In addition to the prescribed salary, special allowance and performance linked incentives Mr. P D Narang will also be entitled to perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof, house maintenance allowance, medical reimbursement, coverage under medical and personal accident insurance, coverage under keyman insurance scheme, leave travel allowance/concession for self and his family, special allowance, contribution to PF, superannuation fund and payment of gratuity, club fees, tax u/s 192(1A) of Income Tax Act, paid by employer on behalf of employee and such other perquisites and allowances in

accordance with the rules of the Company or as may be agreed to by the Board with Mr P D Narang; such perquisites and allowances will be subject to 400% of the basic salary.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per income tax rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

However, the following perquisites & allowances shall not be included in the computation of perquisites and allowances for the purpose of calculating the ceiling of 400% of the basic salary:-

- Provision for use of the Company's car with driver for official duties and telephones at residence (including payment of local calls and long distance official calls, mobile phone, internet facility, any other communication facility).
- Encashment of unavailed leave as per the rules of the Company.
- Long Service Award as per rules of the Company.

E. In addition to the above Mr P D Narang will also be entitled for Stock Options as may be decided from time to time by the Remuneration cum Compensation Committee in terms of Employees Stock Option Scheme of the Company.

F. Following benefits on cessation of his whole time directorship and directorship in the Company under any circumstances or disablement whilst in service:-

a) Ex-gratia equivalent to three years basic pay to be computed on the basis of last salary drawn.

b) Monthly pension equivalent to 50% of the last salary drawn (to be linked with inflation).

c) Medical reimbursement for self and family members for the actual amount incurred by him during his lifetime.

d) To continue to use and occupy for his lifetime the housing accommodation/HRA provided by the Company.

e) To continue to use chauffeur driven car and telephone of the Company for his lifetime.

The spouse will, after death of the appointee, continue to get all the benefits listed under para F for her lifetime.

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of tenure of aforesaid director, the Company has no profits or inadequate profits, the Company will pay remuneration by way of salary, perquisites and allowances to the said director subject to compliance with the applicable provisions of Schedule XIII of the Companies Act, 1956, and if necessary, with the approval of Central Government.

The above remuneration payable to Mr P D Narang is subject to the condition that the total remuneration including perquisites shall not exceed 5% of the net profits individually and 10% of the net profits collectively payable to all the Managing Directors/Whole Time Directors as calculated in accordance with Sections 198 and 309 of the Companies Act, 1956 or any amendment thereto or any other provisions as may be applicable.

The terms of appointment and remuneration given herein above be altered, varied and increased from time to time by the Board of Directors of the Company, as it may at its discretion deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof for the time being in force or any amendments made thereto as may be agreed by the Board of Directors and the concerned director. The Board of Directors is also authorised to fix the quantum of benefits payable to the appointee after considering his performance and length of service and on fulfillment of other criteria laid by the Board from time to time.

Mr. P. D. Narang does not belongs to promoters family. Besides, he is not related to any other director of the company in terms of Section 2(41) and section 6 read with Schedule 1A of the Companies Act, 1956.

The copy of resolution passed by the Board of Directors of the company in its meeting held on 18.06.2010 approving the aforesaid proposal alongwith other documents is available for inspection by the members of the company at its registered office between11.00 AM to 1.00 PM on all working days till the date of the Annual General Meeting.

This explanatory statement together with the accompanying notice may also be treated as an abstract under section 302 of the Companies Act, 1956.

The Board of Directors recommends the resolution for your approval.

None of the Directors other than Mr. P. D Narang, himself, is concerned or interested in the resolution.

Item No. 11

In terms of the provisions of Section 293(1) (a) of the Companies Act, 1956, the consent of the members is necessary in general meeting to lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking the whole or substantially the whole of any such undertaking. Since mortgaging by the company of its movable or immovable properties in favour of various Financial Institutions/ Banks/Trustees for availing terms loans/other secured borrowings is regarded as disposal of the company's properties / undertakings, it is necessary for the members to pass the resolution under section 293 (1) (a) of the Companies Act, 1956. The shareholders of the company at the 19th Annual General Meeting held on 19th September, 1994 authorised the Board of Directors of the company to mortgage/ charge properties of the company upto a sum of Rs. 500 crores only. Keeping in view the company's business requirements and its growth plans, it is considered desirable to increase the said limit to Rs. 2000 crores. (Rupees two thousand crores only) in line with borrowings powers envisaged for the Board.

The Board of Directors recommends the resolution for your approval.

None of the Directors of the company is concerned or interested in this resolution.

Item No. 12

In terms of the provisions of Section 293(1)(d) of the Companies Act, 1956, the consent of the members is necessary to borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up share capital and free reserves of the company. The shareholders of the company at the 19th Annual General Meeting held on 19th September, 1994 authorised the Board of Directors of the company to borrow sums in excess of paid up capital and free reserves but not at any time exceeding Rs,. 500 Crores. Keeping in view the company's business requirements and its growth plans,

it is considered desirable to increase the said borrowing limits to Rs. 2000 crore.(Rupees two thousand crore only)

The Board of Directors recommends the resolution for your approval.

None of the Directors of the company is concerned or interested in this resolution.

Item No.13, 14 & 15

The company has shown impressive growth during the last few years. With a view to share the prosperity with its shareholders, the Board of Directors of the company in its meeting held on 26.07.2010 has recommended issue of Bonus shares in the ratio of 1:1 i.e. one new fully paid up equity share of Re. 1 each for every one existing equity share of Re. 1 each to the eligible members of the company as on record date to be fixed for the purpose.

Articles of Association of the company authorizes capitalization of reserves and issue of Bonus shares by the company.

The company has granted stock options to employees under the Employees StockOptions Scheme, 2000 (the Scheme) of the company. Consequent to the issue of Bonus shares and in terms of Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in terms of the "the Scheme", fair and reasonable adjustment in terms of price and number of shares to be issued against Stock Options granted or to be granted by the company would be required to be made so that the total value of Stock Options remains the same after the issue of Bonus shares.

The amount to be capitalized under this item includes the amount necessary for issue of Bonus shares upon exercise of Stock Options, vested but not exercised and unvested, as on record date to be fixed for this purpose, in accordance with the scheme and shall stand reduced to the extent such options are not exercised.

The existing Authorized Share Capital of the Company is Rs.145,00,00,000/- (Rupees One Hundred Forty Five Crores only) divided into 145,00,00,000 equity shares of Re.1/- each and the present issued, subscribed and paid up capital of the company is Rs. 87,01,29,834 divided into 87,01,29,834, equity shares of Re. 1 each.

In view of the proposed issue of Bonus equity shares as set out in Resolution No. 13 and also to generate long term resources by issue of equity capital in the future, it is proposed to increase the Authorised Share Capital of the company to Rs.200,00,00,000/- (Rupees Two Hundred Crores only) divided into 200,00,00,000 equity shares of Re.1/- each. The alteration proposed in the capital clauses in the Memorandum and Articles of Association of the company are only consequential to reflect the proposed increase in the Authorised Share Capital of the company.

The provisions of the Companies Act, 1956 require the company to seek approval of the members for capitalization of reserves and increase in the Authorized Share Capital and for the alteration of capital clause of the Memorandum of Association and the Articles of Association of the Company.

The Board of Directors accordingly recommend the resolutions set out at item nos. 13, 14 & 15 for your approval.

The Directors of the company may be deemed to be concerned or interested in Resolution No. 13 of the accompanying notice to the extent of their respective shareholdings in the company.

DETAILS OF DIRECTORS SEEKING APPOINTMENT /REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED FOR 31ST AUGUST, 2010

Mr. Pradip Burman

Date of birth	:	02.11.1942
Date of Appointment	:	14.11.1979
Qualification	:	B Sc.(Mech.Engg) MIT (USA)

Expertise in specific functional area:
Mr. Pradip Burman has rich experience in the field of operations. Sales, distribution and promotion of various ayurvedic & herbal products.

List of public companies in which outside directorship held:
1. Ayurvet Ltd.
2. Sanat Products Ltd.

Chairman/Member of the Committee of Board of Directors of the Companies:
Audit committee:-
- Sanat Products Ltd.

Shareholding in the Company : 182000 No. of Shares

Mr. Amit Burman

Date of birth	:	16.07.1969
Date of Appointment	:	01.11.2001
Qualification	:	MBA, Cambridge University, England

Expertise in specific functional area:
Mr. Amit Burman is responsible for the growth of foods business of the company under his dynamic leadership the foods division of the company has achieved a phenomenal growth.

List of public companies in which outside directorship held:
1. QH Talbros Ltd
2. Talbros Automotive Components Ltd.
3. Dabur Liberty General Insurance Company Ltd.
4. H&B Stores Ltd.

Chairman/Member of the Committee of Board of Directors of the Companies:
Shareholders/Investors Grievance Committee :-
- Dabur India Ltd

Audit Committee:-
- H&B Stores Ltd.

Remuneration Cum Compensation Committee
- Q H Talbros Ltd.

Shareholding in the Company : NIL

Dr. Anand Burman

Date of birth	:	05.05.1952
Date of Appointment	:	13.10.1986
Qualification	:	M Sc, PHD University of Kansas, USA

Expertise in specific functional area:
Dr. Anand Burman obtained his M Sc. degree in 1977. The University of Kansas awarded him Doctorate in 1980.

He joined Dabur in 1980 as manager R&D and came on the Board of the company in 1986.
He set up pharmaceutical business of the company in 1989 and was responsible for Company's diversification into bulk drugs, phytopharmaceuticals and oncology.

List of public companies in which outside directorship held:
1. Dabur Pharmaceutical Limited
2. Dabur (UK) Limited
3. Hindustan Motors Limted
4. H & B Stores Limited
5. Fresenius Kabi Oncology Ltd.
6. Aviva Life Insurance Co. India Ltd.
7. Althea Lifesciences Ltd.
8. Hero Honda Motors Ltd.

Chairman/Member of the Committee of Board of Directors of the Companies:
Remuneration Cum Compensation Committee
- Dabur India Limited

Shareholders/ Investors Grievance Committee
- Fresenius Kabi Oncology Ltd.

Share Transfer Committee
- Fresenius Kabi Oncology Ltd.

Shareholding in the Company : 111000 No. of Shares

Mr. P D Narang

Date of birth	:	12.04.1954
Date of Appointment	:	01.04.1998
Qualification	:	B.Com, FCA, FCS, AICWA, MIIA (USA)

Expertise in specific functional area:
Mr. P D Narang is the Group Director - Corporate Affairs. He is having vast experience in Corporate Finance & Tax Planning, International Finance, Public Issue, Capital Markets, Strategic Planning and Management, Mergers and Acquisitions, Demergers etc.

List of public companies in which outside directorship held:
1. Dabur Egypt Ltd.
2. Dabur International Ltd.
3. Weikfield International UAE, LLC.
4. African Consumercare Ltd.
5. Aviva Life Insurance Co. India Ltd.
6. H&B Stores Ltd.
7. Dabur Liberty General Insurance Company Ltd.

Chairman/Member of the Committee of Board of Directors of the Companies:
Shareholders/ Investors Grievance Committee
- Dabur India Ltd.

Audit Committee
- H&B Stores Ltd.

Remuneration Committee
- H&B Stores Ltd.

Shareholding in the Company : 12,93,583 No. of shares

Dr. Ajay Dua

Date of birth	:	15.07.1947
Date of Appointment	:	03.09.2009
Qualification	:	IAS (Retd.), M Sc (Eco), Ph. D.

Expertise in specific functional area:
A retired civil servant, Dr. Dua joined the Indian Administrative Service in 1971. He has held a variety of senior assignments in the Government of Maharashtra and the Government of India. With a strong academic background and diverse work- experience Dr Dua is currently a senior business advisor / Board Member of several multinational firms.

List of public companies in which outside directorship held:
1. Areva T&D India Ltd.
2. HSBC Invest Direct Securities Ltd.
3. HSBC Invest Direct Finance Ltd.
4. HSBC Invest Direct Ltd.
5. J K Laxmi Cement Ltd.
6. Aviva Life Insurance Co. India Ltd.

Chairman/Member of the Committee of Board of Directors of the Companies:
Shareholders/ Investors Grievance Committee
- Dabur India Ltd.
- JK Laxmi Cement Ltd.
- HSBC Invest Direct Ltd.
- Areva T&D India Ltd.

Audit Committee
- Dabur India Limited
- HSBC Invest Direct Securities Ltd.
- HSBC invest Direct Finance Ltd.
- HSBC Invest Direct Ltd.
- Aviva Life Insurance Company India Ltd.
- Areva T&D India Ltd.

Remuneration Cum Compensation Committee
- HSBC Invest Direct Ltd.
- Areva T&D India Ltd.

Shareholding in the Company : Nil

Mr. Sunil Duggal

Date of birth	:	17.07.1957
Date of Appointment	:	31.07.2000
Qualification	:	BE, MBA (IIM, Kolkata)

Expertise in specific functional area:
Mr. Sunil Duggal served as GM-Sales & Marketing in Wimco Ltd.,then moved to Pepsi Foods Ltd. in 1994 as GM- Sales & Marketing before joining Dabur in 1995.He played a key role in redefining Sales & Marketing function at Dabur and making it more efficient and is at the helm of affairs at Dabur as CEO since 2001.

List of public companies in which outside directorship held:
1. Dabur International Limited
2. H&B Stores Limited
3. African Consumercare Limited
4. Weikfield International (UAE) LLC

Chairman/Member of the Committee of Board of Directors of the Companies:
Audit Committee
- H & B Stores Limited

Remuneration Committee
- H & B Stores Limited

Shareholding in the Company : 15,02,469 no. of shares

Dabur

Dabur India Limited

Annual Report 2009-10

THE STORY BEHIND THE NUMBERS

CONTENTS

01 Corporate Information
02 The Story Behind the Numbers
06 Chairman's Message
08 A Story Called Dabur
10 Ten Year Highlights
11 Performance at a Glance
11 Accolades 2009-10
12 Corporate Social Responsibility Report
14 Sustainability Report
16 Management Discussion and Analysis
47 Report on Corporate Governance
70 Director's Report
89 Auditor's Report
94 Financial Statements
124 Consolidated Financial Statements
152 Financial Statements as per IFRS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Anand Burman Chairman	Mr. P. D. Narang Director	Dr. S. Narayan Director
Mr. Amit Burman Vice Chairman	Mr. Sunil Duggal Director	Mr. Albert Wiseman Paterson Director
Mr. Pradip Burman Director	Mr. R. C. Bhargava Director	Mr. Analjit Singh Director
Mr. Mohit Burman Director	Mr. P. N. Vijay Director	Dr. Ajay Dua Director

GM (FINANCE) & COMPANY SECRETARY

Mr. A. K. Jain

AUDITORS

M/s G. Basu & Co.
Chartered Accountants

INTERNAL AUDITORS

Price Waterhouse Coopers Pvt. Ltd.

BANKERS

Punjab National Bank	Citibank NA
Standard Chartered Bank	HDFC Bank Ltd.
The Hongkong & Shanghai Banking Corporation Ltd.	IDBI Bank Ltd.
The Royal Bank of Scotland	

CORPORATE OFFICE

Dabur India Limited
Dabur Tower, Kaushambi, Sahibabad,
Ghaziabad - 201 010, (U.P.), India
Tel: 0120 - 39412525, 3982000
Fax: 0120 - 4374935
Website: www.dabur.com
Email: investors@dabur.com

REGISTERED OFFICE

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

THE STORY BEHIND THE NUMBERS

125

It is the number of years that define Dabur's journey of excellence.

It is a legacy of dedication and commitment towards health & well-being of every household, making Dabur India one of the most trusted names and the world's largest Ayurvedic and Natural Health Care Company

3417

It is the number of Rupees Crore in Revenue that Dabur earned in the past one year.

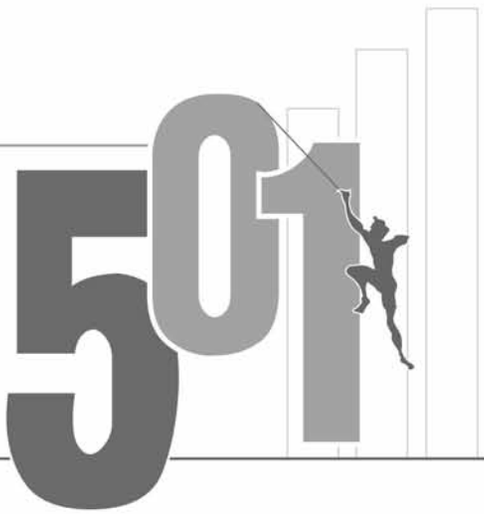
Riding on the strength of our R&D, marketing and manufacturing prowess, we have successfully created products to cater to the ever-evolving myriad needs of our consumers

It is the number of times our sales have grown between 2001 and 2010.

This three-fold increase reflects the speed and passion with which we brought excitement, freshness and sparkle to our consumers through a mix of new products, innovative packaging, effective communication, aggressive marketing and deeper market penetration

It is the number of Rupees Crore in Net Profit that Dabur has earned in the year 2009-10.

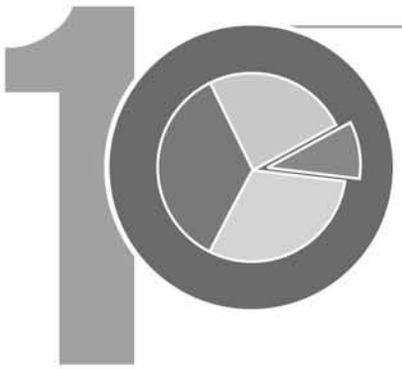
It is the resilience and innate strength of our company that successfully led to achievement of this landmark Net Profit in a year when the global economy was recovering from one of the worst recessions in history



It is the basis points by which operating margins have improved between 2001 and 2010.

It is the manifestation of our commitment to maximize efficiencies across all operations and at all times with a focused objective of maximizing returns for all shareholders

THE STORY BEHIND THE NUMBERS



It is the numbers of times our share value has appreciated since 2001.

It reflects the power of our combined capabilities to translate valuable consumer insights into ideas and solutions that have enabled our evolution into one of India's most trusted brands and the country's largest home-grown consumer goods maker

It is the increase in Return on Equity as percentage between 2001 to 2010.

This is a result of strong surge in profitability and efficient use of capital resources, reflecting the company's continued focus on achieving best-in-class efficiency while continuing to invest in the business

It is our rank among the biggest wealth creators in the FMCG-Non Food sector in India.

We were ranked 28th in the overall list of biggest wealth creators in the country with over Rs 63 billion of wealth created in the period 2004-2009.* This reflects the sincerity of our pledge to remain committed to creating superior value for every rupee of trust that our investors repose in us

*Source: Motilal Oswal's Annual Wealth Creation Study (2004-2009)

17000

It is the number of Rupees Crore measuring the market capitalization of our business enterprise.

It is our vision that aspires to enhance the health and well-being of every household in the country and beyond, by giving our consumers nature and Ayurveda-based solutions for day-to-day health & personal care needs

10

It is the number of Billion Rupee brands that adorn our product portfolio.

One of the recent entrants - Dabur Red Toothpaste made it to the coveted list in a record period of six years, a big achievement by FMCG industry standards. It is also a validation of the trust that consumers attach to Dabur brands

Remarkable numbers indeed.
And these numbers are a story in themselves...

A story that has been penned over a century and a quarter to deliver exceptional value... A story that will continue to grow from strength to strength.

CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to write to you at the end of another significant year in the history of Dabur. The year 2009-10 marked 125 years of Dabur's existence and this landmark was celebrated by recording one of our best-ever performances in terms of all-round growth and improvement in profitability metrics of the company.

In a year which was beset with external challenges such as below average monsoons, drought in some parts of the country, rising food inflation and sharp currency fluctuations, Dabur continued to report strong growth in sales across its businesses and geographies. In spite of sharp fluctuations in input costs and an overall inflationary scenario, the company was able to manage costs well leading to a sizeable increase in operating margins during the year.

On a consolidated basis, Revenues grew by 20.6% to Rs 3,416.7 crore while Net Profit grew 28.1% to go up to Rs 501.3 crore. The steady growth achieved by your Company has been enabled by sustained investments in marketing and brand building, distribution, production, supply chain and by driving operational efficiencies across all its functions.

During the year, your Company saw robust volume-led growth across key categories like hair care, oral care, skin care, health supplements, digestives & foods. The acquisition of Fem Care Pharma, a leading player in the women's skin care products market, and introduction of a host of new products and variants added to this growth and helped Dabur gain a strong foothold in several high-growth and highly competitive categories across the consumer goods space.

The international business too continued on its growth trajectory and forayed into newer markets. I am happy to announce that we have now emerged as a strong multi-location transnational business with a presence across 60 countries and catering to the ever-changing needs and aspirations of the local populace in these markets. While focusing on emerging markets such as the Middle East, North and West Africa, Levant and South Asia, your Company has built scale in these operations and gained a good understanding of the local market conditions to have a sustainable business model in times to come.

The growth strategies and your Company's achievement through 2009-10 have been elaborated in detail in the Management Discussion & Analysis section of this report. Through this letter, I would like to take our esteemed shareholders through some of the key opportunities and challenges that your Company faces today and the factors that would help us move ahead firmly on the growth trajectory in days to come.

India is today one of the largest and fastest growing consumer markets in the world. The economy is growing at a healthy pace with GDP growth expected to remain in the range of 8-9% over the next few years. This is leading to a steady increase in per capita incomes and disposable income in the hand of the consumers. This has, in turn, resulted in a surge in consumerism and pushed consumer aspirations to newer heights. The Private Final Consumption Expenditure in India is growing in the band of 12-14% and this is accompanied by a healthy rate of household savings of about 24-25% of the GDP, which points to a sustained growth in consumption over the next couple of decades making India one of top 5 consuming economies of the world.

Today, the Indian demographics are characterized by a fairly large proportion of youth, significant influx of working population, greater incidence of nuclear families, increasing education levels, rising job opportunities, multiple working members in each family, increasing decision making power in the hands of younger people and changing lifestyles and patterns of spending. All this would lead to a complete transformation of the Indian consumer over the next couple of decades.

Another important factor to be considered is the 'up country' consumer, who had hitherto been considered insignificant in the scheme of things, but is now an important part of the larger canvas. It is interesting that although almost 60% of our GDP originates in rural areas, only 18% is accounted for by agriculture, the rest being contributed by services and industry. With growth of these sectors and the investments made by the government in the rural economy, there has been a significant increase in rural income levels. In fact, the per capita income growth in rural India has almost matched

its urban counterpart in the last few years. The increased awareness and mobility aided by communications boom and better education facilities is driving changes in consumption habits. The rural consumer now has access to a wider range of products and services and is becoming more discerning regarding consumption options and choices. Understanding of requirements and psyche of the rural consumers and designing strategies to provide goods and services matching their requirements and fast evolving needs would be the key to building brands and expanding presence in rural India.

These facts point to the emergence of significant opportunities in consumer goods sector in India, going forward. Connecting with the consumers, keeping track of changes in consumption trends, spotting significant opportunities and growth drivers and remaining agile and responsive to market trends would be the key to growing consumer businesses and capturing some of these opportunities. It may also mean that the consumer may become more discerning and demanding and companies would need to focus on innovation and technical excellence to serve them better. The fast growth in the sector is also likely to attract more competition, both internal and from overseas, which would necessitate a strong and resilient competitive positioning and continued investment in brands and new products.

I take pride in the fact that Dabur has been nimble footed to take cognizance of the constant churn and change in market dynamics to appropriately build strategies and reap maximum benefit of the emerging opportunities.

In view of the rising and cut-throat competition, your Company revamped the sales structure in large urban markets to drive sharper focus on three distinct categories - Home & Personal Care, Healthcare and Foods. Besides, the newly-acquired business of Fem was successfully integrated into Dabur Sales & Distribution network, which also provided the opportunity to access new channels like Beauty Parlours and Salons. These initiatives helped Dabur better cater to these markets by providing relevant products and increasing its penetration, reach and contact with the consumers.

In addition to steady growth in its existing brands and businesses, your Company has also been focusing on acquisitions which offer synergistic growth and expansion and open up new vistas of opportunity for the Company. The Balsara acquisition in 2005-06 and Fem Care acquisition in 2009-10 are examples of mid-sized companies which were acquired by us and transformed into important growth drivers in key segments where we needed to fortify our presence. Going forward, we would look at more such opportunities to gain market entry and consolidate our competitive positioning while remaining focused on the market segments in which we operate today. Acquisitions would, therefore, continue to be integral to our growth strategy as we move ahead. Your Company has also developed strong capability to integrate acquired businesses with ease and generate synergies to make them value accretive fairly quickly. These skills and learnings would enable us to move ahead with confidence as we look for more acquisitions both in India and abroad.

Dabur has drawn up a strategic plan for the next four years, which is in line with our approach to outperform and create superior value for all stakeholders. Under this plan, the Company plans to double its sales and profits from current levels to reach revenues of Rs 7,000 crore and profits of Rs 1,000 crore by the fiscal year 2013-14. With this strategic roadmap, your company would continue to drive strong profitable growth and create further value for its stakeholders, customers and business partners.

While concerns on environment and sustainability are going up globally, your Company has taken several initiatives to make sustainability a key part of its operational strategy. Dabur is focusing on use of alternative sources of energy, recycling of waste products, more efficient use of fuel and energy and initiatives to use recyclable materials for packaging. Details of these initiatives have been provided in the Sustainability section elsewhere in this report.

Success of any business enterprise like ours can only be possible because of its employees and the people who put in their unrelenting efforts to rise to excellence. I would like to say that your Company's employees are its greatest asset and it is entirely due to their hard work, perseverance, commitment and dedication that the company has been able to deliver superior growth and value creation with every passing year.

I sincerely thank all our shareholders, business partners, employees and last, but not the least, our customers for the continued support and faith reposed in your Company. I would like to assure you that your Company would continue to remain committed to deliver strong growth and be one of the top players in the Indian consumer goods sector.

Dr. Anand C. Burman
Chairman
Dabur India Ltd.

A STORY CALLED DABUR

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

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 five flagship brands with distinct brand identities.

Dabur
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

Vatika
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

Hajmola®
Tasty Digestives

Tasty fun-filled digestives available in interesting formats like tablets and candies, **Hajmola** appeals to all age groups

Réal
Fruit-based Beverages

India's leading brand of packaged fruit juices, **Réal** provides the largest range of refreshing & healthy fruit juices that are 100% natural and free of preservatives

Fem
Fairness Bleaches & Skin Care

A new member in the family of Dabur's key brands, **Fem** offers a range of fairness bleaches and hair removing solutions

Brands

TEN YEAR HIGHLIGHTS

Rs crore	FY01*	FY02★	FY03	FY04※	FY05	FY06#	FY07^	FY08	FY09	FY10
Operating Results:										
Sales	1100	1200	1285	1236	1417	1757	2080	2396	2384	3417
Other Income	19	12	7	9	9	13	26	34	47	39
EBITDA	137	144	162	164	217	300	376	443	517	669
EBITDA Margins (%)	12.5	12.0	12.6	13.3	15.3	17.1	18.1	18.5	18.3	19.6
Profit Before Tax (PBT)	85	82	106	124	176	257	319	384	445	601
Taxes	7	14	14	15	19	30	39	52	54	100
Tax Rate (%)	8.5	16.6	13.3	12.0	10.8	11.7	12.1	13.4	12.1	16.7
Profit After Tax (PAT)	78	64	85	107	156	214	282	333	391	501
PAT Margins (%)	7.1	5.4	6.6	8.6	11.0	12.2	13.5	13.9	13.8	14.7
Financial Position:										
Fixed Assets (Net)	243	371	257	250	295	512	379	465	559	677
Current Assets, Loans & Advances	393	504	522	340	408	471	640	774	951	1106
Current Liabilities & Provisions	158	183	241	294	400	436	452	732	805	920
Net Working Capital	235	322	281	46	8	35	189	42	146	186
Total Assets	**558**	**705**	**640**	**433**	**543**	**624**	**670**	**749**	**1060**	**1129**
Share Capital	29	29	29	29	29	57	86	86	87	87
Reserves & Surplus	334	365	388	257	335	440	393	531	732	848
Shareholders Funds	362	393	417	286	364	497	480	618	819	935
Loan Funds	196	304	964	132	164	121	160	99	230	179
Total Capital Employed	**558**	**705**	**640**	**433**	**543**	**624**	**670**	**749**	**1060**	**1129**
Return Ratios:										
ROCE (%)	19.5	12.6	16.1	28.6	31.3	39.0	45.7	47.6	39.4	45.5
RONW (%)	22.0	16.6	20.6	38.1	43.5	46.1	61.3	55.3	47.7	53.5
Equity Share Data:										
Earnings Per Share (Rs)	2.7	2.3	3.0	3.7	5.4	3.7	3.3	3.9	4.5	5.8
Dividend Per Share (Rs)	1.0	0.5	1.4	2.0	2.5	1.8	1.42	1.5	1.75	2.0
No. of Shares (In Crs)	28.5	28.6	28.6	28.6	28.6	57.3	86.3	86.4	86.5	86.9

Sales refer to Gross Sales i.e Net of Sales Tax/VAT

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

★ Consolidated results from FY02 onwards

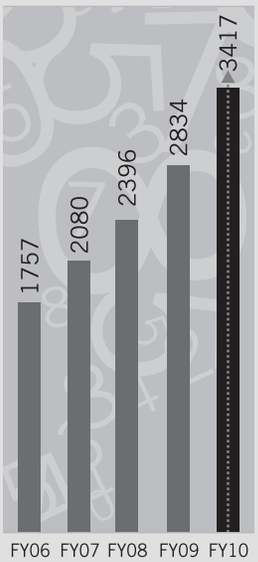
※ Dabur Pharma got de-merged

\# Bonus issue of 1:1 was issued during the year

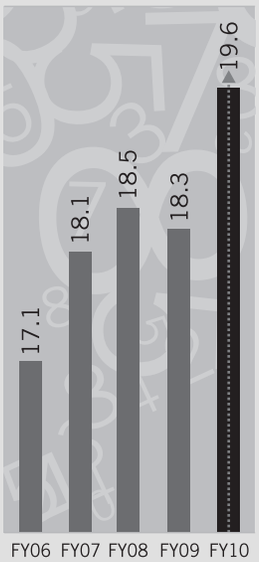
^ Bonus issue of 1:2 was issued during the year

PERFORMANCE AT A GLANCE

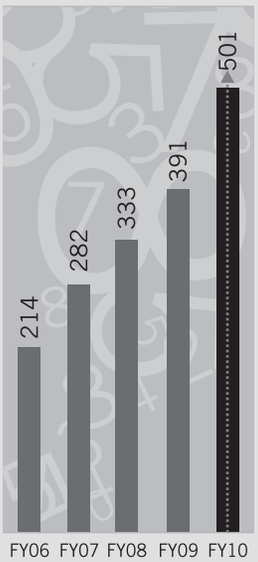
Net Sales (Rs cr)



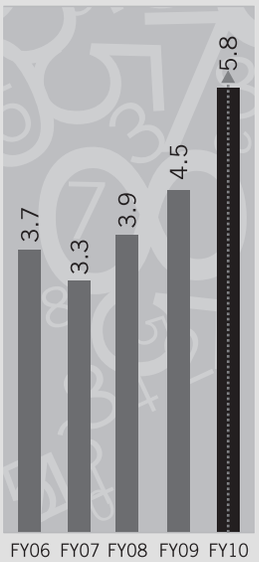
EBIDTA Margins (%)



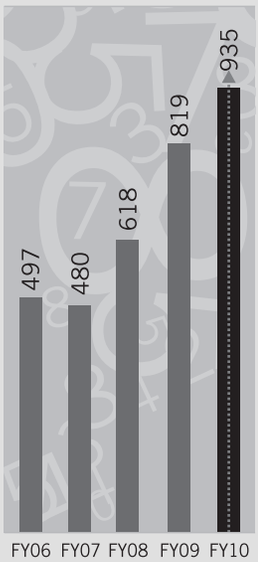
Profit After Tax (Rs cr)



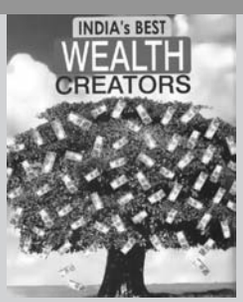
EPS (Rs)



Shareholders' Fund (Rs cr)



ACCOLADES 2009-10



Dabur India Ltd ranked 19th amongst India's Best Wealth Creators by Dalal Street Journal

Dabur ranked as 60th Most Valuable Indian Company in 2009

Dabur, Amla, Hajmola in Most Trusted Brands 2009 list

Réal wins Trusted Brand Gold Award 2010

CORPORATE SOCIAL RESPONSIBILITY REPORT

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

- Dr. S K Burman
Founder, Dabur India Ltd

Sundesh
संदेश

This noble thought by its founder has been the driving force behind Dabur India Ltd's community initiatives. At Dabur, we firmly believe that an organisation's true worth lies beyond its business, and is best reflected by the service it renders to the community and the Society.

Businesses have a responsibility to subserve larger societal goals as they have the ability to contribute significantly and impactfully to sustainable and inclusive development. Corporate Social Responsibility (CSR) is not a public relations exercise for us. Dabur defines CSR as conducting business in ways that provide social, environmental & economic benefits for the communities and geographies where we operate. The greatest value is in making a difference in lives of people.

Dabur's CSR initiatives are driven by Sustainable Development Society or **SUNDESH,** which aims to reach out to the weaker and more vulnerable sections of our society. Today, SUNDESH operates in Ghaziabad & Gautam Budh Nagar districts of Uttar Pradesh and 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 cite a few examples, almost 2,000 women have been offered skill development training and they are now supplementing their household income. Our self-help groups too have benefited many, with repayment of bank loans at almost 100%.

It is highly encouraging to see that our small steps and efforts have helped many an illiterate kids see a school from inside, helped unemployed youth set up small businesses, made healthcare accessible to many... in short, brought smiles on the faces of scores of families.

Health Services

The objective of rural health care is to mobilize the community and build awareness, equipping them with adequate information, skills and confidence to access health services. SUNDESH provides health services across villages. It extends primary health services to the poor and the marginalised rural people at a reasonable cost.

It focuses on community-oriented healthcare and works towards empowering every individual with essential knowledge and skills, which would enable them to lead a healthy life. Services provided to the rural people through this programme include:

OPD & Diagnostic Facilities: The number of patients at the Health Post has been growing substantially every year, reflecting the increasing faith of the rural community in our medical facilities. Till date, 61,628 patients have benefitted through OPD services. It also provides diagnostic facilities like urine and pregnancy test, haemoglobin, blood sugar and doppler test to the poor rural populace at nominal rates.

Mother & Child Healthcare: This initiative is aimed at reducing infant and maternal mortality rates, besides improving the quality of life of the villagers. Given the fact that pregnancy and child-birth related deaths are high in India, SUNDESH is focused on promoting and motivating expecting mothers to go in for institutional deliveries.

It is the number of children who have benefitted from our education-related initiatives till date, with **830 children** having joined formal schools

Eye Care Camps: SUNDESH takes care of the elderly by holding eye care camps at its Health Post and in villages. Cataract cases are even operated free of cost.

Prevention of female foeticide: SUNDESH has organised workshops in Ghaziabad on prevention of female foeticide. Anganwadi workers were sensitized to make the community aware about the importance of girl child and improve the girl-boy ratio in the region.

AIDS awareness: An awareness drive on HIV/AIDS was undertaken with CARE India Trust and UP State AIDS Control Society. This sought to reduce Sexually Transmitted Infections/HIV transmission among high-risk migrants in urban areas of Ghaziabad district in Uttar Pradesh.

Education & Literacy

The educational initiatives of SUNDESH for underprivileged children include non-formal education [6-14 years non-school going], special school for working children [8-13 years], remedial education [6-14 years school-going], besides holding classes for women between the age of 18 and 45 years. This programme's success is reflected in the fact that a host of mothers are now following their daughters and seeking admission at our adult education centre.

Non-formal Education: SUNDESH holds classes for underprivileged children between 6 and 14 years of age. After completing their basic education, these children, who have either never had a chance to see a school from inside or are school dropouts, are then encouraged to get enrolled in formal schools.

Income Generation Programmes

Capability enhancement programmes have been introduced offering vocational training in cutting & tailoring, machine & hand embroidery, bee keeping, mushroom farming, mehandi application and vermi-composting.

Still a long way to go...

Dabur believes in having a long-term relationship with communities in and around its operational area, and in providing sustenance to regions that remain isolated and neglected.

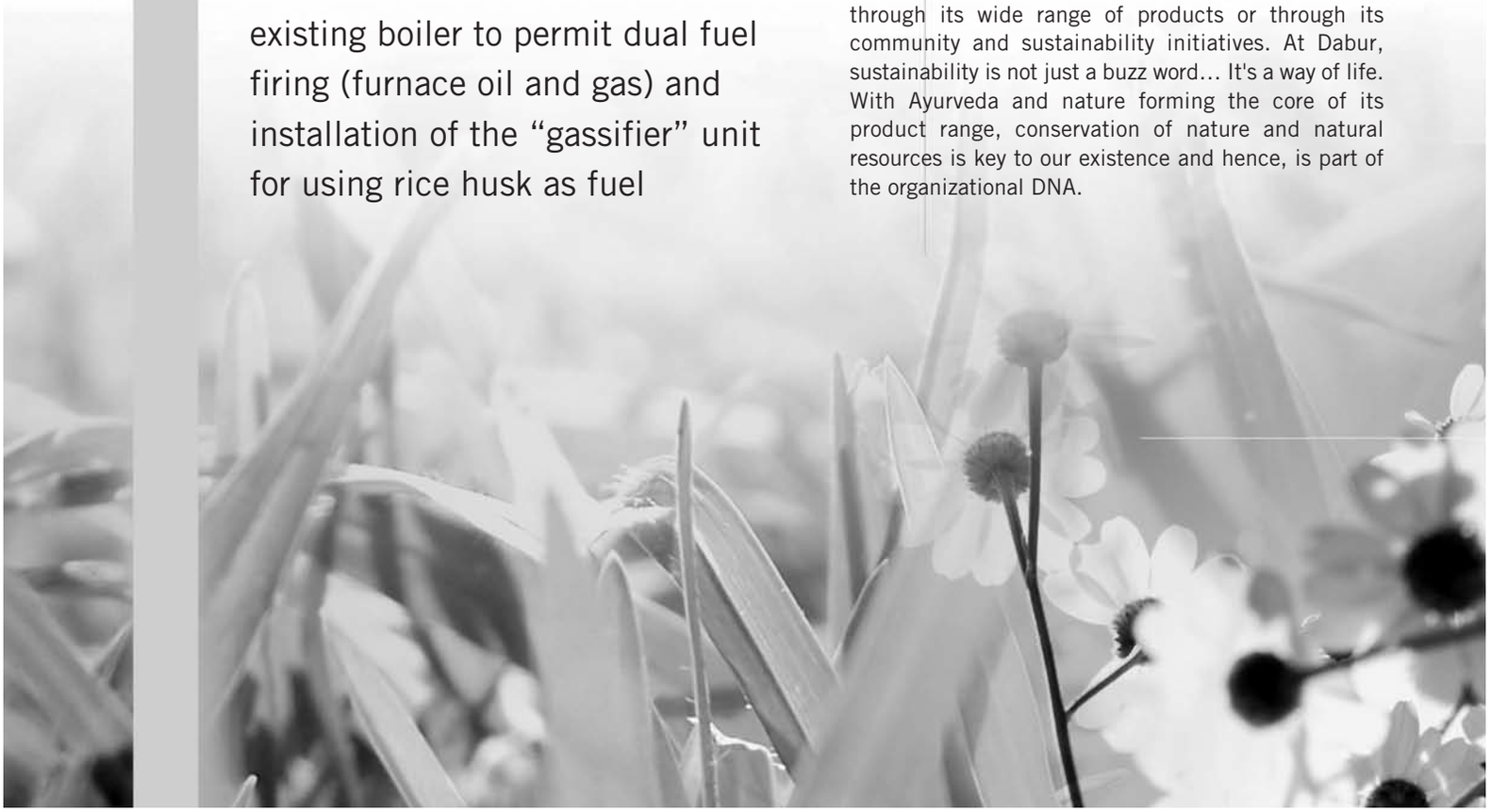
A beginning has been made but there are still miles to go before the huge disparity is bridged and a better future delivered to both the rural and urban poor.

SUSTAINABILITY REPORT

It is the reduction in our furnace oil consumption for steam generation on account of modification of the existing boiler to permit dual fuel firing (furnace oil and gas) and installation of the “gassifier” unit for using rice husk as fuel

The past year has been a tough one for the economy and industries alike. During such trying times, when industries are battling unstable market conditions, rising Inflation and tightening purse-strings, sustainability inevitably gets pushed to the back-burner in its quest for business success. We, at Dabur, believe that financial performance and sustainability go hand in hand and can never be separated.

For the past over 125 years, brand Dabur has been touching the lives of millions of consumers daily, either through its wide range of products or through its community and sustainability initiatives. At Dabur, sustainability is not just a buzz word… It's a way of life. With Ayurveda and nature forming the core of its product range, conservation of nature and natural resources is key to our existence and hence, is part of the organizational DNA.



As the world begins to sight a recovery from the financial meltdown, nations and corporations across the world are now debating on the long-term impact of businesses & economic systems on the environment, and on the immediate need to cut carbon emissions. Even as the debate continues, Dabur India Ltd. is moving ahead full steam on its plans to not only reduce carbon footprint but also emerge as a Carbon Neutral enterprise in days to come. The company has rolled out a host of initiatives at its various manufacturing facilities spread across India and Nepal to significantly reduce the carbon emissions and become more energy efficient.

Within our units and the areas under our control, continuous efforts to maximise production are paralleled by minimising consumption of natural resources and reducing waste and emissions in a sustainable manner. In a first-ever such initiative in India, Dabur is working to establish a new boiler technology at its manufacturing facility in Pantnagar (in Uttaranchal). This new project - a first of its kind in India - will use wet herbal waste from the facility as fuel directly in the boiler and incinerate the same to generate steam, and generate attractive savings in energy costs. This will also reduce discharge of solid waste to the environment.

At the Katni unit, the company has also substituted furnace oil with petcoke - a byproduct of crude refining - as fuel, a move that has led to considerable energy savings. Similar initiatives are also underway at its units in Newai (Rajasthan), Baddi (Himachal Pradesh), Sahibabad (Uttar Pradesh) and Nepal. At the Nepal unit, for instance, Dabur has, in the last quarter, commissioned a new 'gassifier' project to save energy costs in steam generation by using rice husk as fuel. Set up with an investment of close to Rs 150 lakhs, this project involved modification of the existing boiler to permit dual fuel firing (furnace oil and gas) and installation of the “gassifier” unit, piping and storage area for rice husk.

This initiative - put in place in view of the rising fuel costs and the recent fuel crisis in Nepal - has already reduced our furnace oil consumption for steam generation by 50%. Given Dabur's concern towards environment, it has also invested in elaborate scrubbing and particle separation technology to ensure that exhaust from the boilers do not carry any unburnt particulate matter.

At the Sahibabad unit, Dabur is in the process of setting up facilities inside the factory to use herbal waste from the manufacturing process and convert them into bio-briquettes that can be used as fuel in boilers. The end goal is to ensure that herbal waste is not disposed of in the environment.

At one of its Baddi units, Dabur has set up a bio gas generator that uses ETP solid waste to generate methane rich gas which is used as fuel in the boilers.

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 and water recycling which has delivered encouraging results. In doing so, Dabur has also been able to increase production volumes at water scarce sites. During the last fiscal year, Dabur commissioned 2 new plants at Baddi and Pantnagar. Both plants are designed using eco-friendly construction materials and principles of design and technology selection have been made to reduce energy consumption by applying green manufacturing principles.

Adhering to the laws of the land, directives and guidelines is a business imperative. But that is not enough. Dabur continuously strives to improve its performance and its standing in the society by focusing all efforts towards making the most meaningful difference in both environmental and social sustainability.

MANAGEMENT DISCUSSION AND ANALYSIS

In an intensely competitive environment, Dabur India Ltd. continued to drive Industry-best volume-led growth and posted one of its best performances, growing the Revenues by **20.6%** and Net Profit by **28.1%**

The year 2009-10 saw the global economy emerging from the worst-ever financial crisis since the Great Depression. India's growing importance in the world economy is now well established and the country has earned the distinction of being the second largest emerging market economy, the fifth largest global economy in terms of purchasing power parity and the second fastest growing economy in the world. While India may not have been in the throes of acute recession, the global financial meltdown did slow down the nation's growth story for a few months. However, the economy bounced back quickly, demonstrating its inherent resilience and strength.

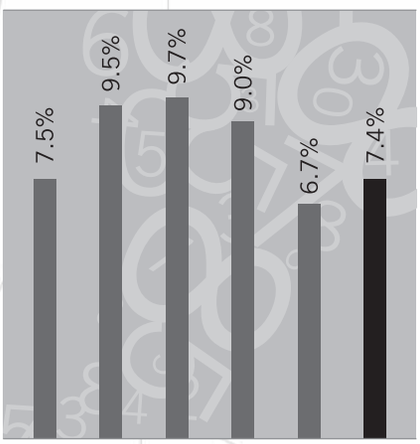
The year also witnessed a delayed and below normal monsoon followed by drought like conditions in several parts of the country. While the Indian economy waded through these troubled waters and posted a remarkable recovery, a big worry – in the form of spiraling food Inflation - started to trouble the country and the industry, especially in the second half of the year. These high food prices, together with the gradual hardening of other input costs, threatened to force consumers to tighten their purse-strings, particularly in the resurgent rural India.

In spite of all these challenges, consumer demand remained robust fuelling growth in consumer products particularly in the rural areas. This was helped by government initiatives such as the rural job guarantee schemes, infrastructure development projects, debt waiver schemes and the spike in agri-commodity prices which has continued to boost agricultural incomes in recent years. As a result, aspiration levels in rural India continued to grow and this growing aspiration is now backed by more purchasing power. Gone are the days when the rural consumer was content with using unbranded, low quality products for personal care and daily grooming. Today, the consumers are seeking to buy recognized brands and good quality products to meet their needs and aspirations. This shift once again ensured that growth in rural sales of FMCG products far exceeded the increase in urban sales.

The Gross Domestic Product (GDP), which recorded high growth of about 8-9% from fiscal 2004-05 to 2007-08, had slowed down to 6.7% in 2008-09 but recovered again in 2009-10 growing at 7.4% (as per CSO Revised Estimates). The recovery in GDP growth for 2009-10 is broadbased with six out of eight sectors/sub-sectors showing a growth rate of 6.5 per cent or higher (Source: CSO).

The economy has witnessed a demand revival as indicated by a 10.4% expansion in industrial production during 2009-10 as against 2.8% during 2008-09. In addition, bank credit expanded by 17% in 2009-2010 as compared to the year ago period.

CHART A : Growth in GDP in the Indian Economy



Source : CSO Estimates

The Fast Moving Consumer Goods (FMCG) sector was benefited by this resurgence in the economy and the prevailing benign input cost environment in the first half of the year. Lower material costs and increasing gross margins led to hefty increase in spends on advertising and promotions by most

645

It is the percentage growth in Net Profit between **2001** and **2010.** It is the strength of a corporate brand that has not only survived the ups and downs of the economy, but more importantly gone on to report strong growth year after year

The GDP, which recorded high growth of about **8-9%** from **2004-05** to **2007-08,** had slowed down to **6.7%** in **2008-09** but recovered again in **2009-10,** growing at **7.4%**

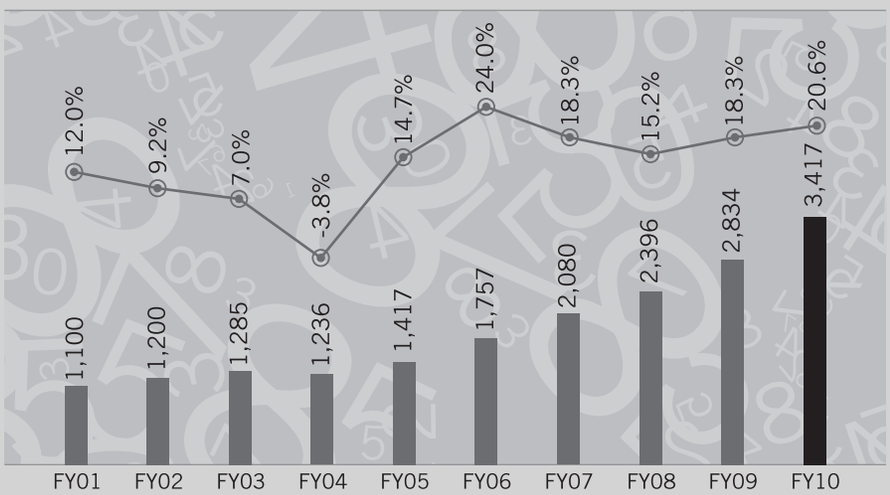
FMCG players in an attempt to increase their share of voice. As a result the sector witnessed heightened competitive activity with most FMCG players vying for improving volumes and market share. This also kept pricing power in check with reluctance on part of the major players to affect any significant price hikes. Therefore the growth was largely volume driven and oriented towards mass market. Organized retail, which had been impacted by the slowdown in 2008-09, showed signs of revival with growth coming back in same store sales and announcement of expansion plans by some of the leading chains, although in a calibrated way. Overall the FMCG sector saw increased activity during the year fueled by improved margins and revival in consumer demand.

In this intensely competitive environment, Dabur continued to drive strong volume-led growth and posted one of its best performances, growing the Revenues by 20.6% and Net Profit by 28.1%. The highlights of the Company's performance in 2009-10 on a consolidated basis are:

- Consolidated Sales increased to Rs 3,416.7 crore in 2009-10 from Rs 2,834.1 crore in 2008-09, registering a growth of 20.6%
- Earnings before interest, depreciation, taxes and amortization (EBIDTA) increased to Rs 669.5 crore in 2009-10 from Rs 517.3 crore in 2008-09, registering a growth of 29.4%
- Consolidated profits after tax (PAT) went up to Rs 501.3 crore in 2009-10 from Rs 391.2 crore, increasing by 28.1%
- Earnings per share (EPS) went up to Rs 5.8 in 2009-10 from Rs 4.5 in 2008-09

Chart B : Consolidated Sales growth during last 10 years

(In Rs crore)



Note: The Balsara acquisition in 2005-06 added 10% to revenues in that year and Fem Care Pharma Ltd which has been acquired in 2009-10 has added 3.5% to the revenues during 2009-10.

- Return on Net worth of the company increased to 53.5% in 2009-10 from 47.7% in 2008-09

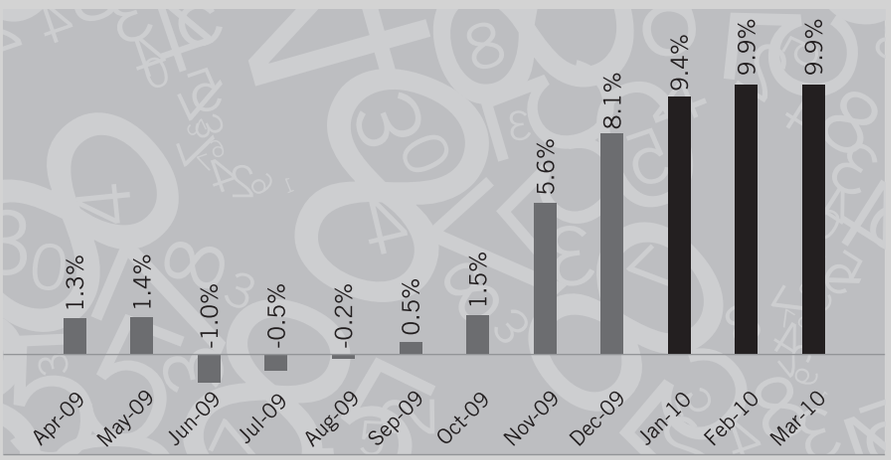
The year 2009-10 recorded one of the highest revenue growths in Dabur (See Chart B) in the last decade.

Sales during 2009-10 were significantly volume-driven, with volumes accounting for around three fourths of the revenue growth. The input cost pressures were managed effectively and the company did not take any significant price increases during the year. Growth rates across quarters have been consistent and reflect your company's sound business strategies and strong execution capabilities.

On the operational front, the company achieved a significant improvement in EBIDTA margins which increased from 18.3% in 2008-09 to 19.6% during 2009-10. This was a result of comprehensive planning, forecasting and hedging strategy for procurement of raw and packing materials which was also aided by lower input costs during first half of the year. During the second half, although there was a sharp increase in agri-linked commodity prices and crude oil-linked input costs, the company managed to mitigate the impact of this increase in costs through proactive procurement and buying strategies. Chart C on WPI movement during the year highlights the inflation levels experienced during the year.

Part of the margin improvement was invested during the year on higher advertising and promotional expenditure, which increased from 12.1% to 14.4% of sales. This was utilized to invest behind our brands to drive strong growth in the portfolio of existing brands as well as new product initiatives. Aggressive marketing initiatives led to good volume led growth and market share gains in key categories like toothpastes, shampoos and health supplements.

Chart C : Movement of WPI during 2009-10



Note: Office of Economic Advisor, Govt of India

During 2009-10 Dabur completed the acquisition of Fem Care Pharma Ltd. ("Fem" or "Fem Care"). The acquisition has added about 3.5% to the topline during 2009-10. The Company believes this acquisition will open new vistas of growth in the fast-growing skin care category and will accrue significant cost and revenue synergies. We have put Fem's core brands – fairness bleaches, hair removing creams and liquid soaps – firmly on the growth track. Significant investments have been made behind the brands, which would take them on to a strong growth trajectory in days to come. The operations of Fem Care Pharma Limited have been integrated with Dabur through a fairly quick and seamless integration of manpower, sales and distribution network, supply chain, IT processes, manufacturing operations and logistics. In fact, the company has shown good growth in revenues, margins and profits post the closing of the deal which was effected on 25th June, 2009.

The Fem Care legal entity has since been merged with Dabur and the merger takes effect retrospectively from 1st April 2009. The High Court order to this effect was passed on 2nd June 2010.

During the year, the company test-

Dabur continues to move forward on the double-digit growth track with sustained volume growth across all product lines. 2009-10 has shown one of the best volume growths for the company in almost a decade

launched a host of new brands and products, including Dabur Uveda range of Ayurvedic skin care products. Packed with herbal extracts derived from a blend of authentic Ayurvedic ingredients that are documented in Ayurvedic scriptures of Bhavprakash Nighantu and proven actives, the Uveda range is well researched and proven to enhance skin tone and texture. The other major launch of the year was the Réal Burrst range of fruit-based beverages. Available in 4 variants, this non-carbonated light fruit beverage range offers the benefits of refreshment and thirst quenching qualities to the consumers. The company also introduced two new light hair oil brands – Vatika Enriched Almond hair oil & Dabur Amla Flower Magic hair oil to expand its presence in the light hair oils category.

While things have certainly looked up, there are many challenges along the way which make it critical for us to continuously review and evaluate our strategies to compete well and capture the opportunities in this dynamic and fast growing industry. Growth rates in real GDP and per capita income should sustain at the levels seen in the recent past in order to support robust demand for consumer staples. Also, rising food inflation continues to be a major threat with regards to spending and may act as a dampener to the consumption story.

It is the number of new brands, products and variants launched by Dabur in 2009-10. The new launches - which include Uveda range of Ayurvedic skin care products and Réal Burrst range of fruit beverages - further strengthened Dabur's presence in existing categories besides opening up newer avenues of growth

But the economic growth drivers too are immense, in the form of a fairly young population, growing pool of skilled manpower, rising savings and investment rates, a vibrant services sector and potentially large source of domestic demand. These together hold out the promise of stable and sustained future growth for India and for your Company.

Though the economy has been on a path to recovery, conditions still remain challenging. In spite of this, Dabur continued to drive its key strategic initiatives and invest aggressively behind its brands and businesses during 2009-10.

Strategic Business Units

Dabur India Ltd continues to move forward on the double-digit growth track with sustained volume growth across all product lines. The year 2009-10, in fact, has shown one of the highest volume growths for the company in almost a decade and what's more encouraging is the fact that this growth has come at a time when the industry has been struggling with several downsides like poor monsoons, drought in several parts of the country, rising input costs and one of the highest instances of food inflation.

The challenges notwithstanding, Dabur India Ltd ended the year with a robust sales growth of 20.6% with all its established strategic business units (SBUs) reporting strong performance.

- Consumer Care Division (CCD), the largest SBU of the company encapsulating the domestic consumer products business, today accounts for 68.1% of the Company's consolidated revenues. Even on this large base, Revenues for the business increased by 14.6% during the 2009-10 financial year
- International Business Division (IBD) has emerged as the second-largest SBU for Dabur, accounting for

14.6

It is the revenue increase in percentage terms during 2009-10 of Consumer Care Division, the largest SBU of the company, which today accounts for **68.1%** of total consolidated revenues

17.6% of Dabur's consolidated revenues. The division ended the year with a revenue growth of 26.3%, driven largely by introduction of new products and expansion into newer geographies

- Consumer Health Division (CHD), which leverages Dabur's core competence in Ayurveda and offers a range of Ayurveda-based Over-The-Counter (OTC) products, branded ethical and classical products, reported a growth of 15.0% and now accounts for 8.0% of the total consolidated turnover

Consumer Care Division (CCD)

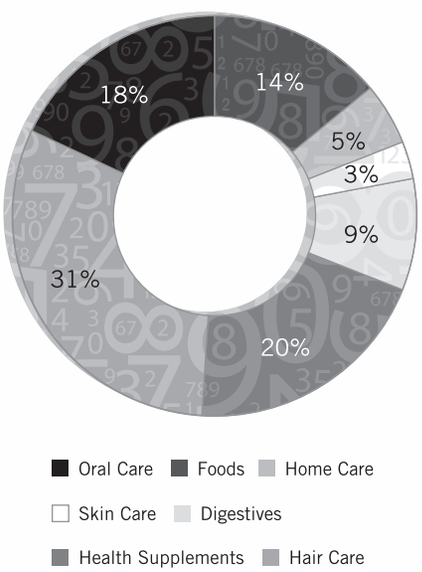
Dabur India Ltd continued to focus on expanding its product offerings to consumers by way of new product launches and expansion of existing products with the rollout of newer variants, thereby continuing to address the growing and ever-changing needs of its consumers across both urban and rural India. The year also saw Dabur introduce a variety of low-priced SKUs to increase affordability for its products and deepen its rural penetration through a host of sales and consumer initiatives.

Rural India, in fact, continues to be the big growth driver with demand from the hinterland outpacing demand from the urban markets in key categories like toothpastes & shampoos. The severe drought in several parts of the country and the lower than expected monsoons failed to dampen consumer demand in Rural India. The poor monsoon and drought came after four consecutive

years of bountiful harvest, which had put the rural economy on a strong wicket with a sizeable increase in rural income and consumption. Also, the government rural job guarantee schemes coupled with the spike in commodity prices in the recent years continue to add on to the rural wealth, in turn giving a big push to the standards of living in the hinterland. The result is there for everyone to see. Aspiration levels in rural India have gone up, fuelling demand for branded, packaged products.

Dabur India Ltd, with its various initiatives, was well poised to take advantage of this growing consumption in Rural India, which in turn helped Dabur's Consumer Care Division (CCD) achieve robust growth. CCD ended 2009-10 with 14.6% growth increasing its revenue to Rs 2,326.5 crore.

Chart D : Category wise break up of CCD revenues



Dabur's CCD business is divided into four key portfolios of Healthcare, Personal Care, Home Care and Foods. These cater to a number of consumer products segments like Hair Care, Skin Care, Oral Care, Health Supplements, Digestives, Home Care and Foods. Chart D gives the relative share of each category.

Health Care

2009-10 was one of the best-ever years for the Health Care vertical within Dabur India Ltd. With good growth across its three key product categories of Health Supplements, Oral Care and Digestives, Health Care became the first vertical within Dabur to cross the Rs 1,000-Crore turnover mark this fiscal.

Another big achievement for this vertical was the entry of Dabur Glucose, Dabur's flagship energy drink brand, in the haloed list of Dabur's Billion Rupee Brands. The Health Care portfolio has the largest presence in this list with as many as 7 brands – Dabur Chyawanprash, Dabur Honey, Hajmola, Dabur Red Toothpaste, Dabur Lal Dant Manjan, Babool and Dabur Glucose. Dabur Red Toothpaste, in fact, even has the distinction of being among the select few brands in FMCG history to achieve the Rs 100-crore turnover within 6 years of its launch.

With a share of 46.7%, Health Care continues to be the largest contributor to CCD's sales during 2009-10. Health care has also been identified as an important growth engine for the future and Dabur is drawing up a blueprint and lining up a host of new initiatives for the category.

Health Supplements: Growing health concerns in India on the back of the widespread outbreak of flu and viruses across the country and a flurry of consumer-connect initiatives with its various brands, helped the Health Supplements category end the year with over 20% growth in sales.

Dabur Chyawanprash, the flagship brand in this category, reported strong double digit growth in sales during the year. This growth has come in spite of a prolonged summer, which is traditionally seen as a lean sales period for the product. The brand was repositioned this year on the immunity plank, a move that ensured good consumer connect in view of the recent outbreak of flu and viruses across India. Dabur Chyawanprash seized the opportunity and undertook a mega awareness building campaign across India, underlining the need to strengthen the body's immune system to fight these new-age flus & viruses. Christened Immune India, this

Rural India continues to be the big growth driver with demand from the hinterland outpacing demand from the urban markets in key categories like toothpastes & shampoos

campaign brought together Ayurvedic doctors & experts from across the country, along with the Dabur Chyawanprash Brand Ambassador, to drive home the message of strengthening immunity through Ayurvedic products, particularly Dabur Chyawanprash.

This campaign was taken forward with the launch of a new advertising commercial – featuring brand ambassador Mahendra Singh Dhoni – that underlined the need to build immunity and remain fit. A mega school-level awareness drive was also rolled out across nine states – Delhi-NCR, Uttar Pradesh, Bihar, Jharkhand, Punjab, Maharashtra, West Bengal, Madhya Pradesh and Rajasthan. Under this initiative, the brand reached out to over 7.5 lakh students across 820 schools to educate children about the need for building immunity in order to stay healthy and strong.

Under this programme, doctors and health experts reached out to various schools and conducted workshops on immunity building. These workshops were designed with easy-to-comprehend pictorial presentations to make them interesting for the children. The success of this Immune India campaign can be gauged by the fact that it bagged the Gold Award under the Best School Contact program of the year category at the WOW Event & Experiential Marketing Awards 2010.

Riding on these initiatives, Dabur Chyawanprash – already the market leader by a huge margin – saw its share of the Chyawanprash market increase from 61.9% to 62.7% during the year.

The year also saw Dabur introduce a new 2 kg value pack of Dabur Chyawanprash, priced at Rs 360. The Chyawanprash variants – Chyawan Junior and Chyawan Prakash – performed well as consumer acceptance increased for the two products. The malted food drink variant Dabur Chyawan Junior, which is now in its second year, continues to do well with consumer sales improving substantially.

Dabur Honey, the largest selling brand of honey in the country, was re-launched during the year with a new logo. The product was also made available in a Rs 10 pack, which has been hugely successful and has added new consumers to the brand. Our market intelligence revealed that consumers had a distinct need to use Honey for feeding it to children and for religious usages. This new SKU helped us address this need.

The brand continued its steady performance on the back of its high nutrition proposition and ended the year with healthy double-digit growth. The Company also launched the second edition of its Honey-based Recipe Book, titled Big Bee's Health Secrets, which was launched by Amitabh Bachchan, the brand ambassador for Dabur Honey. Dabur continued to leverage and take forward the brand message of "healthier

Health care has been identified as an important growth engine for the future. Dabur has drawn up a new strategy and is lining up a host of new initiatives for the category

alternative to sugar" to increase the franchise for Dabur Honey.

Dabur Glucose was the other strong performer of the health supplements portfolio, ending the fiscal with very impressive growth. Riding on a consumer connect initiative with its new brand ambassador Zaheer Khan and aided by extended summers, Dabur Glucose witnessed a huge upsurge in demand. Dabur Glucose rolled out a nationwide bowling talent hunt – Dabur Glucose-D Ace Of Pace - to discover the hidden pace bowling sensations in small town India. The contest saw over 68,000 kids from across the country participating, with the eight finalists even attending a bowling clinic with Zaheer Khan.

Introduction of Dabur Glucose in sachets and improved performance of its two variants – Orange and Lemon – continued to drive growth for the brand and helped it gain market share. Dabur Glucose has now been re-launched in 2010 with new packaging and communication.

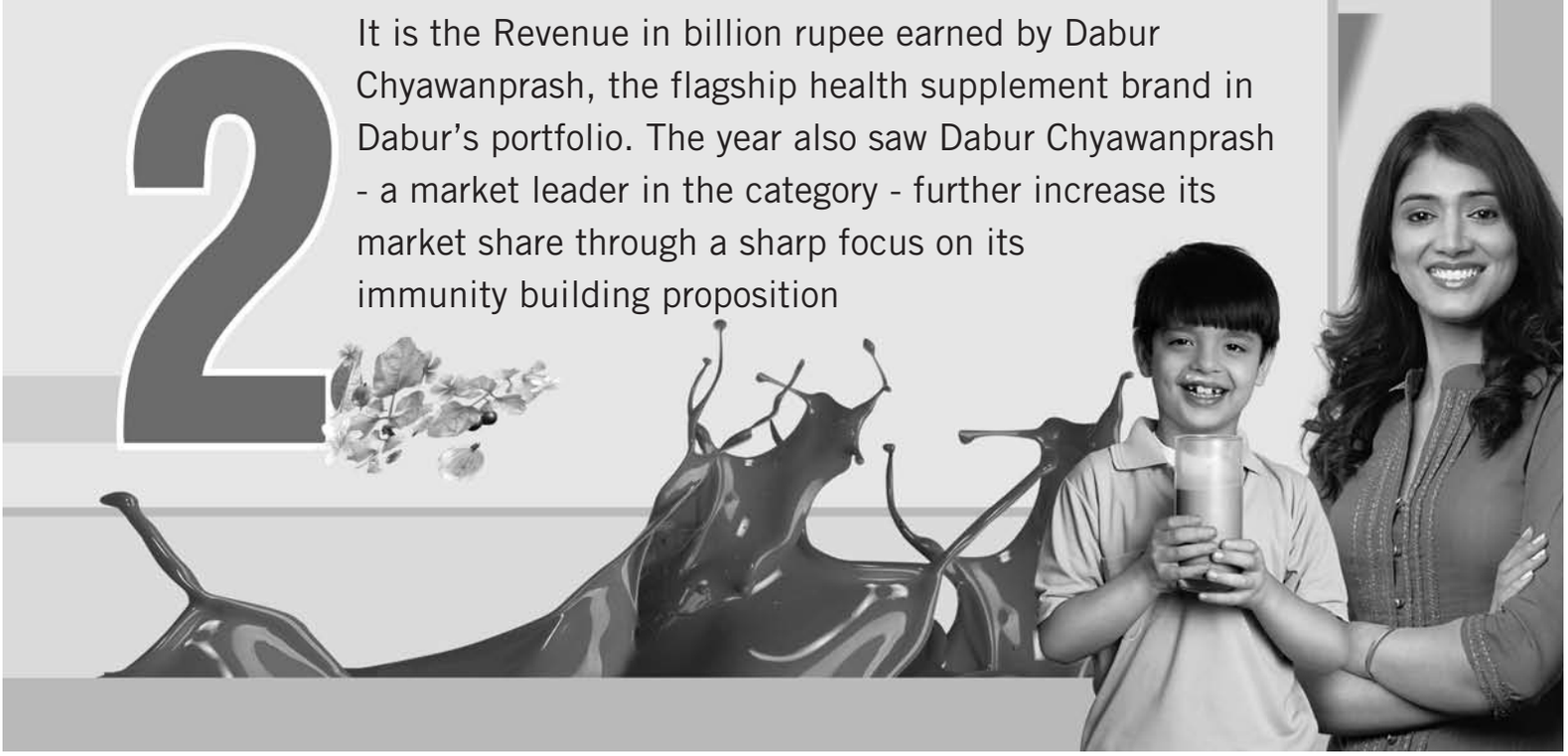
Oral Care: The category witnessed double digit growth during 2009-10 with Dabur's toothpaste brands continuing to be among the fastest growing oral care brands in the country.

Babool, Dabur's toothpaste brand in the value segment, recorded strong growth during the year riding on its value proposition and herbal equity. Babool also marked its entry into the gel category with the launch of Babool Mint Fresh Gel, which has been positioned as a good value proposition in this category. The launch has been successful with Babool Mint Fresh Gel cornering a decent share of the gel segment within just three months of its launch.

Meswak, reported good performance on

2

It is the Revenue in billion rupee earned by Dabur Chyawanprash, the flagship health supplement brand in Dabur's portfolio. The year also saw Dabur Chyawanprash - a market leader in the category - further increase its market share through a sharp focus on its immunity building proposition



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It is the percentage growth of Dabur's Toothpaste brands in 2009-10 making it among the fastest growing toothpaste companies in India

the strength of a host of new initiatives to enter newer markets such as South India.

Red Toothpaste sustained its high growth momentum during the year. The company focused on accelerating growth with new communication and local activations for the brand which was also re-launched in a new contemporary pack. Dabur's toothpaste portfolio outperformed the category growth which enabled the company to gain market share in the toothpaste category.

The toothpowder market continued to be on a slower wicket as the growing affluence in rural India has resulted in an overall consumer shift from toothpowders to toothpastes. As a result the toothpowder category is more or less stagnant. However, the Company's continued efforts to target conversion of non-dentrifice using consumers to toothpowder usage through village contact programmes in Uttar Pradesh and Bihar paid off with Dabur Lal Dant Manjan maintaining its share of the toothpowder category.

Digestives and Confectionary: The Digestives category reported healthy double-digit growth during the year under review. Hajmola tablets joined the Rs 1 billion club while Hajmola candies grew at a good pace. Hajmola continues to be the most preferred digestive tablet in the country with as many as 2.5 crore tablets being consumed daily across India.

The company continued to drive forward Hajmola's post-meal connect with the launch of a '*Kahan Maara Chatkara*' – a radio-driven initiative that sought to identify the best street food joints across the country and boost sales through association with these food retail outlets. Through this, Hajmola reached out to over 2.5 crore listeners and identified close to 700 food joints across the country. The company also introduced a new 50-paise sachet containing two Hajmola tablets, targeted mainly at institutional customers.

Its new variants – Nimbu and Pudina – continued to add excitement around the brand and drive sales. Hajmola Pudina, launched last year, has met with encouraging response in the market. The year also saw Dabur extend the Hajmola tablet portfolio with the introduction of a new variant – Hajmola Kachha Aam. Hajmola variants, in fact, now contribute to 7% of brand sales.

Hajmola Candy, on the other hand, undertook a mega school activation programme across 1,750 schools in 24 cities, reaching out to 11.5 lakh students. Another key initiative was the introduction of mega jar of 1,000 candies that enabled Hajmola Candy to make its way forcefully back on retail shelves.

Personal Care

The Personal care category, which accounts for 33.9% of CCD sales, offers a portfolio of Ayurvedic and natural products for hair care and skin care. A key growth driver for the company, the personal care category performed well during the 2009-10 fiscal, with bulk of the growth being driven by volumes – a considerable achievement given the tough economic environment. The

portfolio expanded during the year with the acquisition of Fem Care Pharma, a leading player in skin care and beauty products market. Fem, which has a leadership position in the fairness bleach category and a strong market position in hair removal and liquid soap category, gave Dabur an entry into the high-growth mainstream skin care and fairness market with an established brand name FEM.

A stream of new launches, entry into new categories like mainstream skin care and continued trade & consumer connect initiatives ensured steady growth for the portfolio. The growing shift in consumer preference towards natural personal care products also helped drive demand.

Hair Care: The hair care category - comprising hair oils and shampoos - recorded impressive sales growth during 2009-10. While hair oils grew by about 10%, Dabur's shampoo portfolio reported an increase of over 20%.

Dabur Amla continued its strong performance in the hair oil market driven largely by continued consumer & trade plans and strong rural activations in various states. What was most encouraging was the fact that even as volume growths in the overall hair oil category slipped to single digits in the later part of the year, Dabur's hair oil brands continued to grow ahead of the category. And this came at a time when competitive intensity in the market touched a new high with rival brands resorting to mega price cuts and higher trade promotions. Dabur Amla continued to withstand competition and has truly established itself as the largest perfumed hair oil brand in the country with a consumer base of over 35 million users.

The year saw Dabur unveil a new, modern & contemporary look for Dabur Amla Hair Oil, which is also Dabur's oldest and largest brand. The new identity modernized this over 60-year-old brand, making it more contemporary and relevant, in consonance with today's lifestyle. In order to further deepen the brand's penetration in rural pockets, Dabur India Ltd also announced the launch of special low-priced packs of Dabur Amla Hair Oil – a Re 1 sachet & a Rs 10 pack (25ml) – making this beauty brand more affordable. Dabur Amla Hair Oil has, in fact, been voted by consumers as the most preferred hair oil brand with the highest top-of-the-mind recall (Source: 4Ps-ICMR Survey).

Your Company also announced the expansion of its consumer initiative – a rural beauty pageant christened Dabur Amla *'Banke Dikhao Rani'*, which recognises and rewards young girls for

25

It is the number in million of Hajmola tablets that are consumed daily in India. It is the story of a brand that has been touching millions of Indians daily thereby emerging as the most-preferred post-meal digestive in the country and becoming a billion rupee product

35

It is the number in million of consumers using Dabur Amla Hair Oil. It is a reflection of the support enjoyed by this near 70-year-old beauty hair oil brand, which has continuously innovated and revamped itself to remain contemporary for consumers across generations

their beauty and talent. The contest was held across 52 districts in three states – Uttar Pradesh, Madhya Pradesh & Bihar – covering 2,000 villages.

Vatika Hair Oil continued to establish its superiority over plain coconut oil and ended the year with a good performance. Anmol coconut oil registered double digit growth by increasing penetration of the brand on the basis of its value proposition and aggressive trade support initiatives. This growth, in fact, comes at a time when the coconut oil category is showing signs of a slowdown.

The year also marked Dabur's entry into the light hair oil market with the launch of two new products – Dabur Amla Flower Magic hair oil and Vatika Enriched Almond hair oil. Both the products – which were rolled out nationally during the course of the year – have been well accepted by consumers and have carved a distinct identity for themselves in a cluttered market. Light hair oil market represents an exciting growth opportunity with the category size estimated at over Rs 600 crore. With consumers increasingly embracing light styling hair oils, Dabur – with these two products – is well poised to take advantage of this shift in consumer preference.

Dabur's shampoo portfolio, driven by its niche natural and herbal positioning, continued to be a strong player in this highly competitive market. Vatika was among the fastest selling shampoo brands in the country, reporting another power-packed performance. All Vatika variants continued to perform well and the company expanded the portfolio with the launch of a new variant – Vatika Black Shine with Sun Protection.

Dabur's maiden foray into health shampoo market with Dabur Total Protect Ayurvedic shampoo was well received and the Company plans to focus its efforts on pushing this product in key health shampoo markets like West Bengal.

Skin care: The skin care category saw impressive growth of more than 30%. Skin care has, in fact, been identified as one of the growth drivers for Dabur. The company has approached the Skin Care market with a three-pronged strategy, with Gulabari (offering a range of mainstream skin care products offering the benefits of Rose), Dabur Uveda (a range of mass prestige Ayurvedic skin care products) and the recently-acquired Fem (a portfolio of instant fairness bleaches and depilatory products) as the three pillars.

The Gulabari franchise continued to be the star performer in this category posting strong growth and increasing its penetration. The recently launched products of Gulabari skin care range – which include a moisturing cream, lotion and face freshener spray – showed good momentum with the Gulabari moisturizing cream doubling its turnover during the year. The company will continue to look at further brand extensions under Gulabari and is in the process of developing newer Rose-based products under this franchise.

The growth of Gulabari brand was led by increased media spends, consumer activations like college-level beauty contests and enhanced retail & trade visibility. Dabur Gulabari has been hosting beauty contests in Uttar Pradesh, Hyderabad and North East, and these initiatives have helped boost sales. The new Gulabari face freshener spray also continues to do well and has now leveraged the distribution strength of FEM sales to drive volumes further.

The year also saw the launch of Dabur's new premium Ayurvedic skin care range under the brand Dabur Uveda. Dabur Uveda, the skincare expert from Ayurveda, personifies attributes like expert, effective, enduring, dynamic, stylish, mature and Indian. Dabur has also roped in cine star Vidya Balan as the face of Dabur Uveda. The Dabur Uveda range comprises complete fairness cream, 2-in-1 Moisturizer, Moisturizing face wash and Clarifying Face wash. This also marks Dabur's entry into the fairness cream market. The range, test-launched in Delhi-NCR and six cities in Maharashtra, has met with encouraging response. The products and the packaging have been appreciated by consumers and we will continue to improve the mix and then look at a national rollout sometime during the next fiscal.

The third pillar of Dabur's Skin Care strategy is Fem, which was acquired during the year. With increased media spends, signing of a new brand ambassador in Preity Zinta and introduction of new products like Fem herbal Bleach and Fem Hair Removing Solution, the portfolio registered a robust growth of more than 20% in the 9 months of it being part of Dabur.

All the products under the Fem personal care portfolio – bleaches, hair removing cream and liquid soaps – performed well. The efforts made by Dabur to revitalize the brands and its focused approach saw the Fem portfolio get back on the growth trajectory.

The second quarter of the fiscal began with Fem's association with the blockbuster television reality show '*Rakhi Ka Swayamvar*'. This also marked the introduction of media intervention in Fem's bleach portfolio after a gap of 12 months. This, coupled with the successful launch of Fem Herbal Bleach and re-launch of the hair removing cream in a new avatar with cream and nourishing lotion, local consumer activations in Punjab and Maharashtra by way of beauty pageants, improved retail presence and higher engagement with the beauty parlour community helped the core business of bleaches and hair removing creams register strong double-digit growth during the year.

Post-acquisition, the personal care portfolio of Fem has been integrated with CCD's skin care portfolio. The financials of Fem are not reflected yet in CCD. Fem will be included under CCD in the next fiscal.

Home Care

The smallest part of the CCD business, Dabur's Home Care portfolio comprises three categories: Air Fresheners, Mosquito Repellants and Surface Cleaners. Dabur has a well crafted strategy in place to develop the evolving and under penetrated Home Care business in India in a phased manner. During the 2009-10 fiscal, Dabur's home care sales increased marginally, with the second half of the year reporting good growth.

Sanifresh, the toilet cleaner brand, continued its powerful performance and recorded good growth during the year to become the second largest brand in this market. The focus on winning consumer value equation through selective advertising, improved product and providing better value to the consumer boosted the brand's sales.

In the personal application mosquito repellent category, Odomos performed well despite a reduced mosquito menace

due to prolonged summers during the year. Odomos opened new markets during the year, particularly in South India and Maharashtra, which have helped growth. The brand was aggressively promoted in the post-monsoon mosquito season with focus on efficacy and safety of the product, which has been certified by the Indian Medical Association (IMA).

Following the success of Dabur's Odomos Naturals in key markets like Tamil Nadu and Maharashtra, the brand is being scaled up nationally. Odomos Naturals is India's first range of personal application mosquito repellents packed with the natural goodness of Aloe Vera and Citronella. The range was aggressively marketed in various markets like Delhi, Uttar Pradesh, Mumbai, Bengaluru and Kolkata. The mosquito repellent portfolio is now being expanded with the launch of Odomos oils, a value-for-money product targeted at rural consumers. The brand portfolio was extended with the launch of Odomos spray.

In the air fresheners category, the company provides a range of products under the Odonil brand. The brand has been facing increased competition from other players and private labels, and ended the year with flat growth. Odonil Blocks have been re-launched with new and attractive easy-to-use packaging, and in improved fragrances of Orchid Dew, Mystic Rose, Lavender Meadows and Jasmine Mist. A new TV commercial was launched highlighting the use of this product for improving the home ambience and as a result the mood of the family. The company is introducing a Pluggy version of Odonil in addition to a Rs 10 SKU.

The hard surface cleaning products, Odopic dish cleaner and Dazzl witnessed flat growth due to intense competition and emergence of in store private label products in the category.

Foods

The foods business, which now contributes 14.2% to the CCD sales, registered a sales growth of about 20% during 2009-10. The growth was driven by both the range of fruit juices and culinary portfolio. The Company, which primarily operates in the packaged fruit juices & nectars market with Réal and Réal Activ, marked its entry into the burgeoning fruit drinks segment with the

It is the growth in percentage terms in 2009-10 of the foods business, which now contributes **14.2%** to the CCD sales, driven by both the range of fruit juices and culinary portfolio. The Company, which primarily operates in the packaged fruit juices & nectars market with Réal and Réal Activ, marked its entry into the burgeoning fruit drinks segment with the launch of Réal Burrst

launch of Réal Burrst. A light and refreshing fruit beverage, Real Burrst is available in 4 exciting flavours - Mixed Fruit, Crispy Apple, Orange Bytez and Mango Mania. Real Burrst promises an experience that delivers refreshment through lightness of fresh fruits, and comes in an attractive Tetrapak. The range was test launched in modern trade outlets and is gradually being expanded to general trade as well.

All our fruit beverage brands address specific consumer needs. For instance, our range of 100% juices with no added sugar - under the Réal Activ brand - is a fitness brand targeted towards young adults, while the Réal fruit juice range meets the nutritional needs of consumers, particularly kids. Réal Juice provides more than 60% of a day's requirement of Vitamin C, contains minerals like Iron and Calcium & that too with no added colouror artificial flavor & no added preservatives. Réal Burrst, our fruit drink range, addresses the refreshment needs of consumers. So, the three brands Réal Activ, Réal and Réal Burrst have been positioned on the fitness, daily nutrition and refreshment platforms respectively.

The Réal & Réal Activ franchise maintained the growth momentum during the year and also increased their combined share of the packaged fruit juice market in India. This growth was aided by the launch of 3 new variants (Réal Apple Nectar, Réal Peach Nectar & Réal Blackcurrant Nectar), a brand new ad campaign establishing Réal's superiority over competition and introduction of special occasion gifts packs that generated huge trials. The Réal Activ brand continued to focus on the 'No added Sugar' campaign with aggressive branding and activation activities.

Réal, the flagship fruit juice brand from the house of Dabur, also joined hands with Disney Consumer Products under which Réal used the image of Disney's most beloved character Mickey Mouse to adorn the Réal juices and nectars packs. Through this tie-up, Réal juices aim to communicate the message of "Nutritional power of Fruit juices" to the kids and families. The new packaging is available in 200 ml SKU, with 8 Réal variants - Orange, Mango, Pineapple, Mixed Fruit, Grape, Guava, Litchi and Apple.

The Hommade portfolio was relaunched in an all-new packaging, revamping the entire category with an aim to spur growth for its range of culinary products

Réal also undertook a mega consumer connect initiative, 'Réal Apollo National School Health Programme', - in association with Apollo Life, a part of Apollo Hospitals. The programme 'Healthy Kids - A Better Tomorrow' sought to educate & counsel school children on rules for maintaining good health. The programme was rolled out across Delhi-NCR, Mumbai, Bangalore, Hyderabad, Chennai and Kolkata, and reached out to 1.8 lakh children in nearly 300 schools. Under this initiative, a panel of experts from the Apollo Life will counsel the students on 'Rules to Good Health' and conduct sessions on good nutrition, regular exercise, stress management and good lifestyle habits. An interactive AV, featuring Disney's popular character Mickey Mouse, would also seek to educate the kids on balanced diet and healthy eating habits. The participating schools in this programme have got a cluster health analysis of their students and ultimately feature in a nationwide survey to identify 'The Healthiest School of the City'.

Réal Activ took forward its association with health with the participation in Delhi Half Marathon. The brand has also signed on film star and fitness icon Bipasha Basu to further popularize the brand amongst health conscious individuals.

The year saw mega initiatives being introduced for the culinary range of products under the Hommade brand, which helped this portfolio achieve impressive growth of more than 30%. The entire Hommade portfolio was relaunched in an all-new packaging, revamping the entire category with an aim to spur growth for its range of culinary products. The product categories extend across interesting paste combinations to suit the tastes of Indian consumers with variants available in garlic, ginger, ginger-garlic and tamarind pastes respectively. The range also includes tomato puree, coconut milk and Lemoneez.

The new look complies with premium, international standards of packaging breaking the clutter with a better shelf presence and increased product shelf life of ginger, garlic & ginger-garlic paste from 9 months to 12 months. The product benefits, usage & instructions are clearly communicated on the new packs. Besides, special TVCs were also created for the first-time for the Hommade range and aired specially in South India.

International Business Division (IBD)

Dabur's 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. Over the years, this business has successfully transformed itself from a small operation focused on the Indian diaspora to a multi-location transnational business with a presence across 60 countries and catering to the ever-changing needs and aspirations of the local populace in these markets.

The business continued to be the fastest growth engine for Dabur, ending the year with a 26.3% growth during the 2009-10 financial year. The division's performance too was supported by strong volume-driven growth and calibrated price increases that were undertaken to offset the impact of rising input costs. IBD now accounts for 17.6% of Dabur's total consolidated Revenue. The division's growth during the year was driven primarily by Egypt, GCC, Nigeria, North Africa, Levant, and neighbouring countries. Expansion into new markets further contributed to this growth, as the company seeded several new geographies like Cambodia, Philippines, Belarus, Gambia and Bolivia. This robust growth, in fact, comes at a time when the external conditions remained extremely tough with recessionary trends, currency depreciations, demand contraction and the Dubai meltdown was threatening to hurt businesses.

Hair Creams, Toothpastes, Hair Oils and Conditioners were the key categories that accelerated the division's growth. While the company is operating in the international markets with brand architecture similar to its India operation, the products sold under these brands are completely different and have

been tailored to suit the specific needs of consumers in these markets.

The Focus Markets of GCC, Egypt & Pakistan delivered strong growth with healthy profit margin. Despite being a mature market, GCC has notched up yet another strong performance growing by 42% during the year.

Dabur Egypt saw yet another year of spectacular performance, reporting a 30% top line growth in 2009-10. Dabur Egypt is now the second largest contributor to the IBD business after Saudi Arabia.

The Potential Markets reported an impressive performance with a 49% growth in 2009-10. Performance in these markets has been driven primarily by the North African and Levant markets, which have grown by 61% and 57% respectively. The North Africa, Levant & East Africa potential markets have since been upgraded to Focus Markets status with the hiring of local resources and higher investments in local-level marketing and promotions.

African Consumer Care, Nigeria has grown by 17% during the year with both its key brands - Dabur Herbal Toothpaste and Dabur Herbal Fresh Gel - showing strong growth to achieve significant market share in a very competitive oral care segment. Asian Consumer Care, Pakistan reported a revenue growth of 26% during the year with Dabur Amla and Hajmola emerging as two strong brands in the country. Dabur UK Ltd closed the year at a 23% growth in turnover with introduction of more products and improved distribution.

The company reported impressive growth in its key brands across markets. Dabur Amla franchise achieved impressive growth and Dabur Amla Hair Oil is now the biggest brand in the hair

It is the compounded annual growth in Revenue generated by Dabur's international business division over the last six years. This has been one of the fastest growing divisions within Dabur with an array of products tailored to suit the ever-changing needs and aspirations of local consumers in the overseas markets

oil category in Saudi Arabia. The Amla franchise has been extended to the Hair Cream Category with the launch of Dabur Amla Hair Cream.

The Vatika franchise has also shown robust growth with Vatika Hair Oil range increasing its penetration and emerging as the fastest growing hair oil brand in the category. Vatika Hair Cream defied tough market conditions and achieved high growth and market share gains in hair creams category.

Dabur's toothpaste brand Miswak performed well in North Africa becoming the fastest growing toothpaste brand in Morocco and Algeria. Dabur Herbal Toothpaste also established itself as Nigeria's No. 1 toothpaste in the herbal segment and achieved good growth in a category that saw overall growth rates slip into the negative territory during the year.

New product development and Innovation remained key to Dabur's growth strategy in the overseas markets. During the year, the company launched Amla Hair Cream, which has since become the fastest growing brand in the Hair Cream segment. Vatika DermoViva Soap was also successfully launched in a tough MNC-dominated category and the brand achieved good sales in the first year of launch.

The year saw the re-launch of Vatika Shampoo range in a new packaging with 5 shampoo variants and 2 conditioner variants. The launch was a big success with the brand doubling sales over the previous year. The company also introduced a new variant in Vatika Hamam Zaith – Hair Fall Control.

During the year, the newly acquired Fem range was also added to Dabur's overseas portfolio. The Fem brand was strengthened in the overseas markets through ATL and BTL inputs, which enabled the brand gain a foothold in these highly competitive markets.

The Sales & Distribution network has been augmented by appointing new distributors in CIS, Mozambique, Guinea and Rwanda. Besides, local resources have been deployed in key markets of Yemen, Syria, Kuwait, Malaysia and Tanzania to strengthen the S&D structure.

With these initiatives, Dabur is now well on track to become one of the biggest FMCG companies in North Africa and the Middle East region with a strong growth profile both in revenues and profits.

Consumer Health Division (CHD)

The Consumer Health Division (CHD), offering a range of healthcare products based on the age-old principles of Ayurveda, continues to be a focus and high-growth area for Dabur. The company has formulated a blueprint to further drive growth in this category with the launch of a variety of new OTC (over-the-counter) healthcare products. The CHD portfolio, comprising both OTC products and classical range, registered

a growth of 15% during the fiscal with sales going up to Rs 273.7 crore.

This portfolio has been enhanced with the transfer of a few brands from CCD portfolio such as Pudin Hara, Janam Ghunti, Hingoli, Sat Isabgol & Gripe Water which have been transferred to CHD for sharper focus. The move has paid off and these brands have posted a robust growth during the year.

A new campaign for Pudin Hara with the theme *'Jaante Ho Par Lete Kyo Nahin'* was rolled out which boosted the brand's revenues. The company is now in the process of expanding the Pudin Hara franchise with the introduction of Pudin Hara Lemon Fizz in the first quarter of 2010-11.

In the OTC portfolio, Dabur revamped the women's health tonic brand Dashmularishta. The new pack, which now has brand ambassador Juhi Chawla on the front label, gave this age-old product a new, younger and more contemporary look. This, coupled with a sharper communication strategy around rejuvenation and innovative consumer activation, helped the brand register a close to 20% growth during the year. Honitus, the division's flagship cough & cold brand, also reported a good performance supported by the launch of the new testimonial campaign. Launch of new variants helped the Honitus Lozenges range report a strong double digit growth.

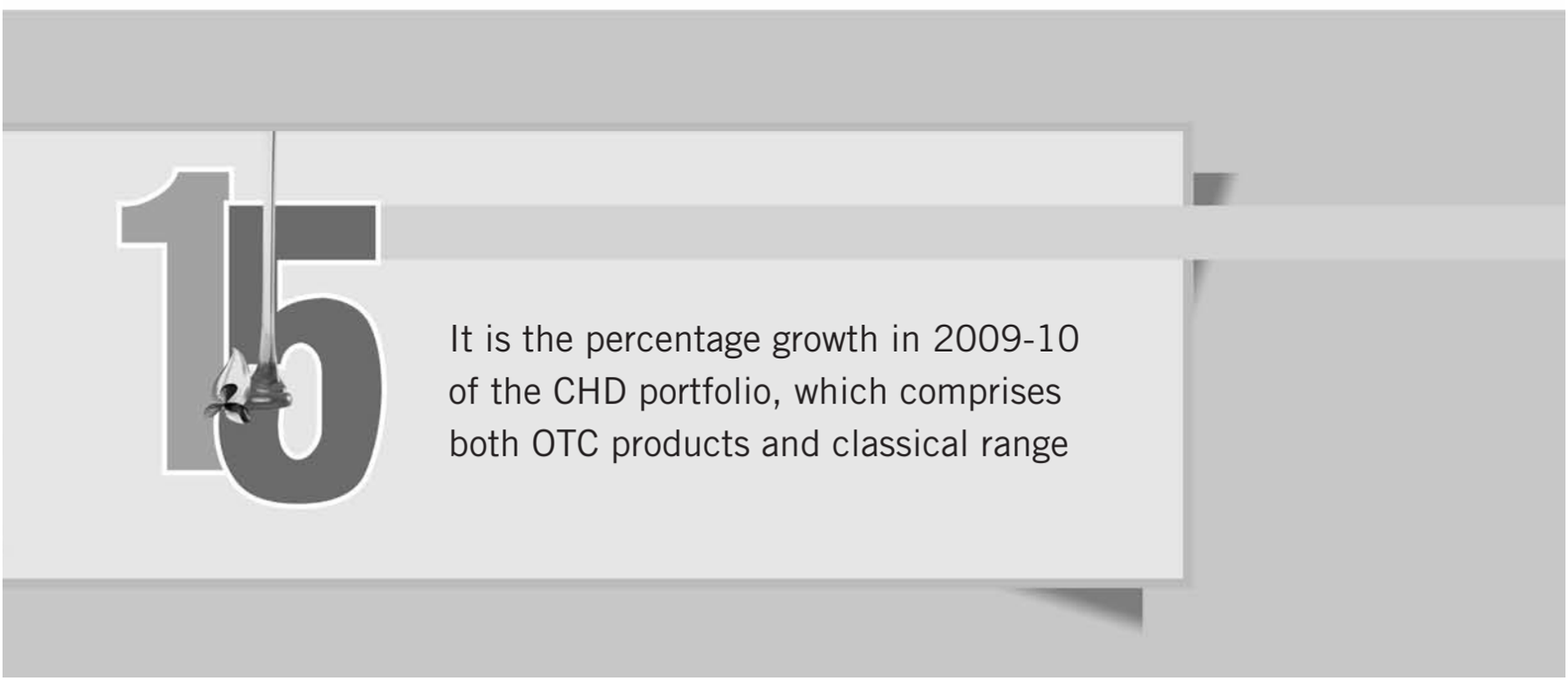
The year marked the repackaging of several key products and the launch of television promotion for two key brands – Dabur Badam Tail and the rejuvenator brand Dabur Shilajit Gold – which resulted on both these brands posting a good performance. A new campaign was developed for Hingoli, marking the brand's re-entry into television screens after a gap of seven years.

With the relaunch of the Classicals portfolio in a new, contemporary avatar and focused healthcare promotion activities through Dabur Ayurvedic Centres, Health Camps and Vaid (Ayurvedic doctors) Meets, the division's ethical business growth accelerated and the business reported double digit growth.

Sales & Distribution

Dabur India has a highly developed sales and distribution network with a presence in even the smallest of markets. Dabur's distribution network covers over 2.8 million retail outlets, with a high penetration in both urban and rural areas.

Dabur's product portfolio is very diverse and the growth strategy envisages strengthening positions across categories. Continued focus on deepening penetration, improving product availability and capability building in Sales & Distribution to leverage category and channel opportunities were among the several new initiatives undertaken during



2009-10 to support the growth vision. The S&D focus centered around the following areas:

Sales category focus: During the year, Dabur revamped its sales structure to get sharper focus on three distinct categories - Home & Personal Care, Healthcare and Foods - to drive share gains in an increasingly competitive market. The new approach was implemented in large urban markets where operational complexities were significantly higher.

Category focus with specialized field force and Stockist sales teams for Home & Personal care and for Healthcare categories was implemented in the top 90 markets in the country, which contribute to about 40% of the CCD business. These categories so far had common sales force to service traditional trade in most markets. The focus on key channels and the need for enhanced direct company field force contact was enabled by augmenting field resources but the costs were contained through improved productivity and optimization.

Rural distribution reach was stepped up aggressively in 71 high potential districts in 8 key states, ensuring product penetration to villages with lower population strata

While frontline field force and stockist salesmen were organized by the three categories in these large markets, the business was managed in an integrated manner at the managerial levels. The stockist network was also retained as common to derive benefits of optimized scale. This enabled appropriate frontline category focus without sacrificing the benefits of optimized costs and process harmony. A sales inventory management strategy was also developed to improve stockist service levels to support this initiative.

Fem integration: The newly-acquired business of Fem was integrated successfully into the CCD Sales & Distribution network during the year. The business strengthened Dabur's skincare presence with leadership positions in bleaches and provided the opportunity to access new channels like Beauty Parlours and Salons. The parlour network plays a crucial role in growing consumer franchise for categories like bleaches and beauty products, and the footprint was increased from 18,000 to over 25,000 parlours during the year.

While front-end for Fem in traditional trade was kept separate in top towns for continued focus on Cosmetic & Chemist channels, Modern Trade and small towns were integrated with CCD to leverage distribution synergies. The strength of the Fem network in Cosmetic stores was leveraged by ramping up few of the CCD cosmetic products through the network.

Fem Modern Trade business benefited immensely from the integration with its salience increasing significantly during the year. The year also witnessed harmonizing of all sales processes of Fem with Dabur, enhancing efficiencies. Fem business is now on a strong footing to continue the growth momentum into the next year.

Modern Retail: The year 2009-10 saw the Modern Trade environment stabilizing with key players reconfiguring their networks and optimizing scale up plans. A comprehensive strategy was developed to sustain growths in this scenario, focused on share gains in key categories. Investments in building an effective servicing & activation system to address complexities of multiple formats and supply chain configurations were the critical elements of the approach. The strategy helped Dabur sustain growths & make significant market share gains across key categories like Hair Oils, Shampoos, Toothpastes and Foods. Modern Trade now accounts for about 8% of the CCD business.

Rural Focus: Dabur rolled out special rural focused sales initiatives across 8 key states – UP, Punjab, MP, Chhattisgarh, Bihar, West Bengal, Maharashtra and Gujarat, contributing to almost 70% of the national rural potential. Brands with strong rural franchise were focused to sustain momentum in this scenario.

Low unit price packs and price point offerings were brought into focus to capitalize on the share gain opportunities. Rural distribution reach was also stepped up aggressively in 71 high potential districts in these states

penetrating to villages with lower population strata. Market contact frequencies were significantly increased in these districts and market coverage improved significantly. The rural trade opportunity was also leveraged through '*Dabur Apnaao, Lakshmi Laao*' programme for the Sub-Stockist network in focus states.

Direct engagement through non-traditional media like Haat activities etc enabled Dabur to provide rural consumers an opportunity to experience Dabur products. Fairs and festivals like 'Kumbh Mela' were also effectively used to improve brand communication across key rural markets.

Information Technology: During the year, Dabur significantly strengthened its capacity to process real-time market information. The footprint of the software 'Drishti' for stockists covers almost 70% of business and is helping us improve field efficiencies. The Drishti console provides dashboard of field efficiencies to the sales teams to direct their actions.

Customer service capabilities were enhanced with the development of a Portal for stockists to log in and view details of their transactions. Investments were also made in IT systems during the year to enhance the technical capability in Sales forecasting in order to improve supply chain efficiencies.

Retail Business - new*u*

Dabur India Ltd's retail business operated under the brand name 'new*u*' saw a calibrated expansion phase with corrections being implemented in the format and business model. It was a year of consolidation for the business, which underwent rationalization and closure of some non-performing stores besides relocation and rapid introduction of new outlets at vantage locations resulting in a jump in sales and halving of losses during the fiscal.

The sales structure has been reorganised to get sharper focus on three distinct categories - Home & Personal Care, Healthcare and Foods - to drive share gains in an increasingly competitive market. The new approach has been implemented in large urban markets

This business - operated under the wholly owned subsidiary H&B Stores Ltd - is managed by a team of retail experts who have experience in beauty / lifestyle retail and realty intricacies. The team is focusing on giving the stores a distinct identity with a select range of beauty merchandise that is exclusive and uniquely positioned in stores. Introduction of exclusive international beauty brands would be another USP with the new*u* stores going forward: the company plans to build a pool of 8-10 such international brands exclusive to the new*u* cache. During the past year, the company has introduced two international beauty brands in India – SEN from Turkey and Beauty Formulas (UK) - through new*u*.

The year under review also marked new*u*'s entry into two new markets – Punjab and Rajasthan – as part of a strategy to consolidate and expand operations in North India. This will enable the business to build a cluster around NCR and North India which will be more cost effective and efficient from a logistics viewpoint. The profile of new*u* stores has also undergone a revamp and the outlets would now be positioned as a lifestyle beauty store, offering a one-stop solution for all beauty needs. The company today has 13 operational stores, with plans to take the count to around 40 stores by the end of 2010-11.

The company was among the first to realize that retail rentals would find rigorous correction in the near future; and had been selective in signing properties at high rentals. This has played an instrumental part in our calibrated expansion. Rentals at the few stores booked at high rates have also been re-negotiated favourably. Some of the new stores are being leased on revenue sharing basis instead of fixed rentals which has improved the viability of the business model.

Operations

Dabur's products touch the lives of millions of consumers every day. Building on a legacy of quality and experience for over 125 years, brand Dabur today evokes

trust. To reciprocate this trust and to ensure competitive advantage in the market, the company believes in continually striving for a higher and better level of quality not just in its products and packs, but also in its operations, without losing sight of its commitment towards the environment and the society. A strong back-end support in Procurement, Manufacturing, Research & Development and Human Resource management have been key to Dabur's sturdy performance through the year. A large number of initiatives were rolled out by the company to improve productivity through effective application of technology and advancement in manufacturing processes besides adoption of lower cost energy options.

Procurement

It was a year of strong margin expansion for Dabur India Ltd as well as wide fluctuations in inflationary pressures. Controlling costs in an inflationary scenario was one of the biggest challenges faced by your Company during the year under review. The Company effectively tackled this challenge on the strength of its strategic futuristic planning and use of intelligent buying mechanisms like calibrated hedging and e-sourcing.

Effective use of short and medium-term planning with regular forecasts by a team of strategic planners helped Dabur effectively keep its costs under strict control and restrict price hikes to a minimum despite high inflation on several commodities.

Manufacturing

Dabur India Ltd has 19 state-of-the-art manufacturing facilities spread across the globe, which includes two greenfield plants set up during the 2009-10 fiscal and two units that came into the Dabur fold following the acquisition of Fem Care Pharma. Of these, 12 production facilities are located in India with key manufacturing locations being Baddi (Himachal Pradesh) and Pantnagar (Uttaranchal) besides seven factories located at Sahibabad (Uttar Pradesh), Jammu, Silvassa, Alwar, Katni, Narendrapur, Pithampur and Nasik. The Foods business is serviced by manufacturing facilities at Newai (Rajasthan) and Siliguri (West Bengal). Outside India, Dabur has manufacturing facilities in Dubai, Sharjah, Ras-al-Khaimah, Egypt, Nigeria, Nepal and Bangladesh.

Domestic: Dabur India Ltd expanded its production volumes during the year at its existing manufacturing locations by improving productivity at the various units. The company increased its efforts to improve productivity at all its

manufacturing locations by deploying various cost reduction and energy saving initiatives, resulting in a sharp drop in its manufacturing costs to lowest-ever levels.

In line with the market trends, the manufacturing department also successfully took up the challenge of introducing a bevy of low unit packs (LUPs) for a variety of products straddling Oral Care, Hair Care and Health Supplements. Manufacturing capabilities were enhanced at the facilities to service this burgeoning demand for low priced units.

The energy conservation and green initiative, which was introduced in the 2008-09 financial year, continued this year with the implementation of alternative fuel technologies for steam generation at several of its units, both in India and in overseas locations. A new manufacturing technology for extraction of medicinal actives from herbs was rolled out at various locations during the year, generating efficiency in energy costs and providing cleaner & safer manufacturing procedure at the units. These green initiatives have been detailed in the Sustainability Report presented elsewhere in this annual report.

As part of the manufacturing strategy drawn up in the previous fiscal, Dabur has set up a Greenfield plant in Baddi and Phase-I of this facility was commissioned in March 2010. In the first phase, this unit will produce hair oils, skin care products and some Ayurvedic products. The second phase investment would be undertaken in the 2010-11 fiscal for adding capacities for more product lines. In addition, an expansion was undertaken at the company's existing Pantnagar facility to enhance the capacity for toothpastes and shampoos, which was commissioned in March 2010. Both these units use principles of green manufacturing and have been designed using energy-efficient material and manufacturing technologies to ensure that operating costs are dramatically reduced. These units have, in fact, been designed to be eco-friendly with zero discharge of affluent.

The projects for setting up new units to manufacture Lal Dant Manjan and Hajmola in Baddi and Jammu respectively are in advanced stages of completion, and would be commissioned in the 2010-11 financial year.

The skin care units of Fem Care Pharma located at Baddi and Nasik, acquired as part of the acquisition, were successfully aligned to the manufacturing systems of Dabur and higher productivity achieved at both these locations, leading to cost

1085

It is the size of Dabur's healthcare portfolio in Rupees Crores, covering categories like Health Supplements, Oral Care and Digestives. It boasts of brands like Dabur Chyawanprash, Honey, Hajmola, Babool and Dabur Red Toothpaste, which have together helped the healthcare portfolio become the first business unit within Dabur to cross the **Rs 1000 crore** mark

reduction and improved service levels. Even export volumes of Fem from the Nasik unit were increased significantly. During the year, the excess capacity available at Fem's Baddi unit was deployed to manufacture Dabur Gulabari range of skin care products to service the seasonal peak demand.

Overseas: Dabur's overseas production capacity has also been enhanced to keep pace with the growth in demand. The cold storage capacity in Nepal was doubled to service the surge in demand for its fruit juices.

Egypt continues to be 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. A second Hair Oil plant was commissioned in Egypt along with capacity enhancement in Hair Cream & Toothpasteleading to doubling of production capacity. During the year, Dabur took possession of a new industrial plot in Egypt for construction of a new Greenfield facility. The company also doubled toothpaste manufacturing capacity at its other African manufacturing facility located in Nigeria.

Dabur's Ras-al-Khaimah (RAK) unit saw volumes increase by 20% and operating costs reduce dramatically through improved productivity across various categories. New manufacturing lines were also installed for Shampoo and Hair Cream, increasing the capacity of the RAK unit. The unit, in fact, saw the highest volumes during the year with the company rolling out a number of new SKUs from the plant. Power cost at the unit also came down substantially post receipt of the electrical connection, thus reducing the usage of gensets.

Warehouse Management System was implemented in Ras-al-Khaimah and Jebel Ali for the first time across any Dabur facility globally. The system helps in better traceability and ensures First-In-First-Out for raw materials and finished goods. Besides, the RAK plant was accredited with ISO 22716 Certification (GMP).

R&D and Innovation

Dabur maintains its edge over competition with its herbal and natural heritage. In a business where change in consumer needs and preferences are the only constant, Dabur has leveraged the power of research and development to create new products and categories while remaining true to its heritage.

The past 12 months have seen Dabur update and upgrade its portfolio in line with changing consumer demands and

The company increased its efforts to improve productivity at all its manufacturing locations by deploying various cost reduction and energy saving initiatives, resulting in a sharp drop in its manufacturing costs to lowest-ever levels

aspirations. In terms of product and packaging innovations, the Company successfully developed new variants in Hajmola, a new range of Ayurvedic skin care products and fruit-based beverages, new variants in shampoo, a range of light hair oils and a new gel toothpaste besides new packaging for Dabur Red toothpaste, Odonil and a host of new OTC products.

The company has always been in line with consumer trends. As a company, Dabur is highly connected to its consumer and develops products that meet their needs and requirements. A high degree of consumer insight goes into development of each product.

Dabur India has a well equipped in-house research wing - Dabur Research & Development Centre (DRDC) - that follows a 'brush-to-brand' approach. We have our in-house nursery, which grows several rare herbs that go into various products. This in-depth knowledge about nature and natural ingredients is one of our big strengths in the market. DRDC also undertakes detailed tests on individual ingredients and products to ensure that the final product meets customer needs and aspirations.

The company continues to benefit from the strong foundation and long tradition of Research & Development which differentiates us from many others. While a lot of companies today offer Ayurvedic and herbal products, Dabur enjoys the consumer's trust because of its herbal heritage. With a portfolio of Ayurvedic and natural products, nature and herbs are key to Dabur's existence and so, the company is investing substantially in sustainable development of bio-resources. With a lot of medicinal plants have been declared as endangered, Dabur has now started cultivating these herbs to meet its product development requirements. The company is in the process of establishing a mega greenhouse in Uttaranchal where saplings

As a company, Dabur is highly connected to its consumer and develops products that meet their needs and requirements. A high degree of consumer insight goes into development of each product

of these rare herbs would be grown. This greenhouse – to be set up over 10 acres of land – would operate on the same lines of the existing greenhouse at Banepa in Nepal. The saplings grown at the greenhouse would be provided to local farmers under a community development programme and the harvested plants would be bought by Dabur at prevailing market prices. This system of contract cultivation would assure the community of a sustained source of income while providing Dabur with a resource base for crucial raw materials.

Application of latest scientific tools to prove the efficacy of Ayurvedic formulations, products and medicines has been another major endeavour with DRDC. This has helped the company identify hitherto unknown mechanism of action of Ayurvedic medicines. Keeping pace with the development in science, bio-marker based studies were also conducted to validate the efficacy of Ayurvedic products like Mahanarayani Tail, Dabur Chyawanprash and Dabur Chyawan Junior.

This has helped make a 5,000-year-old science contemporary to suit the needs and aspirations of today's modern and urban consumers. The age-old beliefs are now being increasingly endorsed by science, helping reaffirm consumer belief in Ayurvedic products. Dabur is now also partnering with government bodies to develop standards for Ayurvedic classical products, besides working together with Indian Pharmacopeia to develop standards for medicinal plants.

Human Resources

Dabur is committed to create an open and transparent organization that is focused on people and their capability, and fostering an environment that enables them to deliver superior performance. Even during the trying times that the industry was going through, Dabur remained committed to its employees, continually investing in the development of its human resources through a series of employee-friendly measures aimed at talent acquisition, development, motivation and retention.

People always have been, and shall continue to be, central to Dabur's growth story. The company's commitment can be gauged by the fact that Dabur absorbed all the employees of the acquired entity - Fem Care Pharma Ltd. The Fem business was, in fact, seamlessly integrated to leverage organizational synergies.

The Company also made significant investments for training in the areas of marketing excellence, customer service and building higher skill sets. During the year, the company introduced an audio-visual based training programme for the Fem sales force. This programme - christened SPORT - looked at addressing the specific needs of selling Fem products to beauty and cosmetic outlets. All the field staff under the Fem network were put through this programme that also adopted the 'train the trainer' route.

In addition, a host of parlour training initiatives were also rolled out during the year which aimed at training the 25,000 strong parlour network about the various products under the Fem portfolio and their usage. Beauty experts were deployed to educate the parlour professionals about the various aspects of bleaching. It was also aimed at shattering the various myths around bleaching apart from explaining the importance of bleaching and how the Fem range works on improving the skin tone.

Another big initiative launched by Dabur recently was AdVenture - a combination of the words 'Ad' and 'Venture' epitomizing the entrepreneurial spirit of Dabur. The purpose of the event was to recognize the best practices in advertising and reward the people behind the creatives. Under this

initiative, nine marketing categories at Dabur were asked to nominate one advertisement each in TVC and Print categories, which was hosted on the Dabur intranet for an online poll by Dabur's sales and marketing managers across the country. Based on the outcome of this poll, the top four TVCs and top four print ads were selected to make the final presentation before an eminent Jury. The participating teams also included the members from the Agency which was involved in creating the advertisement.

Dabur also continued to drive forward its rewards programme for employees through the 'Applause' programme that 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 response to the Applause programme grew manifold with huge participation from the manufacturing team.

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 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.

A vibrant culture, a low 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 were some of the other important and continuous HR initiatives of the company. Riding on these initiatives, the attrition levels at Dabur continue to remain much lower than industry levels.

As of 31 March 2010, the company employs 4,984 people in various parts of its business.

Industrial Relations: The Company continues to have an excellent track record of industrial relations, which, by and large, remained good during the year.

People always have been, and shall continue to be, central to Dabur's growth story. The company's commitment can be gauged by the fact that Dabur absorbed all the employees of the acquired entity - Fem Care Pharma

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)

During 2009-10, your Company registered strong growth in revenues and profitability.

Consolidated sales increased by 20.6%, mainly due to strong double digit volume growth. The acquisition of Fem Care Pharma Ltd. contributed to 3.5% increase in sales during the financial year.

EBIDTA margin of the company improved from 18.3% to 19.6%. This was achieved despite inflationary pressures which started impacting our company in October 2009. Inflationary pressures were managed well by deploying modern forecasting tools, strategic stocking and e-sourcing technologies. This has led to improvement in the gross margin which enabled your company to increase investment in advertisement and promotional spends in a competitive market scenario.

The increase in MAT impacted your company and the effective tax rate went up from 12.1% to 16.7%. However, the strong revenue growth and improved EBIDTA margin enabled your company to increase its PAT by 28.1%.

The abridged P&L account and profitability ratios are given below:-

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

	2009-10	2008-09	Change (%)
Sales	3,416.7	2,834.1	20.6%
Other Operating Income	24.4	25.6	-4.7%
Material costs	1,550.7	1,376.2	12.7%
Salaries & Wages	284.7	234.7	21.3%
Advertising & promotional expenses	493.5	343.3	43.8%
Other expenditure	432.4	380.8	13.5%
EBITDA	669.5	517.3	29.4%
Depreciation & Amortization	56.2	49.2	14.1%
EBIT	613.2	468.1	31.0%
Interest	12.3	23.2	-46.9%
PBT	600.9	444.8	35.1%
Tax Expenses	100.5	54.0	85.9%
PAT (after minority interest)	501.3	391.2	28.1%

Table 2: DIL - Key Profitability Ratios

	2009-10	2008-09
EBITDA / Sales	19.6%	18.3%
EBIT / Sales	17.9%	16.5%
PAT / Sales	14.7%	13.8%
Earnings per share (Rs)	5.8	4.5

During the year, the Company completed the merger of Fem Care Pharma Ltd. with itself and Fem Care Pharma Ltd. would henceforth cease to exist as a subsidiary of the Company. The consolidated financials of the Dabur India Limited incorporate the financials of Fem Care Pharma Ltd. with effect from 1st April 2009.

There has been a marked improvement in capital efficiency with the ROCE increasing from 39.4% in 2008-09 to 45.5% in 2009-10 and RONW increasing from 47.7% to 53.5% in the same period. The improvement has been a result of strong surge in profitability and efficient management of capital employed.

Table 3: DIL - Key Balance Sheet Ratios

	2009-10	2008-09
ROCE	45.5%	39.4%
RONW	53.5%	47.7%
Book Value per share (Rs)	10.8	9.5
Net working capital* in no. of days sales	-0.7	-0.4

*Excludes Cash and Bank Balances

Net operating working capital of the company continued at negative level. This was a result of efficient management of supply chain, receivables and creditors. There was a remarkable reduction in Receivable outstandings from 23 days of sales to 13 days of sales. In addition, better inventory management led to a reduction in Inventory from 48 days of sales to 46 days of sales. Table 4 provides details of working capital.

Inflationary pressures were managed well by deploying modern forecasting tools, strategic stocking and e-sourcing technologies. This led to improvement in the gross margin, which helped Dabur increase its advertisement and promotion spends in a competitive market

Table 4: DIL - Net Working Capital

in days sales	2009-10	2008-09
Net Working Capital* Days	-0.7	-0.4
Days Sales Outstanding (DSO)	13	23
Days Inventory Outstanding (DIO)	46	48

*Excludes Cash and Bank Balances

The company incurred Capital expenditure of Rs 160.4 crore during the year which was invested in expansion of manufacturing capacities and regular maintenance expenditure. Debt level in the company remained low as the business generated strong free cash flow. Total loans came down from Rs 230 crore to Rs 179 crore during the year. In effect the company was in a net cash position as cash reserves exceeded the level of debt as on 31st March, 2010.

The Company had declared an interim dividend of 75% during the year and a final dividend 125% which has led to total dividend of 200% being declared for the year. This translates into a payout ratio of 47% of standalone net profit.

Internal Control Systems

Dabur has a robust internal audit and control system 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.

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 rising inflationary trend and high food prices which can lead to compression in demand for non food consumption activities. A poor monsoon, if it happens, can impact rural incomes and dampen rural consumption and

It is the turnover in Rupees Billion of brand Vatika. Vatika also features among the only FMCG brands to enjoy high popularity in both the domestic and overseas markets evident from almost equal sales contribution from both these markets to its topline

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. A slowdown in overall economic growth can lead to pressure on disposable incomes and spending power of people.

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.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the implementation of best management practices, compliance of law and voluntary adherence to ethical standards which are inevitable for achieving organisational efficiency, enhancing shareholders value and discharge of social responsibility. The principles of good corporate governance is to ensure fairness in all transactions within and outside the company with investors, customers, employees, partners, competitors and the society at large. Adoption of Corporate Governance and disclosure practices attract the best of capital and talent for any organisation and create value and wealth on a sustainable and long term basis.

Dabur is committed to good corporate Governance and has benchmarked itself in line with global practices. Dabur understands and respects its fiduciary role in the corporate world. It has always endeavoured to pursue growth by adhering to highest national and international standards of corporate governance. This attitude of Dabur has earned recognition and has strengthened its bond of trust with stakeholders and the society at large. The company had in fact adopted Corporate Governance and disclosure practices much before they were mandated by legislation.

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

Corporate Governance Philosophy

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 regulatory bodies.

The corporate governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organisation viz. the board of directors, the senior management, employees, etc. The company`s focus revolves around values based on transparency, integrity, professionalism and accountability. It`s initiatives towards this end include: professionalization of the Board; fair and transparent processes and reporting systems; and going beyond the mandated Corporate Governance Code requirements of SEBI. At the highest level the company continuously endeavours to improve upon these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy all round growth and development to take the company forward.

Board of Directors

Composition of the Board

As on March 31, 2010, Dabur's Board consists of 12 members. Besides the Chairman, who is a Non-Executive Promoter Director, the Board comprises of three Executive Directors (of whom one is Promoter Director), two Non-Executive Promoter Directors and six Non-Executive Independent Directors. The composition of the Board as on 31st March, 2010 is in confirmity with Clause 49 of the listing agreement, which stipulates that a Company shall have an optimum combination of Executive and Non-Executive Directors, with not less than 50 per cent of the Board comprising of Non-Executive Directors, and where the Chairman being a Non-Executive director is also a promoter of the Company, at least one-half of the Board should comprise of Independent Directors.

During the year, on 3rd September, 2009, Dr Ajay Dua was appointed to the Board as Non-Executive Independent Director.

Number of Board Meetings

The Board of Directors met four times during the year: on April 29, 2009, July 27, 2009, October 26, 2009, and January 27, 2010. The Company has held at least one Board meeting in every three months. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

Directors' Attendance Record and Directorships held

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

Table 1 gives the details of the Board as on March 31, 2010.

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

Name of the Directors	Category #	Attendance Particulars			No. of other Directorships and committee memberships /chairmanships**		
		Number of Board Meetings		Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Anand Burman (Dr.)	Chairman /PD / NED	4	4	Yes	7	2	0
Amit Burman	Vice Chairman/ PD / NED	4	4	Yes	4	1	0
Pradip Burman	PD / ED	4	4	Yes	2	1	0
Mohit Burman	PD/NED	4	3	No	7	3	0
P D Narang	ED	4	4	Yes	4	1	2
Sunil Duggal	ED	4	4	Yes	1	1	0
P N Vijay	ID	4	4	Yes	3	1	0
S. Narayan (Dr.)	ID	4	2	No	6	2	0
R C Bhargava	ID	4	3	No	10	4	5
Albert Wiseman Paterson	ID	4	2	No	0	0	0
Analjit Singh	ID	4	1	No	13	0	0
Ajay Dua (Dr.)*	ID	2	2	NA	6	5	3

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

* Appointed as additional Director w.e.f. September 03, 2009.

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

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

Details of Other Board Directorships are separately mentioned in Annexure 1

Shareholding of Non-Executive Directors

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

$Appointed as additional Director w.e.f September 03, 2009.

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

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior Management, its subsidiaries and associates, which may affect independence of the Director;
- Are not related to promoters or persons occupying Management positions at the Board level or at one level below the Board;
- Have not been an executive of the Company in the immediately preceding three financial years;
- Are not partners or executives, or were not partners or executives during the preceding three years of any of the following:
  - Statutory audit firm or the internal audit firm that is associated with the Company, and
  - Legal firm(s) and consulting firm(s) that have a material association with the Company;
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director;
- Are not substantial shareholders of the Company i.e. owning two per cent or more of the block of voting shares;
- Are not less than 21 years of age;

Information Supplied to the Board

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

- Detailed Business Review.
- Annual operating plans and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results for the Company and its operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other committees of the Board.
- Information on recruitment and remuneration of senior officers just

below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.

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

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

Role of Board Members

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

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

Board Membership Criteria

The Nomination Committee works with the entire Board to determine the appropriate characteristics, skills and experience for the Board as a whole, as

well as its individual members. The selection of Board members is based on recommendations of the Nomination Committee.

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

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

The constitution of the board will be as follows:

A Promoter Non Executive Chairman;
Three Promoter`s Family members;
Two executive members;
Six non executive independent Directors constituting 50% of the board.

The matrix below highlights the skills and expertise required from established members in the professions of accountancy, finance and law for the office of independent 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 the Company's priority at a particular time viz:
- Knowledge of export markets that Dabur is focusing on;
- Expertise in commodity procurement.

Remuneration paid to Directors

Table 2 gives details of remuneration paid to Directors for the year 2009-10

Name of the Director	Sitting Fees	Salary and Perquisites	Superannuation Fund	Stock Option	Commission	Total
Pradip Burman	0	12	0	0	0	12
Anand Burman (Dr.)	120000	0	0	0	0	120000
Amit Burman	120000	0	0	0	0	120000
P D Narang	0	52662089	1883201	18770229	0	73315519
Sunil Duggal	0	55528989	1705201	16538971	0	73773161
Mohit Burman	45000	0	0	0	0	45000
P N Vijay	255000	0	0	0	0	255000
S Narayan (Dr)	135000	0	0	0	0	135000
R C Bhargava	150000	0	0	0	0	150000
Analjit Singh	15000	0	0	0	0	15000
Albert Wiseman Paterson	15000	0	0	0	0	15000
Ajay Dua (Dr)*	90000	0	0	0	0	90000
Total	945000	108191090	3588402	35309200	0	148033692

* Appointed as additional Director w.e.f. September 03, 2009.

During 2009-2010, the Company did not advance any loans to any of its Directors.

Mr P.D. Narang and Mr Sunil Duggal were issued 116970 and 95395 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.

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, 2010, the Audit Committee comprises of four Independent Directors. They are Mr. P N Vijay (Chairman), Mr. R. C. Bhargava, Dr. S. Narayan and Dr Ajay Dua.

Dr Ajay Dua was appointed as a member of the committee on October 26, 2009 by the Board of Directors.

Meetings

The Audit Committee held seven meetings during 2009-10: on April 24, 2009, June 24, 2009, July 27, 2009, October 26, 2009, December 14, 2009, January 27, 2010 and February 11, 2010. The time gap between any two meetings was less than four months.

Attendance Record

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

Table 3: Attendance record of Audit Committee

Name of Members (Category)	Status	No. of Meetings Held	Attended
Mr. P N Vijay (ID)	Chairman	7	6
Mr. R C Bhargava (ID)	Member	7	7
Dr. S Narayan (ID)	Member	7	5
Dr Ajay Dua (ID)*	Member	3	3

* appointed as member w.e.f. October 26, 2009.

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 15, 2009 to answer shareholders` queries.

The functions of the Audit Committee include the following:

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

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

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

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

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

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

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

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

Audit Committee Report for the year ended March 31, 2010

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, financial statements of subsidiary companies, Statement of Significant Related Party Transactions, Directors' Responsibility Statement, compliance relating to financial statements and draft auditors' report. Financial Statements of subsidiary companies were also reviewed by the Committee. 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 2010-11.

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
18th June, 2010

b) Remuneration cum Compensation Committee

Composition

As of March 31, 2010, the Remuneration cum Compensation Committee comprises of Mr. P. N. Vijay (Chairman) and Dr. S. Narayan, being independent Directors and Dr Anand Burman, a Non-Executive Promoter Director.

Meetings

The Remuneration cum Compensation Committee held four meetings during 2009-10: on April 29, 2009, July 27, 2009, October 26, 2009 and January 27, 2010.

Attendance Record

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

Table 4: Attendance details of Remuneration cum Compensation Committee

Name of Members (Category)	Status	No. of Meetings Held	Attended
Mr P N Vijay (ID)	Chairman	4	4
Dr S. Narayan (ID)	Member	4	2
Dr Anand Burman (PD/NED)	Member	4	4

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

- Framing and implementing, on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of Executive Directors, including ESOP, pension rights and any compensation payment.
- Considering, approving and recommending to the Board changes in designation and increase in salary of the Executive Directors.
- Ensuring that the remuneration policy is good enough to attract, retain and motivate the Directors.
- Bringing about objectivity in determining the remuneration package, while striking a balance between the interests of the Company and the shareholders.
- Framing the 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, 2010

To the Shareholders of Dabur India Limited:

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

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 2009-2010. 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/-
New Delhi — P N Vijay
18th June, 2010 — Chairman,
Remuneration cum
Compensation Committee

c) Nomination Committee

Composition

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

Meetings

The Nomination Committee held one meeting during 2009-10 on 1st September, 2009.

Attendance Record

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

Table 5: 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

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/Investors Grievance and Share Transfer Committee

Composition

As on March 31, 2010, the Committee consists of four members, Mr. P. N Vijay, Independent Director as Chairman, Dr Ajay Dua, Independent Director, Mr. Amit Burman, Non Executive Promoter Director and Mr. P. D. Narang, Executive Director.

Meetings

The Committee met four times in the year under review, on April 29, 2009, July 27, 2009, October 26, 2009 and January 27, 2010.

Attendance Record

The details of attendance of the Committee meetings are given in Table 6 below:

Table 6: 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	4
Dr Ajay Dua (ID)	Member	1	1

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

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

The Committee performs the following functions:

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

Details of queries and grievances received and attended by the Company during the year 2009-10 are given in Table 7.

Table 7: Nature of complaints received and attended to during 2009-2010

Nature of Complaint	Pending as on 1st Apr'2009	Received during the year	Disposed during the year	Pending as on 31st March, 2010
1. Transfer / Transmission / Duplicate	Nil	71	71	Nil
2. Non-receipt of Dividend	Nil	269	269	Nil
3. Dematerialization /Rematerialization of shares	Nil	1	1	Nil
4. Others (Non receipt of bonus shares/ POA/ change of signatures/ address etc.)	Nil	46	46	Nil
5. Complaints received from:				
- Securities and Exchange Board of India	Nil	13	13	Nil
- Stock Exchanges	Nil	3	3	Nil
- Registrar of Companies/Ministry of Corporate Affairs	Nil	1	1	Nil
Total	Nil	404	404	Nil

There were no complaints which were pending as on March 31, 2010. The company has obtained certificate from BSE & NSE on quarterly basis about pending complaints against the Company. As per these certificates as on 31.03.2010 there were no pending complaints against the company.

In order to provide efficient services to investors, and for speedy redressal of the complaints, the Board of Directors has delegated the power of approving transfer and transmission of shares and other matters like split up / sub-division, and consolidation of shares, issue of new certificates on re-materialization, sub-division, consolidation and exchange, subject to a maximum of 5000 shares per case and for dematerialization upto a maximum of 20000 shares per case, jointly to any two of Mr. A K Jain, General Manager (Finance) and Company Secretary, Mr. Praveen Mudgal - Joint Company Secretary and Mrs. Sarita Agrawal - Manager (Secretarial).

Shareholders'/Investors' Grievance and Share Transfer Committee Report for the year ended March 31, 2010

To the Shareholders of Dabur India Limited:

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

The Committee approved 829 cases of transfer, 43 cases of re-materialisation, 17 case of sub-division, 2 cases of consolidation and 5 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/-
New Delhi P N Vijay
18th June, 2010 Chairman,
Shareholders/Investors Grievance
and Share Transfer Committee

Management Committees

The Company has constituted separate Management Committees to look after the operations of each of its Divisions. The Charter of each Management Committee has been clearly defined. The Committees are broadly responsible for implementing the overall business strategy approved by the Board, identifying areas of further value creation, new initiatives for enhancing business competitiveness and implementing the business plans as approved by the Board of Directors.

Subsidiary Companies

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

Related Party Transactions

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

The Senior Management personnel make disclosures to the Board periodically regarding

- their dealings in the Company`s share; and

- all material financial and commercial transaction with the Company;

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

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

Significant related party transactions are summarised herein below:-

1. **Subsidiaries:**
   - Equity contribution has been given by the Company to H & B Stores Ltd amounting to Rs.5.00 crore.
   - Goods worth Rs.7.52 crores were sold to Dabur International Limited.
   - Goods worth Rs.3.58 crores were sold to Fem Care Pharma Ltd.
   - Collateral and guarantees have been given on behalf of Fem Care Pharma Ltd. amounting to Rs.18.22 crores.

2. **Fellow Subsidiaries (subsidiary of a subsidiary):**
   - Goods worth Rs.2.73 crores were sold to Asian Consumer Care Private Limited.
   - Goods worth Rs.1.44 crores were sold to Dabur Nepal Pvt Ltd.
   - Goods worth Rs.1.52 crores were sold to Dabur Egypt Ltd.
   - Goods worth Rs.4.02 crores were sold to Weikfield International (UAE) LLC.
   - Goods worth Rs.2.10 crores were sold to African Consumer Care Limited.
   - Goods worth Rs.5.18 crores were sold to Naturelle LLc.
   - Goods worth Rs.167.97 crores were purchased from Dabur Nepal Pvt. Ltd.
   - Collateral and guarantees have been given on behalf of Dabur Egypt Limited amounting to Rs.17.38 crores, on behalf of Naturelle LLc. amounting to Rs.7.63 crores, on behalf of Asian Consumer care Pakistan Pvt. Ltd amounting to Rs. 3.98 crores and on behalf of Asian Consumer care Pvt Ltd. amounting to Rs.16.90 crores.
3. **Joint Ventures & Associates**
   - General expenses amounting to Rs.3.94 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.
   - Goods worth Rs.2.02 crores were purchased from Sanat Products Ltd.
4. **Key Management Personnel & their Relatives:**
   - For transactions with Key Management Personnel being Mr P D Narang, Mr Sunil Duggal and Mr Pradip Burman, kindly refer to Table 2 of this report.
   - There were no relatives of key Management personnel who were paid remuneration / pension of Rs.1 crore or more during the year.

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

Disclosure of accounting treatment in preparation of financial statements

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

Details of non-compliance by the Company

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

Code for prevention of insider-trading practices

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

Whistle-Blower Policy

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

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

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website www.dabur.com. 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.

CEO/ CFO certification

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

Risk Management

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

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

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

Shareholders

Reappointment/Appointment of Directors

As per the Articles of Association of Dabur, one-third of its Directors retire every year and, if eligible, offer themselves for re-election at every Annual General Meeting. Consequently, Dr Anand Burman, Mr Pradip Burman, Mr Amit Burman and Mr P D Narang would retire this year and, being eligible, offer themselves for re-appointment in accordance with the provisions of the Companies Act, 1956. Further Dr Ajay Dua, appointed as Additional Director by the Board, have been proposed to be appointed as Director in the Annual General Meeting. The Company has received a notice in writing from a member proposing his candidature for the office of Director. Their brief CVs are given below:

Dr Anand Burman: M.Sc., PH.D from University of Kansas USA was born in 1952 and was appointed as a member on the Board in 1986. He is the Promoter Non-Executive Director and Chairman of the Company. His current holding in the Company is 111000 shares.

Mr Pradip Burman: B.Sc (Mech. Engg.) MIT (USA) was born in 1942 and joined the Board in 1979. Presently he is a whole time director of the Company from the promoter family. He is also the chairman of the governing body -PHDCCI-Rural Development foundation, Delhi and is a founder chairman of Sundesh - a non profit organisation involved in the education of rural women and in other socio economic activities.

His current holding in the Company is 182000 shares.

Mr Amit Burman: MBA (Cambridge University, England) was born in 1969 and was appointed as a member on the Board in 2001. He is a young and dynamic member from the promoter family. He was appointed as vice chairman of the Company in 2007. He has a rich and varied experience in food sector.

Currently he has no shareholding in the Company.

Mr P D Narang: B.com, FCA, FCS, AICWA, MIIA (USA) was born in 1954 and joined the Board in 1998. Currently he is the Whole time-Director designated as Group director Corporate affairs of the Company.

His current shareholding in the Company is 1031497 shares.

Dr. Ajay Dua: BA (Hons), M.Sc (Economics) from London school of Economics & Politics and Ph.D from University of Bombay, a retired civil servant (IAS) was born in 1947 and joined the Board on 3rd September, 2009. He is a Non Executive independent Director of the company.

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 8 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, 2009 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 8: Publications of the financial results during 2009-2010

Description	Date
Unaudited Financial Results for the quarter ended June 30, 2009	July 29 '09
Audited Financial Results for the half year ended on September 30, 2009	October 28 '09
Unaudited Financial Results for the quarter / Nine months ended December 31, 2009	January 29 '10
Unaudited Financial Results for the Financial year ended on March 31, 2010	April 30 '10

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.

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.

Investor Relations - Enhancing Investor Confidence

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

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

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

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

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

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

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

developments in industry and economy and general market intelligence.

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

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

1. One-on-one meetings are held with investors to brief them about the Company and answer their queries.
2. Post the quarterly and annual results, a webcast and conference call is arranged to discuss highlights of the company's performance with the management. All members of the financial community are invited for the same and an opportunity is provided to each one to participate in the Q&A. Archived copy of the webcast and transcript is provided on the Company's website.
3. The company holds Analyst Meetings from time to time to share its vision and plans at a strategic level with the analysts and fund managers.
4. The company participates in investor conferences organized by leading institutional brokerage houses. During 2009-10 the IR Team attended, to name a few, conferences hosted by Goldman Sachs, DSP Merrill Lynch, UBS, CLSA and JP Morgan. During these conferences, the management had the opportunity to share their strategy with a number of institutional investors both Domestic and Foreign. These meets provide an effective forum for investors to meet the Company and understand its strategy and operations and also enables the Company to imbibe the perspective and views of its financial stakeholders.

General Body Meetings

Table 9 gives the details of the last five General Body Meetings.

Table 9: Location and time of the last 5 General Body Meetings.

Financial Year	Category *	Location of the meeting	Date	Time
2004-2005	AGM	Air Force Auditorium, Subroto Park, New Delhi-110 010.	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
2008-2009	AGM	Same as above	July 15, 2009	11.00 AM
2009-2010	EGM (Court Convened Meeting)	FICCI Auditorium. Federation House, Tansen Marg, New Delhi-110001	February 1, 2010	12.00 noon

*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 13, 2007

- Reappointment of Mr Pradip Burman as Whole-Time Director of the Company.
- Reappointment 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.

July 15, 2009

- Variation in the terms and conditions of remuneration of Mr Pradip Burman, Whole-Time Director of the Company.
- Variation in the terms and conditions of remuneration of Mr Amit Burman, as whole time Director in Dabur Nepal Pvt. Ltd, a subsidiary of the Company.

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

Postal Ballot

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

Compliance

Mandatory requirements

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

Table 10: Compliance Report

Particulars	Clause of listing agreement	Compliance status
I. Board of Directors	49 (I)	Yes
(A) Composition of Board	49(IA)	Yes
(B) Non-executive Directors Compensation & Disclosures	49 (IB)	Yes
(C) Other provisions as to Board and Committees	49 (IC)	Yes
(D) Code of Conduct	49 (ID)	Yes
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.

c) Remuneration Committee

Dabur has a Remuneration cum Compensation Committee that comprises of 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 six years, which is sent to all shareholders. The half-yearly report for the year 2009-10 was sent to all shareholders on December 14, 2009.

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 : August 31, 2010
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, 2010, results were announced on:

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

For the year ending March 31, 2011, results will be announced by:

- 26th July 2010 (tentative) : First Quarter
- 27th October 2010 (tentative) : Half Yearly
- End of January 2011 (tentative) : Third Quarter
- End of April 2011 (tentative) : Fourth Quarter and Annual

Book Closure

The dates of Book Closure are from the 5th day of August 2010 to the 10th day of August, 2010, inclusive of both days.

Dividend Payment

Interim dividend of Re.0.75 per equity share was paid on November 10, 2009 for the financial year 2009-10.

Dates of Transfer of Unclaimed Dividend

Pursuant to section 205A of the Companies Act, 1956, unclaimed dividend for Financial Year(s) upto 2002-2003 (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 enchased 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 11: Dividends declared in the past

Financial Year	Type of Dividend	Dividend rate %	Date of Declaration	Due Date for transfer to IEPF
2002-2003	Final	90	02/08/2003	08/09/2010
2003-2004	Interim	60	04/11/2003	11/12/2010
2003-2004	Final	140	06/07/2004	12/08/2011
2004-2005	Interim	100	27/10/2004	03/12/2011
2004-2005	Final	150	15/07/2005	20/08/2012
2005-2006	Interim	150	24/10/2005	30/11/2012
2005-2006	Final	100	08/07/2006	08/08/2013
2006-2007	Interim	100	31/10/2006	04/12/2013
2006-2007	Interim	75	13/03/2007	16/04/2014
2007-2008	Interim	75	24/10/2007	30/11/2014
2007-2008	Final	75	10/07/2008	16/08/2015
2008-2009	Interim	75	28/01/2009	05/03/2016
2008-2009	Final	100	15/07/2009	21/08/2016
2009-2010	Interim	75	26/10/2009	02/12/2016

Listing

At present, the equity shares of the Company are listed on Bombay Stock Exchange (BSE), and the National Stock Exchange (NSE). The annual listing fees for the financial year 2010-2011 to NSE and BSE has been paid.

Table 12: Dabur's Stock Exchange codes

ISIN No:	INE016A01026
Bombay Stock Code:	500096
National Stock Code:	DABUR
Bloomberg Code:	DABUR IB
Reuters Code:	DABU.BO

Equity Evolution during the year

As on March 31, 2009 the paid up Equity Share Capital of the Company was Rs.865076249/- consisting of 865076249 equity shares of Re.1/- each. The table below gives details of equity evolution of the Company during the year under review:

Table 13: Shares allotted during 2009-10

Date	Particulars	Issued No. of equity shares of Re.1 each during the year	Cumulative
May 22, 2009	Allotment pursuant to exercise of Stock Options	423452	865499701
August 10, 2009	Allotment pursuant to exercise of Stock Options	263927	865763628
November 18, 2009	Allotment pursuant to exercise of Stock Options	16538	865780166
February 10, 2010	Allotment pursuant to exercise of Stock Options	1805664	867585830

Stock Market Data

Table 14 and Chart A & B give details of stock market data.

Table 14: High, low and volume of Dabur's shares for 2009-10 at BSE and NSE.

	BOMBAY STOCK EXCHANGE LTD.			NATIONAL STOCK EXCHANGE OF INDIA LTD.		
Month	High (Rs.)	Low (Rs.)	Volume (No. of shares)	High (Rs.)	Low (Rs.)	Volume (No. of shares)
April 2009	107.25	93.95	3748385	107.70	93.65	12468092
May 2009	115.85	104.65	8014745	115.00	105.00	20207480
June 2009	126.05	108.85	7490659	125.70	108.90	24114053
July 2009	137.90	124.15	3746185	137.65	124.10	15193833
August 2009	139.90	119.50	3086774	140.00	119.70	12760325
September 2009	144.95	126.65	2591097	145.00	126.85	15651773
October 2009	154.40	136.80	2527367	154.00	137.10	11621505
November 2009	165.90	150.95	7524861	166.05	150.85	17602864
December 2009	169.15	158.95	1567558	168.95	158.80	8870402
January 2010	167.85	155.20	5334741	168.00	155.20	10700867
February 2010	176.55	163.75	2590511	177.10	164.25	13319482
March 2010	172.80	158.60	3617234	173.00	158.80	8564091

Chart A: Dabur's Share Performance versus BSE Sensex

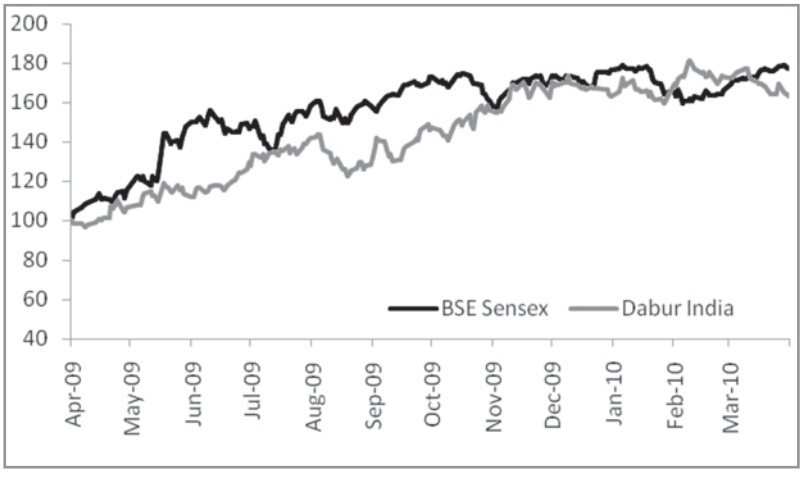
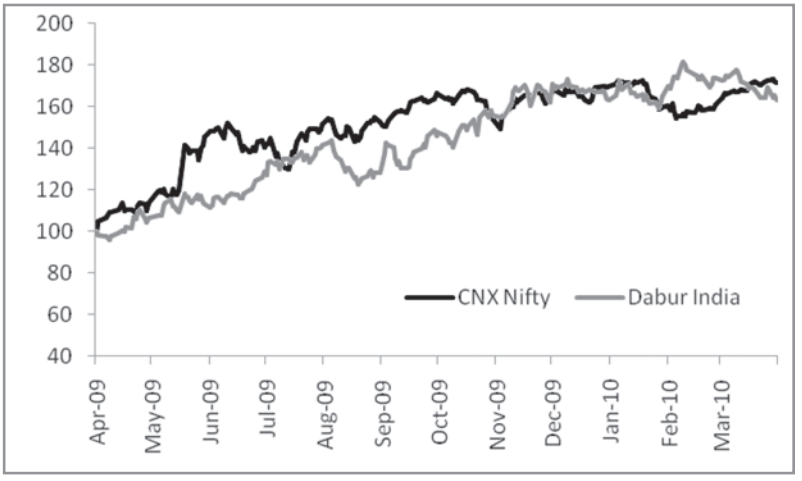


Chart B: Dabur's Share Performance versus Nifty



Note: The charts have share prices and indices indexed to 100 as on the first working day of 2009-10.

Distribution of Shareholding

Tables 15 and 16 list the distribution of the shareholding of the equity shares of the Company by size and by ownership class, as on March 31, 2010. Table 17 lists the top 10 shareholders of the Company.

Table 15: Shareholding pattern by size

Number of equity share 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	7854	6611867	80480	28811456	88334	98.75	35423323	4.08
5001 - 10000	104	691881	478	3333432	582	0.65	4025313	0.46
10001 and above	10	172500	522	827964694	532	0.59	828137194	95.45
Total	7958	7476248	81480	860109582	89448	100	867585830	100

Table 16: Shareholding Pattern by ownership

Particulars	As on 31st March 2010				As on 31st March 2009			
	No. of share Holders	% of share Holders	No. of shares held	% of share Holding	No. of share Holders	% of share Holders	No. of shares held	% of share Holding
Directors, promoters and family members	27	0.03%	598347925	68.97	28	0.03%	611834473	70.73%
FIIs	187	0.21%	124052133	14.30	118	0.11%	74278471	8.59%
Mutual Funds	35	0.04%	16368256	1.89	64	0.06%	31121682	3.60%
Financial Institutions / Banks/ Insurance companies	21	0.02%	70255377	8.10	27	0.03%	88968460	10.28%
NRIs	2597	2.90%	3998040	0.46	2764	2.64%	4260203	0.49%
Corporates	1268	1.42%	8835174	1.02	1303	1.24%	5011529	0.58%
Individuals	85312	95.38%	45728925	5.27	100492	95.89%	49601431	5.73%
Total	89447	100%	867585830	100.00	104796	100%	865076249	100 %

Table 17: Top ten shareholders as on 31/03/2010

Name	No. of shares held	% of shareholding
Chowdry Associates	108967000	12.56
VIC Enterprises Private Limited	108867000	12.55
Gyan Enterprises Pvt. Ltd.	101118990	11.66
Puran Associates Private Limited	94606000	10.90
Ratna Commercial Enterprises Pvt Ltd.	77480465	8.93
Milky Investment and Trading Company	53020485	6.11
Burmans Finvest Pvt Ltd	26506493	3.06
ICICI Prudential Life Insurance Company Ltd	21340183	2.46
LIC of India Money Plus	16803183	1.94
Genesis Indian Investment Company Limited - General Sub Fund	13874813	1.60

Dematerlization 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, 2010, 99.14% shares of the Company were held in dematerialized form.
- The equity shares of the Company are frequently traded at Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.

Dematerialization of Shares:

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

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

Consolidation of folios and avoidance of multiple mailing:

In order to enable the company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names, are requested to consolidate their holdings under one folio. Members may write to the Registrars indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

Exchange of old share certificate of Rs.10/- with new share certificate of Re.1/-

W.e.f. 16th December, 2000 each fully paid up equity share of Rs.10/- face value has been sub-divided into 10 fully paid equity shares of Re.1/- each. Members who have not yet exchanged their old certificate with new certificates may surrender the old certificates to our Registrars for exchange.

Outstanding GDRs/ADRs/Warrants/Options

The Company has 1745965 outstanding Options as on March 31, 2010, 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. 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,
   New Delhi-110001.
   Phone No.: 011- 43509200
   Fax No. : 011-66603514
   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- 44655000
   Fax No. 040-23420814
   Email id: einward.ris@karvy.com

Share Transfer System

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

Shareholders/Investor Grievance and Share Transfer Committee is authorized to approve transfer of shares in the physical segment. The Shareholders/ Investor Grievance and Share Transfer Committee has delegated the authority for approving transfer and transmission of shares and other related matters to the officers of the Company. Such transfers take place on fortnightly basis. A summary of all the transfers/ transmissions etc. so approved by officers of the Company is placed at every Committee meeting. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under clause 47© of the listing agreement, and files a copy of the same with the Stock Exchanges.

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/Investors Grievances and Share Transfer Committee of the Board.

Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a statutory body, has issued ten 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 Location

- **Sahibabad**

  Unit I & II, Plot No. 22, Site IV, Sahibabad, Ghaziabad-(U.P.) 201010, Ph 0120- 3008700 (30 Lines), Fax - 0120- 2779914 / 4376924

- **Baddi**

  Hajmola Unit, 109, HPSIDC Industrial Area, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273, Fax: 01795-244090

  Chyawanprash Unit, 220-221, HPSIDC Industrial Area, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273, Fax : 01795-244090

  Amla/Honey Unit, Village Billanwali Lavana, Baddi 173 205, Distt. Solan, HP, Tel: 01795-245273, Fax : 01795-244090

  Red Toothpaste Unit, Village Billanwali Lavana, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273 Fax : 01795-244090

  Glucose Unit, Plot No. 12, Industrial Area, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273 Fax : 01795-244090

  Shampoo Unit, Village Billanwali Lavana, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273 Fax : 01795-244090

  Honitus/Nature Care Unit, 109, HPSIDC Industrial Area, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273 Fax : 01795-244090

  Food Supplement Unit, 221, HPSIDC Industrial Area, Baddi 173 205, Distt Solan, HP, Tel: 01795-245273 Fax: 01795-244090

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

  Green Field Unit, Village Manakpur, Tehsil Baddi, Distt. Solan, Himachal Pradesh - 174 101

  Air Freshener Unit, Village Billanwali, Lavana, Tehsil Baddi, Distt. Solan, Himachal Pradesh - 173 205, Tel: 01795 - 244385

  Tooth Powder Unit, Village Billanwali, Lavana, Tehsil Baddi, Distt. Solan, Himachal Pradesh - 173 205

  Unit of FEM, Plot No. 3, Survey No.283- 285 & 287, Village: Manakpur, Post - Lodhimajra, Tehsil: Baddi, Distt. Solan, Himachal Pradesh- 174101, Telefax :- 01795 -236297, 298, Ph No :- 92184 - 55881,82

- **Pantnagar**

  Unit I and Unit II, Plot No.4, Sector-2, Integrated Industrial Estate,

Pantnagar, Distt. Udham Singh Nagar, Uttarakhand - 263146, Tel: 05944-398500; 9760013990, 991, 992 Fax: 05944 - 250064

- **Jammu**

  Unit I, II & III, Lane No.3, Phase II, SIDCO Indl. Complex, Bari Brahmna, Jammu - 181133, Tel: 01923 - 220123, 222341/ 54; Fax: 01923 - 221970

- **Katni**

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

- **Alwar**

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

- **Pithampur**

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

- **Narendrapur**

  9, Netaji Subhash Chandra Bose Road, P.O. - NARENDRAPUR, Kolkata - 700103, West Bengal, Tel: 033- 2477 2324 - 26, 2477 2620, 2477 2738, 2477 2740, (033)32919827/28, M - (0)9331048165, Fax : 033- 2477 2621

- **Silvassa**

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

- **Newai**

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

- **Jalpaiguri**

  Kartowa, P.O. Mahanvita, P.S. Rajganj, Distt. Jalpaiguri (West Bengal) Pin 735135, Tel: 09800008457, 09800008456, 09933399800

- **Nashik**

  Plot No.D-55, Addl. Industrial Area, MIDC, AMBAD, Nashik 422010, Tel No.- 0253-6623222, Fax No.- 0253-2383146.

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: 011-43509200, Fax: 011-66603514
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 S Raghunathan, Chief Financial Officer, of Dabur India Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet and Profit and Loss Account of the Company for the year ended 31st March, 10 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.

	Sd/-	Sd/-
New Delhi	Sunil Duggal	S Raghunathan
18th June, 2010	CEO, Dabur India Limited	CFO, Dabur India Limited

CERTIFICATION BY CHIEF EXECUTIVE OFFICER OF THE COMPANY

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

	Sd/-
New Delhi	Sunil Duggal
18th June, 2010	CEO, 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.	Shareholders & Investors Grievance Committee Audit Committee	
		Dabur Pharmaceuticals Limited		
		H & B Stores Ltd.		
		Hindustan Motors Limited		
		Althea Lifesciences Ltd.		
		Hero Honda Motors Ltd		
Amit Burman	PD/NED	H & B stores Limited	Audit Committee	
		Q H Talbros Limited		
		Dabur Liberty General Insurance Co. Ltd.		
		Talbros Automative components ltd		
Pradip Burman	PD/ED	Ayurvet Limited		
		Sanat Products Limited	Audit Committee	
Mohit Burman	PD/NED	Aviva Life Insurance Co. India Ltd	Audit Committee	
		Dabur Ayurvedic Specialities Limited		
		India Co Ventures Limited		
		Mahindra Forgings Limited	Audit Committee	
		H & B Stores Limited		
		Dabur Pharmaceuticals Ltd.		
		Universal Sompo General Insurance Co. Limited	Audit Committee	
P D Narang	ED	H& B Stores ltd		Audit Committee
		Dabur Liberty General Insurance Co. Ltd		
		Aviva life Insurance Co. India Ltd.		
Sunil Duggal	ED	H& B Stores ltd	Audit committee	
P N Vijay	ID	Reed Relay & Electronics Limited		
		India Mart Intermesh Ltd		
Dr. S Narayan	ID	Godrej Properties Limited		
		Apollo Tyres Ltd.	Audit Committee	
		Lakshmi Vilas Bank Ltd.		
		Seshasayee Paper and Board Ltd		
		Aviva life Insurance Co. India Ltd.		
R C Bhargava	ID	Idea Cellular Ltd		
		ILFS Limited		Audit Committee
		Polaris Software Lab Ltd.	Audit Committee	
		Grasim Industries Limited	Audit Committee	
		Optimus Global Services Ltd.		Audit Committee
		Maruti Suzuki India Limited	Shareholders Grievance Committee	
		Thomson Press Ltd.		Audit Committee
		UltraTech Cement Co. Ltd.	Shareholders Grievance Committee	Audit committee
		Aditya Birla Sunlife Asset Management Co. Limited		
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		
		Indus Towers Limited		
		Vodafone Essar Limited		
		Malsi Hotels Limited		
		Malsi Holdings Limited		
		Malsi Estates Limited		
		Max Neeman Medical International Ltd		
		Max Bupa Health Insurance Limited		
*Dr Ajay Dua	ID	Areva T&D India Ltd.		Audit Committee Shareholders Grievance Committee
		Aviva Life Insurance Co.India Ltd.	Audit Committee	
		J K Laxmi Cement Ltd.	Shareholders Grievance Committee	
		HSBC Invest Direct Ltd.	Audit Committee Shareholders Grievance Committee	
		HSBC Invest Direct Securities Ltd.		Audit Committee
		HSBC Invest Direct Finance Ltd.	Audit Committee	

* Appointed as additional director w.e.f. September 03, 2009

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 35th Annual Report on the business and operations of the Company, together with the Audited Accounts for the financial year ended March 31, 2010.

Financial Results

Financial results are presented in Table 1.

Table1: Financial Results

(Rs. in crore)

	2009-10	2008-09
Turnover (including other income)	**2889.71**	2439.22
Profits before Tax	**527.03**	425.00
Add: Provisions of earlier years written back	**0.02**	0
	527.05	425.00
Less: - Provision for Taxation - Current	**89.66**	47.48
- Provision for Taxation - Deferred	**4.04**	(2.55)
- Provision for taxation - Fringe Benefit	**0**	6.51
- Provision for taxation for earlier year	**0.21**	0.72
Profit after Tax	**433.14**	372.84
Add: - Balance in Profit & Loss Account brought forward from the previous year	**428.94**	323.23
Profit available for appropriation Appropriation to:	**862.08**	696.07
General Reserve	**130.00**	90.00
Capital Reserve	**2.07**	0.01
Interim Dividend - Paid	**64.98**	64.88
Final Dividend - Proposed	**108.62**	86.51
Corporate tax on Dividend	**29.50**	25.73
Balance carried over to Balance Sheet	**526.91**	428.94
Total	**862.08**	696.07

Dividend

The Company has paid an interim dividend of 75% (Re.0.75 per share of Rupee one each) on November 10, 2009. We are pleased to recommend a final dividend of 125% (Rs.1.25 per share of Rupee one each) for the financial year 2009-10. 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 200% (Rs.2.00 per share of Rupee one each) as against 175% (Rs.1.75 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 46.89%.

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, interim dividend for the year 2002-03 which remained unpaid or unclaimed for a period of 7 years, amounting to Rs.669718/-, has been transferred by the Company to the Investors' Education and Protection Fund. The due dates for transfer of unpaid dividend for subsequent years is given in Table 11 under Corporate Governance Report.

Operations and Business Performance

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

Amalgamation of Fem Care Pharma Ltd with the Company

During the year the Company had acquired from the public shareholders of Fem Care Pharma Limited (FEM) 20% of the equity share capital of FEM, in addition to the controlling stake of 72.15% acquired from its existing promoters thereby increasing the total controlling stake to 92.15%. FEM had become a subsidiary of the company w.e.f. 25th June, 2009.

Further, on 26th October, 2009, amalgamation of Fem Care Pharma Ltd with the company, with effect from 1st April, 2009, was approved by the board of directors of both the Companies.

Amalgamation of FEM with the Company has been completed and has become effective on 18th June, 2010 upon filing of the Order of Hon'ble Delhi and Mumbai High Courts with the respective offices of Registrar of Companies.

Corporate Governance

Dabur is committed to good corporate Governance and has benchmarked itself against global practices. Dabur understands and respects its fiduciary role in the corporate world. It has always endeavoured to pursue growth by adhering to highest national and international standards of corporate governance. This attitude of Dabur has earned recognition and has strengthened the bond of trust with its stakeholders and the society at large.

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.

Credit Rating

During the year under review the Company`s long term credit rating has improved from AA+ to the highest credit rating of AAA. The highest credit rating of AAA awarded by CRISIL reflects the Company`s financial discipline and prudence.

Directors

During the year, Dr Ajay Dua was appointed as Additional Non-Executive Independent Director on September 3, 2009. He shall hold office upto the date of the ensuing Annual General Meeting of the Company and, being eligible, offer himself for appointment.

In terms of Article 103 and 104 of the Articles of Association of the Company, Dr Anand Burman, Mr Pradip Burman, Mr Amit Burman and Mr P D Narang 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;
  - 423452 equity shares allotted on May 22, 2009.
  - 263927 equity shares allotted on August 10, 2009.
  - 16538 equity shares allotted on November 18, 2009.
  - 1805664 equity shares allotted on February 10, 2010.

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 2010-11. The Company has received a letter dated April 1, 2010 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 Auditors have vide their letter dated 19.05.2010 also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the peer Review Board of the ICAI.

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 2010-11.

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 2009-10. Consolidated Turnover grew by 20.28% to Rs.3430.80 crore as compared to Rs. 2852.27 crore in the previous year. Similarly, net profit after tax and after minority interest for the year at Rs.501.27 crore is higher by Rs.110.06 crore as compared to Rs. 391.21 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, 2010 the Company had no unclaimed deposits or interest thereon due to any depositor.

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 form 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 form part of this report.

Employees Stock Option Plan

During the year, 413842 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, 2509581 options were exercised by the employees after vesting. Accordingly, the Company made the allotment of 423452 equity shares on May 22, 2009, 263927 equity shares on August 10, 2009, 16538 equity shares on November 18, 2009 and 1805664 equity shares on February 10, 2010, 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 and techniques were initiated at large scale and successfully implemented. Consequently, the energy bill got reduced by 8% on absolute basis (Rs 33 cr to Rs 31 cr) between 2008-09 and 2009-10. This was despite a 10% volume increase in manufacturing.

Some of the key initiatives were as follows-

In the existing manufacturing units various initiatives were undertaken to conserve/ reduce environmental impact, by adapting to green manufacturing and concept of "Reduce, Reuse and Recycle", viz.

- Replacement of boiling pans with the herbal extractors to reduce steam consumption.
- Bio-gas generated from ETP used in Boiler and Canteen
- Replacing energy inefficient equipments with new energy efficient technologies.
  - Eg: Old shrink tunnels of 12 KW with new 5 KW. Higher tonnage boiler with lower tonnage boiler to save fuel.
- Automation in IAEC Boiler has resulted in saving of 10% of Furnace Oil.
- Installation of High-pressure jet pump to reduce the water consumption.
- Installation of Lobe pump has resulted in saving of energy and product loss.
- Usage of Additive Ultra F in Furnace Oil for boiler firing.
- Reduction in Air compressor pressure from 6.5 Kg/cm2 to 5.8 Kg/cm2 by installation of pressure boosters on machines which require High Air pressure.
- Implementation of system to recover the condensate water. In this system warm water gets collected and is sent back to boiler which feeds water reservoir.
- Efficient Maintenance of Capacitor Bank for improvement of Power Factor.
- All compressors have been connected with loop line to maintain the air pressure.
- Installation of Air Actuator in air line to stop the air loss. Actuator works in case of power failure and closes the air receiver to stop the air loss.
- Effective utilization of ETP treated water in toilets flushing & irrigation/ gardening.
- Replacement of conventional bulb with CFL to save energy.
- Reuse of vacuum pump cooling water for make up in cooling tower.
- AC plant Electric panels with obsolete switchgears modified in-house to save energy.

Some new initiatives taken where the projects are under implementation:

- Usage of Herbal waste as a fuel in boiler e.g. conversion of herbal waste into dry bio briquettes, crushing of herbal waste and using the same in the USAB reactor in ETP to generate more methane (Bio gas) which in turn is used as boiler fuel, and using directly herbal waste as a fuel in the boiler.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:-

- Additional investment of Rs.348.00 lacs 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.205 Lacs and has thereby lowered the cost of production. These measures have also lead to better pollution control, 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, Africa, UK and South Asian geographies, with manufacturing plants located across 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.

International business:

The Company's International Business Division recorded an impressive sales growth of 26.3% from Rs.477.0 crore in 2008-09 to Rs.602.5 crore in 2009-10, contributing to 18% of overall consolidated sales. The operating margins of the business improved significantly during the year reflecting the strength of the brands even though the external conditions were tough and the environment was plagued by recessionary trends, currency depreciations and demand contraction.

Robust sales growth in international markets was possible due to:

- Strong Brand portfolio positioned on herbal and natural platform
- Aggressive new product launches and brand extensions
- Geographical expansion into new markets
- Strong Sales and Distribution network
- Strong manufacturing backbone and expansion of own manufacturing in key geographies
- Localised and efficient supply chain.

The company has built 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.

Dabur Amla

- Dabur Amla franchise achieved a growth of 38% along with all the extensions.
- Basis Nielsen Retail Audit in KSA, Dabur Amla Hair Oil with a market share of 34.2% is the biggest brand in the hair oil segment. Dabur Amla Gold has market share of 6.8% while Dabur Amla Jasmine is at 5.1%.
- The Amla franchise has now been extended to the Hair Cream Category with the launch of Dabur Amla Hair Cream. It has become the fastest growing brand in the Hair Cream segment notching up sales of more than INR 13 Crore in first year of launch.

Vatika

- There has been a robust growth of 36% in the Vatika franchise which includes Vatika Enriched Hair Oil, Coconut Hair Oil, Hair Creams and Hamam Zaith. Vatika brand is now worth Rs.185 Cr built from a negligible base over the last four years in the Arab belt.
- There was a successful re-launch of Shampoos and Conditioners, launch of one more variant in Hamam Zaith and re-launch of Vatika Coconut Hair Oil.
- Light hair oil range of Vatika Hair oils registered 51% growth in MENA.
- Vatika Hair Cream is now an INR 64 Cr brand in MENA. Vatika Hair Cream gained 370 bps in market share and becoming 12.7% of the market in volume terms. It grew by 44% in volume terms over LY in a category that has remained flat. Vatika Hair Cream is now the no. 2 player in Modern Trade with a 15.6% volume mkt share despite aggressive competition from established brands.

Vatika DermoViva - a new sub-brand launched for the Personal Wash and Skin Care segment had its first launch in the Bar Soap category and has managed to create consumer equity in a category dominated by strong MNC players.

FEM

- The FEM brand was strengthened in the overseas markets through ATL and BTL inputs which saw the brand grow by 100% in just nine months of operation since the takeover.

The key contributing markets/ regions 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 and despite being a mature market, has registered a strong growth of 42% over last year fuelled by innovations and new product launches in the Hair Care, Personal Wash and Oral Care segments.

Dabur Egypt Limited has witnessed another spectacular performance with 30% growth in sales.

African Consumer Care, Nigeria has grown by 17% over last year in local currency terms, aided by strong growth of Dabur Herbal Toothpaste and Dabur Herbal Gel in the Oral Care category.

Asian Consumer Care, Pakistan has grown by 26% in revenue with Hajmola and Dabur Amla emerging as the two strong brands for the region.

Dabur International`s UK Branch has seen a 23% growth over previous year which has been the highest growth rate for this region in the last 8 years.

Markets of North Africa, Levant and Yemen have seen an impressive performance with 49% growth over previous year.

Asian Consumer Care, Bangladesh, has performed well with a growth of 47% during the fiscal 2009-10. The growth has been led by increased distribution penetration and focussed brand approach.

Dabur Nepal Pvt Limited which manufactures fruit juices and also caters to local consumer market in Nepal recorded impressive growth of 26% in its sales to the domestic market of Nepal.

Efficient operations of the manufacturing plant in Ras Al Khaimah ensured 21 new SKU launches in 2009-10 and saw an augmentation in capacity with new manufacturing lines being installed for Shampoo and Hair Cream. In Egypt, a second Hair Oil plant was commissioned along with capacity enhancement in Hair Cream & Toothpaste. Additional manufacturing lines installed in Nigeria led to significant improvement in capacity.

Exports from India

The company also exports guargum and private label oral care products from India. During 2009-10 the company recorded Guargum exports to the tune of Rs.43.3 crore as compared to Rs.48.3 crore in the previous year. The sales were lower due to weak global demand and recessionary environment.

Exports to USA recorded impressive growth with sales increasing to Rs.38.4 Cr in 2009-10 versus Rs.27.6 in 2008-09 reflecting a growth of 39% despite the recessionary environment in developed markets. The US sales comprise Private Label and Ethnic business. Key markets in USA and Europe contributed to the growth. Innovative product developments in Oral care private label- such as Pro-age, Sensitive and Herbal toothpastes were launched. Ethnic Sales in USA and Canada also performed well recording 80% growth albeit on a low base. Various new products were successfully launched in the market and penetration of mainstay Dabur products like Hair Oils and Chyawanprash into Canadian mainstream retail chains such as Walmart was achieved.

ii) Development of new markets for Products & Services:

New avenues for growth were opened up with expansion into the new markets of Cambodia, Philippines, Belarus, Gambia and Bolivia. The Sales & Distribution infrastructure has been augmented by appointing new distributors in CIS, Mozambique, Guinea and Rwanda. Local resources have been deployed in key markets of Yemen, Syria, Kuwait, Malaysia and Tanzania to strengthen the S&D structure.

iii) Export Plans:

The focus, going forward, is to continue expanding the Company's presence across geographies and to exploit the opportunities that exist in existing and potential segments. The Company will continue to invest in brand building, manufacturing and human capital in order to maintain and improve the existing robust growth path.

Total Foreign Exchange used during 2009-10: Rs. 3646 lac.

Total Foreign Exchange earned during 2009-10: Rs. 12373 lac.

Group for inter se 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 to ensure a healthy and safe workplace for all by maintaining the highest levels of Occupational health, Safety and environmental standards across all its units. The Health, Safety and Environment Management Systems in all manufacturing units conform to the requirements of the International Standards based on OHSAS and ISO. A Dedicated "Safety Management Team" is working toward the prevention of Man, Machine and material loss at the Corporate & Unit level by educating and motivating the employees on various aspects on Health, Safety and Environment through training programmes and seminars.

The environmental agenda was marked by a shift towards reducing environmental impact of Company's operations. This was achieved by environment management program through a combination of energy & water conservation, rainwater harvesting and solid waste recycling. Some sites modified their boilers to use bio-fuels, resulting in significant environmental benefits by reducing the Sox emission in environment.

Dabur India Ltd. has always been aware of its responsibilities as a good citizen. Action in health, safety and environment management is in the process of further strengthening its current resources.

Key Initiatives taken during the year are as under:

- Manufacturing locations were prepared for the certification of OHSAS 18001 and ISO 14001 integrated management system.
- Reaffirmation of Occupational Health and Safety policy done and rolled out.
- Risk assessment of all manufacturing location done with a system of planned inspection product wise, which resulted in the reduction of All Injury Rate (AIR) and Total Recordable Frequency Rate (TRFR).
- Electrical Safety audit was carried out for all manufacturing location by competent person.
- Safety and Environment Act and Rules were complied at unit level.
- Environmental Management Program (EMP's) has been undertaken by units on the concept of Reduce, Reuse and Recycle. 20 EMP's were completed and 23 are in progress. This has resulted in the reduction of water consumption from 9.15 to 7.11 M3/T.
- Carbon Foot Print Study was carried out for 3 manufacturing locations, which showed the reduction of effect on environment.
- Environmental Monitoring was carried out at unit level to check the impact on the environment.
- Different Guidelines and Standards were 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) was increased.
- Fire Hydrant System as per the latest technologies available was installed at unit level.
- Emergency Preparedness plan is in place which was executed through mock drill.
- Different tests have been carried out at unit level to check the efficiency of personal protection equipments (PPE's) used at work place.
- Health Check up for all employees was carried out at unit level.
- Plantation of medicated trees was carried out at manufacturing locations.

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

- Listed among India`s 50 best Blue chip Companies offering best Investor returns.
- Listed among Top 5 Indian brands to look out for in 2010.
- Ranked 19th among India`s Best Wealth creators.
- Ranked as 60th Most Valuable Indian Company in 2009.
- Ranked 25th in India's 100 Most Valuable Brands.
- Placed 158th in BS-1000 list. In the Super Rank it has been placed at number 9.
- Dabur is Category Winner in FMCG-Personal care as biggest wealth creator.
- Moved up 6 places in ET-500 List for 2009.
- Moved up 12 places to take 79th position in Super 100 list for 2009.
- Bagged Top Marketer Award For 2009 in Consumer Goods Market.
- Listed in Forbes India's list of '20 Stocks You Must Own.

Its Brands

- Uveda,Vatika conditioner ranked True Champions of Style by Elle magazine.
- Dabur India's fruit Juice brand `Real` has won Trusted Brand Gold Award 2009.
- Dabur, Amla, Hajmola listed in Most trusted Brands 2009 list.
- Dabur Chyawanprash Immune India Campaign bagged the Gold award for Best School contact programme.

- Dabur voted by consumers as fourth Most Liked Health Brand in India.

Its Chief Executive Officer

- Mr. Sunil Duggal ranked amongst India's most valuable CEOs.

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, Vendors, Dealers, Business Associates and Employees in ensuring an excellent all around operational performance.

For and on behalf of the Board

New Delhi (DR ANAND BURMAN)
18th June, 2010 CHAIRMAN

Annexure `1`

Auditors' Report on Corporate Governance

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, 2010, 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

New Delhi **(Anil Kumar)**
18th June, 2010 Partner

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 Consumercare (Pakistan) P Ltd	*Naturelle LLC	Dermoviva Skin Essentials INC
2 Holding Company's Interest	—	—	47,50,00,000 Equity Shares of Re 1 each fully Paid Up	1,600,000 Equity Shares of Pens Sterling 1 each fully Paid Up	—	—	—	—	—	—	65,000 Equity Shares of US Dollar 1 each fully Paid Up
3 Extent of Holding	—	—	100%	100%	—	—	—	—	—	—	100%
4 Subsidiary Financial Year ended on	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010
5 Net aggregate amount of subsidiaries Profit/(Loss) not dealt within the holding company's accounts :											
(i) For the financial Year of the subsidiaries	—	—	(Rs. 9,43,07,940)	Rs 59,88,26,134 AED 4,83,70,447	—	—	—	—	—	—	(Rs. 15,96,000)
(ii) For the previous financial year of the subsidiaries since they become the holding company's subsidiaries.	—	—	(Rs.25,57,91,400)	Rs 61,18,00,225 AED 4,91,77,243	—	—	—	—	—	—	—
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 31.03.2010,
1 AED=Rs. 12.38

Annexure `3`

Subsidiaries at a Glance

(Amount Rs. in Lacs)

Particulars	Dabur Nepal Pvt. Ltd.	H & B Stores Ltd.	Dabur International Ltd.	Weikfield International (UAE) Ltd.	Asian Consumer Care Pvt. Ltd.	African Consumer Care Ltd.	Dabur Egypt Ltd.	Dabur (UK) Ltd.	Asian Consumercare (Pak) P. Ltd.	Naturelle LLC	Dermoviva Skin Essentials INC
1. Capital	499.08 NR 798.52	4,750.00	1,218.19 AED 98.40	198.20 AED 16.01	659.84 BDT 999.76	1,245.36 ND 4151.19	147.57 EGP 18.04	227.50 USD 5.00	425.10 PR 787.22	445.68 AED 36.00	29.58 USD .65
2. Reserves	7,239.37 NR 11,582.99	3,500.99	15,699,94 AED 1,268.17	227.42 AED 18.37	-489.74 BDT -742.03	121.48 ND 404.93	2,480.26 EGP 303.21	-26.39 USD -0.58	-416.57 PR -771.42	-353.20 AED -28.53	-91.00 USD -2.00
3. Total Assets	10,299.89 NR 16,479.83	514.33	20,533.67 AED 1,661.30	853.72 AED 68.96	719.60 BDT 1090.31	2,199.03 ND 7330.10	5,330.25 EGP 651.62	201.11 USD 4.42	891.34 PR 1650.63	7,735.77 AED 624.86	419.51 USD 9.22
4. Total Liabilities	10,299.89 NR 16,479.83	514.33	20,533.67 AED 1,661.30	853.72 AED 68.96	719.60 BDT 1090.31	2,199.03 ND 7330.10	5,330.25 EGP 651.62	201.11 USD 4.42	891.34 PR 1650.63	7,735.77 AED 624.86	419.51 USD 9.22
5. Details Of Investments	0.00	0.00	6,121.17 AED 494.44	0.00 0.00	0.00 0.00	0.00 0.00	1,148.96 EGP 140.46	201.11 USD 4.42	0.00 0.00	0.00 0.00	0.00 0.00
6. Turnover	27,793.97 NR 44,470.35	917.71	28,130.70 AED 2,272.27	2,003.19 AED 162.07	2,069.27 BDT 3135.25	2,569.89 ND 8566.31	8,079.39 EGP 987.70	1.37 USD 0.03	1,814.42 PR 3360.03	11,009.41 AED 889.29	9.10 USD 0.20
7. Profit Before Taxation	12.01 NR 19.22	-943.08	5,988.21 AED 483.70	-109.01 AED -8.82	-53.72 BDT -81.39	-49.25 ND -164.18	1,463.73 EGP 178.94	1.37 USD 0.00	-229.21 PR -424.47	-204.27 AED -16.50	-15.96 USD -0.35
8. Provision For Taxation	2.58 NR 4.12	0.00	0.00 0.00	0.00 0.00	8.26 BDT 12.51	92.18 ND 307.28	289.49 EGP 35.39	0.00 0.00	46.59 PR 86.28	0.00	0.00 0.00
9. Profit After Taxation	9.43 NR 15.10	-943.08	5,988.21 AED 483.70	-109.01 AED -8.82	-61.98 BDT -93.90	-141.43 ND -471.46	1,174.24 EGP 143.55	1.37 USD 0.03	-275.81 PR -510.75	-204.27 AED -16.50	-15.96 USD -0.35
10. Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Exchange Rate as on 31.03.2010
1 US $ = Rs. 45.50
1 NPR=Re.0.625
1 AED=Rs. 12.38
1 BDT= Re 0.66
1 ND=Re.0.30
1 PR = Re 0.54
1 EGP = Rs. 8.18

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, 2010.

					For the Year	Cumulative
1.	Number of Options granted	:			**413842**	12888400
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	:			**2509585**	8135616
4.	Options exercised	:			**2509581**	8108962
5.	Total number of shares arising as a result of exercise of option	:			**2509581**	8610721
6.	Options lapsed/Cancelled	:			**153703**	3033473
7.	Variation in terms of options	:			None	None
8.	Money realized by exercise of options	:			**Rs.2509581**	Rs.8610721
9.	Total number of options in force	:			**1745965**	1745965
10.	Employee-wise details of options granted during the year to:					
	i. Senior managerial personnel	:	Mr P D Narang	Group Director - Corp. Affairs		116970
			Mr Sunil Duggal	Chief Executive Officer		95395
			Mr Jude Magima	Executive Director- Supply Mgt.		22175
			Mr A Sudhakar	Executive Director- HR		18975
			Mr Devendra Garg	Executive Director-CHD		27147
			Mr Rajan Varma	Chief Financial Officer		4624
			Mr S Raghunathan	Chief Financial Officer		23945
			Mr Vinay Kushwaha	Executive Director -Operations		15193
			Mr V S Sitaram	Chief Operating Off-Consumer care		3854
	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		116970
			Mr Sunil Duggal	Chief Executive Officer		95395
			Mr Devendra Garg	Executive Director-CHD		27147
			Mr S Raghunathan	Chief Financial Officer		23945
			Mr Jude Magima	Executive Director- Supply Mgt.		22175
	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.4.97

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.**

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 (I) of the Guidelines are given herein below:-

	(Rs. in lacs)	
Net profit after tax, as reported in audited accounts	43332.73	
Add: Stock Option compensation expenses charged in above reported profit	919.47	
Deduct: Stock option compensation expenses determined under fair value method (black scholes model)	954.68	
Net profit after tax, as adjusted	43297.52	
Impact on profit (i.e. profit would have been lower by)	35.21	
Earning per share (Rs.)	Basic	Diluted
- As reported	4.99	4.97
- As adjusted	4.99	4.97
- Impact on EPS	0.00	0.00

13. Weighted average exercise price (per option) Re.1

Weighted average fair value of per option:

(per intrinsic value method) 115.21

(per black scholes model) 113.13

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	6.50
- Expected life	1 to 5 years
- Expected volatility	15.92
- Expected Dividend yield	2.05%
- Price of underlying shares in the market at the time of option grant	Rs.136.59

Annexure '5'

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, 2010

	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, CavinKare 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 Geoge	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 - Uttranchal	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	Bhujbal 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 Ranjit(*)	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.Pharma	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. Dip in T&D, Dip in Labour Laws	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	Magima 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	12/1/2007	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.I.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 Maneesh	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 V 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.P.M	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:

1 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.
2 All the employees have adequate experience to discharge the reponsibilities assigned to them.
3 None of the employees mentioned above is a relative of any Director.
4 (*)Asterisk against a name indicates that the employee was in service for part of the year.
5 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 & Fuel Consumption	**2009-10**	**2008-09**
1 Electricity		
a) Purchased		
Units	28303923.00	30958858.00
Total Amount - (Rs.)	127836950.00	138562650.00
Rate per Unit - (Rs.)	4.52	4.48
b) Own Generation		
i) Through Diesel generator		
Units	3882620.00	2029113.00
Unit per Litre of Diesel Oil	3.22	2.78
Cost per Unit - (Rs.)	9.41	10.92
Total Cost - (Rs.)	36523995.71	22151084.40
ii) Through Steam Turbine / Generator		
Units	Nil	Nil
Unit per Litre of Fuel Oil		
Cost per Unit - (Rs.)		
2 Coal (Specify Quality and where used) - (Bio Briquettes/ Pet Coke for steam generation- Boiler)		
Quantity (Tonnes)	6413.15	4103.86
Total Cost - (Rs.)	32436767.34	22319456.00
Average Rate per Tonne - (Rs.)	5057.85	5438.65
3 Furnace Oil		
Quantity (Tonnes / KL)	3423.88	4536.92
Total Cost - (Rs.)	93817349.07	127009100.00
Average Rate per Tonne - (Rs.)	27400.86	27994.58
4 Others / Internal generation		
HSD		
Quantity (Kilo Ltr)	301.68	369.64
Total Cost - (Rs.)	9140797.50	12125048.40
Average Rate per Kilo Ltr - (Rs.)	30299.25	32802.23
LDO		
Quantity (Kilo Ltr)	203.56	357.86
Total Cost - (Rs.)	7629860.22	12362835.34
Average Rate per Kilo Ltr - (Rs.)	37481.75	34547.05

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 efforts are dedicated to development of new products and continuous improvement in process, quality and cost of existing products. The combined efforts ensured a strong product portfolio in all categories including Ayurvedic, Health Care, Foods, Personal Care and Home Care products.

Ayurvedic: Key areas of R&D were - Development of new proprietary and classical Ayurvedic products, improvement in existing products, application of latest scientific tools to generate proof of efficacy data on ayurvedic products and sustainable Bio-resource developments.

Other areas:

- Development of quality standards of raw material, participation & contribution of two monographs on Ayurvedic medicinal plants to Indian Pharmacopoeia commission for publication in subsequent issues of Indian Pharmacopoeia.
- Recognizing the R&D strength of the company, AYUSH dept. has sponsored a project on development of SOPs & Quality specifications of 5 Bhasmas, which are - Lauh, Tamra, Abhrak, Mandoor & Swarna Makshik.

Food:

R&D focused on development of new products and cost reduction of existing products for the brands Real, Activ, Hommade, Lemoneez, Capsico, Natures Best, and Dabur - Chyawan Junior, Glucose, Hajmola, Honey and other health foods.

The key areas taken up for development during the year were;

- Fortification with vitamins and minerals for Real beverages
- Activ beverages fortified with soluble fibres
- Meal replacer beverage concept for Activ
- Cost reduction in Real, Activ juices and nectars and other products through alternative RM development
- Relaunch of Dabur Chyawan Junior with improved chocolate taste
- Development of white MFD with herbs
- Development of digestive powder beverage for Hajmola
- Development of Dabur Glucose single serve sachets & tablets.

Home Care:

R&D was carried out in categories of Hard Surface Cleaners, Repellents & Air Care products.

Personal Care:

R&D was carried out in categories of Oral care, skin care and hair care.

At the *plant level* R&D was also carried out for:

- Development of Cationic guar for personal care and paper industries
- Hydroxy propyl gum for paint and construction uses

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

Ayurvedic:

The R&D efforts have lead to the development and launch of new and improved products such as Chyawanprakash, Honitus Lozenges (Honi orange flavor), Dabur Balm Strong, Dabur Balm Double action, Pudin Hara G - Lemon Fizz, new variant of Hajmola Tablets in Kaccha Aam Flavor.

Besides the aforementioned products, the portfolio of Ayurvedic Classical products have been enriched with Vr. Vatgajankush Rasa (Gold), Krishna Chaturmukh Rasa, Saptavinshati Guggulu, Pushpadhanwa Ras in a tablet form for neurological disorders, Piles & fistula and reproductive health respectively.

Following existing products have undergone improvement for enhanced efficacy / quality.

1. Hingoli - Improved formulation for better efficacy
2. Sat Isabgol - As part of continuous efforts to improve quality, the purity of Dabur Sat Isabgol has been enhanced to 99%.

As a result of well-conceived bio-resources development programme, significant acreage of land has been brought under cultivation of endangered medicinal plants. In addition to this the group is also working closely with forest departments of different states for in-situ resource augmentation.

The cumulative deliveries from these projects have exceeded 250 tons & thereby saving more than 1000 tons of Biomass. The group is also working upon a variety of agronomic innovations & thereby shall enhance returns to the stakeholders.

Foods:

Broadly the benefits derived are as follows:

- Vitamins Fortified options of Orange, Mixed Fruit & pineapple beverages are expected to be commercialized in Q2, 2010.
- Activ beverages fortified with soluble fibres are ready for commercialization in Q-1 2010.
- Meal replacer beverage concept for Activ is being taken up by marketing for concept research. The same can be extended to dairy based high protein/nutrition beverage solutions also.
- Cost reduction in Real, Activ juices and nectars and other products through alternative RM development being commercialized in 2010 is expected to fetch a saving of around Rs 2.5 crores.
- Relaunch of Dabur Chyawan Junior with improved chocolate taste was launched successfully.
- Development of white MFD with herbs was completed successfully. It is expected to be taken up for commercialization in 2010.
- Samples of digestive powder beverage for Hajmola is under research and expected to be commercialized in 2010.
- Dabur Glucose single serve sachets commercialized & tablets is in the process of being commercialized.

Home care:

In the hard surface cleaners category two new products viz. Sanifresh extra power & Dazzl Glass cleaner were launched. Both the products have unique features and properties. In the core repellants category, development work including clinical studies for launch of Odomos oil has been completed. It will be launched as a new adjunct especially for the rural base. Odomos naturals cream was also launched and has received a good response from the consumers. In air care, Odonil was restaged with new & superior fragrances. The development of new longer lasting air freshener sprays will give a boost to the brand image. An entry into electrical airfreshener segment is now on cards.

Personal Care:

The R&D efforts have lead to the development and launch of following products:

Oral Care - Babool Mint Fresh Gel launched in India.

Skin Care - UVEDA Range of following products launched in India.

- Complete Fairness Cream
- 2 In 1 Moisturiser
- Moisturising Face Wash
- Clarifying Face Wash

Hair Care

- Vatika sun protect black shampoo- launched in India.
- Vatika Antidandruff Hair Oil launched in GCC
- Vatika Prostyle Hair Oil launched in Nepal
- Amla Cooling Hair Oil launched in GCC
- Warming & Cooling Massage Oil launched in US
- Sesame Oil launched in US
- Amla Snake Oils-3 variants launched in GCC
- Amla Hair Food-3 variants launched in South Africa
- Vatika rinse off conditioners launched in GCC

R&D at *plant level* has resulted in Cationic guar sale of 32 MT of paper grade and 16 MT of paint grade. Sale of D-Oiled Hydroxy propyl tamarind was of 15 MT.

3. Future plan of action:

Ayurvedic:

To continue to provide the benefits of ayurvedic healthcare system to masses by continuing R & D efforts in the upcoming lifestyle ailments & other niche areas like Acidity, Constipation, Pain, Cough & cold, Skin care, Health & well being.

Bio resource development projects have prepared a road map to attain self-sufficiency for 30 botanical species used by Dabur. This plan envisages saving of more than 5000 tons of natural resources.

Foods:

Future plans in this category are:

- Commercialization of Fortified beverages under Real & Activ.
- Development of Coconut milk powder, Gravy mixes and Bhuna masalas under Hommade.
- Tomato paste for institutional market.
- Move ahead on meal replacer beverage.
- Commercialization of White MFD,Digestive Powder Hajmola beverage, Glucose tablets.
- Develop digestive Hajmola jellies, chewing gums and mouth freshners.

Home Care:

New smaller formats of Odomos are being developed to reach a bigger consumer base. Efforts to make it still longer lasting and the option of fragrance variants & colors will also be explored. In air freshener's the focus is to deliver fragrances at lower cost & added value. Products like electric pluggy, longer lasting aerosol, novel pouch packing & economical packs will be introduced. Sanifresh acidic fragrance variants with high potency will be developed to give different choices to the consumers in toilet cleaning as well as fragrancing.

Personal Care:

Hair, Oral 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 being developed for male grooming and Oral hygiene. R&D formulators are ensuring regulatory compliance for timely introduction of the Personal Care products in overseas business.

At the *plant level* plans are to increase the volume of commercial production and to use Briquitte fired Boiler for Internal consumption of Herbal waste generated from chywanprash production, to counter the regular increase in Fuel prices. R&D is proposed to be carried out for Dry Tomato and Dry Ginger (Sunthi) production in Hot Air Dryer.

4. Expenditure on R&D (2009-10)

a)	Capital	Rs.551.41 lacs
b)	Recurring	Rs.153.91 lacs
c)	Total	Rs.705.32 lacs
d)	Total R&D expenditure as a percentage of Total Turnover	0.244%

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	
• Bio-gas (generated from ETP) utilization system provided for boiler Shrink Tunnel replaced with 3 collator (Heavy wattage to low wattage).	• Reduction in power usage and thereby reducing cost of production.
• Replacement of conventional bulb with CFL.	• Improved efficiencies and productivity.
	• Power Factor incentive received from State Electricity Board

Upgradation in manufacturing	
• One indigenous tilting kettle provided for making amla pisti. • Replacing high capacity boiler with low capacity boiler. • Installation of herbal extractors replacing old boiling pans.	• Reduction in consumption of fuel (FO) • Product improvement • Resulted in cost saving • Investment in herbal extractor has resulted in a saving of Rs.35 lacs from Oct'09 to Feb'10. Other benefits of Herbal Extractor have been ▪ reduced Steam consumption ▪ safe Working Condition ▪ improved quality
Waste Management	
• Herbal waste used as a fuel in boiler eg: Conversion of herbal waste into dry bio briquettes, Crushing herbal waste and using the same in the USAB reactor in ETP to generate more methane (Bio gas) which in turn is used as boiler fuel and directly using the herbal waste as a fuel in the boiler.	• Cleaner environment. • Better waste disposal. • Improved hygiene conditions. • Increased productivity
Innovative packaging concept	
U Veda - Ayurvedic Premium range for skin care: Face wash, Complete fairness and Moisturiser	• The U Veda range with packaging inputs has established this brand in line with major competitors. • The premium look of U Veda range has helped in attracting the customers and plays an important role for impulse buying. • High aesthetics and premiumness of the product was achieved within the desired cost.
10g Dazzl Silver Metal Polish	• Brand extension of 125g Dazzl Silver Metal Polish to very unique concept of Low Unit Pack (LUP) for sampling purpose.
Dabur Lal Tail 25ml	• Excellent graphics with premium feel of product in metallic flow wrap. • Better display on sale window due to hanging features. • Prominent Highlighted Sales price. • Easy dispensing on point of sale with flow wrap
Diwali Gift pack for Real and Activ 200ml/1 ltr.	• Created complete range of 11 unique concepts with excellent shelf throw /unique shapes and graphics showing festive spirit for promoting impulse buying

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	b) Year of import
	i. Odomos Coil manufacturing Technology from Malaysia	i. 2006-07
	ii. Semi automatic Tablet Counting & Filling Machine Labeling and cartooning machines Tetrapak straw applicator	ii. 2007-08
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
2 A C Burman HUF
3 Dr Anand Burman
4 Mrs Minnie Burman
5 Mr Aditya Burman
6 Mrs. Shivani Burman
7 Ms Anisha Burman
8 Mr Vivek Chand Burman
9 Mrs Monica Burman
10 Mr Mohit Burman
11 Mr Gaurav Burman
12 Mrs. Karima Burman
13 Ms Sujata Burman
14 V C Burman HUF
15 Mrs Asha Burman
16 Mr Amit Burman
17 Mrs Divya Burman
18 Master Adhiraj Burman
19 Ms Diya Burman
20 Mrs Gauri Tandon
21 Mr Sandeep Tandon
22 G C Burman HUF
23 Mr Pradip Burman
24 Mrs Meera Burman
25 Mr Chetan Burman
26 Mrs Pooja Burman
27 Master Kamran Burman
28 Ms Eishana Burman
29 Ms Devika Burman
30 Pradip Burman HUF
31 Mr Sidharth Burman
32 Mrs Indira Burman
33 Mr Saket Burman
34 Sidharth Burman (HUF)
35 A.B. Propmart Pvt. Ltd.
36 A.V.B. Finance Pvt. Ltd.
37 Acee Enterprises
38 Althea Lifesciences Limited
39 Angel Softech Pvt. Ltd.
40 Ayurvet Limited
41 B R Bee Products Pvt. Ltd.
42 B.A. Holdings Pvt. Ltd.
43 Burman Resorts Pvt. Ltd.
44 Burmans Finvest Pvt. Limited
45 Chowdry Associates
46 CNS Infotech (I) Pvt. Ltd.
47 Consortium Consumercare Pvt. Ltd.
48 Dabur Ayurvedic Specialities Ltd.
49 Dabur GI Invest Corp
50 Dabur Invest Corp
51 Dabur Investment Corporation
52 Dabur Pharmaceuticals Ltd.
53 Dabur Securities Pvt. Ltd.
54 Eastern Enterprises
55 Elephant India Advisors Pvt. Ltd.
56 Elephant India Finance Pvt. Ltd.
57 Excellent (India) Private Limited
58 Green Valley Products Pvt. Ltd.
59 Gyan Enterprises Private Limited
60 IMB Infrastructures Pvt. Ltd.
61 Interx Laboratories Private Limited
62 KBC India Private Limited
63 Lite Bite Foods Pvt. Ltd.
64 M.B. Finmart Pvt. Limited
65 Malhotras Trading Company Pvt. Ltd.
66 Milky Investment & Trading Company
67 Moonlight Ranch Private Ltd.
68 Newage Capital Services Pvt. Ltd.
69 Northern Herbal Farms Pvt. Ltd.
70 Puran Associates Private Limited
71 Ratna Commercial Enterprises Pvt. Ltd.
72 Sahiwal Inv. & Trading Company
73 Sanat Products Limited
74 Shree Investments Private Limited
75 Southern Enterprises
76 Sunshine India Pvt. Ltd.
77 Upvan Farms & Services Pvt. Ltd.
78 Vansh Holdings Pvt. Ltd.
79 Vertex Broadcasting Co. Pvt. Ltd.
80 VIC Enterprise Private Limited
81 Welltime Gold & Inv Pvt. Ltd.
82 Western Enterprises
83 Windy Investments Pvt. Ltd.
84 Wrapster Foods Pvt. Ltd.

AUDITORS' REPORT

To the Members of Dabur India Limited,

We have audited the attached Balance Sheet of Dabur India Limited (`the Company') as at 31st March, 2010 and its Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed 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, 2010 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, 2010, 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
Firm Registration No.301174E

Anil Kumar
Partner
Membership No. 9390

New Delhi
18th June, 2010

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) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which appear reasonable as per information available with ` the company'.
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 (i) (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. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months from the date of becoming payable.
   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 :-

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	Classification of Hajmola Candy, Chyawanprash	19.24	2005-06	The Appellate D.C. (CT)
-do-	Demand on Hajmola Candy	62.39	1997-98	ST Appellate and Revisional Board
-do-	Classification of Hajmola Candy	9.58	2000-01	-do-
-do-	Classification of Hajmola Candy	11.66	2001-02	-do-
-do-	Sales Tax on Stock Transfer	26.82	1991-02	High Court, Patna
-do-	Classification of Hajmola Candy	5.52	2007-08	The Appellate D.C. (CT) Appeals
-do-	Short payment of VAT	29.84	1998-99	Dy. Commissioner Appeals
-do-	Short payment of VAT	117.63	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 Appeals
-do-	Intt. On TOT & Surcharge	2.84	2001-02	Pending before Tribunal
-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	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	0.34	2003-04	Asst Commissioner Appeal
-do-	Entry Tax	0.49	2004-05	-do-
-do-	Turnover Tax CSD	0.47	2003-04	Pending before Tribunal
-do-	Form 18A disputed	0.45	1999-00	Dy. Commissioner
-do-	Hajmola Candy/Chyawanprash	1.04	2005-06	Dy. Commissioner Appeals
-do-	Rate of Tax Juices	111.44	2004-05	-do-
-do-	Non Submission of Form F	10.22	2004-05	-do-
-do-	Tax imposed on Hajmola Candy	24.47	2005-06	Pending before S J Appeal & revision bond
-do-	Non submission of form -F	0.65	2005-06	
	Non submission of form -F CST	5.47	2006-07	
	Non submission of form & certificates	8.79	2006-07	
-do-	Classification of LDM	19.72	1990-91	High Court Cuttack
-do-	-do-	34.19	1991-92	-do-
-do-	-do-	35.08	1992-93	-do-
-do-	Hajmola Candy	7.25	1993-94	Writ Petition filled with High court Cuttack
-do-	-do-	7.03	1994-95	-do-
-do-	-do-	7.32	1997-98	-do-
-do-	-do-	13.15	1998-99	-do-
-do-	Non Submission of F Form	156.76	2005-06	Dy. Commissioner
-do-	Non Submission of C Form	124.20	2006-07	-do-
-do-	Non Submission of F Form	156.76	2006-07	-do-
-do-	Dispute for Coconut Oil	54.53	2008-09	Appeals pending D.C

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	Dispute for Hajmola Candy	1.97	2005-06	-do-
-do-	Dispute for Hajmola Candy	0.46	2005-06	-do-
-do-	-do-	2.27	1998-99	-do-
-do-	-do-	12.34	1999-00	-do-
-do-	-do-	4.19	2001-02	-do-
-do-	-do-	1.50	2002-03	-do-
-do-	Transporter related issue	4.20	2006-07	Pending DCCT (Appeal)
-do-	Truck detailed at Checkpost	0.10	2004-05	D.C.Appeal
-do-	Hajmola Candy	5.53	2003-04	S.T.Appeal & Provision
-do-	Non submission of C Forms	0.85	2003-04	-do-

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 (A), Delhi
-do-	Demand u/s 158 BFA	7.76	1996-97 to 2002-03	CIT (A) Mumbai
-do-	Penalty u/s 271 (1) (6)	10.51	2004-05	Assessing Officer ITAT
-do-	Penalty u/s 271 (1) (6)	11.85	2003-04	-do-

EXCISE DUTY :-

Excise Duty	Classification of Anmol Coconut Oil	514.60	1993-2001	Dy.Commissioner Appeals
-do-	Modvat on Capital goods	0.82	1996	Dy.Commissioner
-do-	Modvat on inputs (57H)	2.42	1998	Tribunal
-do-	Hajmola Candy	113.07	2004-05	Commissioner Appeals/High Court
-do-	Classification on Animal Feed supplement	174.75	1994-2003	Commissioner Appeals
-do-	Post manufacturing expenses	0.38	2004-05	Commissioner
-do-	Classification of Janma Ghunti	79.86	1994-2000	Commissioner
-do-	Kewra Water	3.00	01/00-02/02	Tribunal ,
Service Tax	Import of service	3.07	2004-05	Commissioner Appeals
-do-	S Tax on Royalty	124.17	04/01-03/05	Tribunal
-do-	Service tax on ISD	13.88	05/05-06/06	Commissioner Appeals
-do-	Service tax on FO	158.01	04/04-12/08	Commissioner Appeals
Excise	Classification of Processed Tamarind	58.95	2004-05	Tribunal
-do-	Kewra Water	3.00	2001-02	Commissioner Appeals

Name of Statute	Nature of the dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where the dispute is pending
Excise	Post Manufacturing Expenses	277.10	2002	Commissioner Appeals
-do-	Capital Goods Removal	30.22	2005-06	Tribunal
-do-	Valuation of Docetaxel/Paclitaxel	498.34	1997-2003	Tribunal
-do-	Freight on Wt average	1.91	08/01-10/02	Commissioner
-do-	MOT Charges	4.46	04/03-03/08	Commissioner Appeals
-do-	PME	29.91	10/96-09/00	Commissioner Appeals
-do-	Exemption in Backward Area	259.35	2006	Tribunal

10. `The Company' does not have accumulated losses at the end of the financial year. `The Company' has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. 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.
12. `The company' has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, `the Company' is not a Chit Fund/ Nidhi/ Mutual Benefit Fund/ Society. Accordingly, paragraph 4 (xiii) of the order is not applicable.
14. 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.
15. `The company' has given guarantees for loans taken by others from banks or financial institutions. The terms and conditions there-of are not prima facie prejudicial to the interest of the company.
16. The term loans taken by `the company' have been applied for the purpose for which they were raised.
17. No short term fund has been applied for long term purpose.
18. `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.
19. `The Company' has not issued any secured debentures during the year.
20. `The Company' has not raised any fund through public issue during the year
21. 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.

For **G. BASU & CO.**
Chartered Accountants
Firm Registration No.301174E

Anil Kumar
Partner
Membership No 9390

New Delhi
18th June, 2010

BALANCE SHEET as at March 31, 2010

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

	Schedule	As at March 31, 2010		As at March 31, 2009	
SOURCES OF FUNDS :					
Shareholders' Funds :					
Capital	A	8,690		8,651	
Reserves & Surplus	B	66,248	74,938	65,169	73,820
Loan Funds:					
Secured Loans	C	2,427		1,065	
Unsecured Loans	D	8,570		13,072	
			10,997		14,137
Deferred Tax Liability (Net)	EB		1,195		695
Total			**87,130**		**88,652**
APPLICATION OF FUNDS :					
Fixed Assets :					
Gross Block	F	68,723		51,877	
Less : Depreciation		23,628		21,045	
Net Block		45,095		30,832	
Capital work in Progess (including capital advances)		2,331	47,426	5,171	36,003
Investments	G		34,851		43,690
Current Assets, Loans and Advances:	H				
Inventories		29,844		26,172	
Sundry Debtors		13,048		11,236	
Cash & Bank Balances		16,391		14,369	
Loans & Advances		32,512		22,728	
		91,795		74,505	
Less: Current Liabilities and Provisions	EA				
Liabilities		43,206		33,121	
Provisions		44,010		33,289	
		87,216		66,410	
Net Current Assets			4,579		8,095
Miscellaneous Expenditure (To the extent not written off or adjusted)	IA		274		864
Notes to Accounts	P				
Total			**87,130**		**88,652**

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

Anil Kumar
Partner
Membership Number: 9390

Place: New Delhi
Dated: 18th June 2010

For **Dabur India Ltd.**

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

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

PROFIT & LOSS ACCOUNT for the year ended March 31, 2010

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

	Schedule	For the year ended March 31, 2010	For the year ended March 31, 2009
INCOME :	J		
Sales Less Returns		288045	242368
Less: Excise Duty		2358	2752
Net Sales		**285687**	**239616**
Other Income		3284	4306
Total Income		**288971**	**243922**
EXPENDITURE :			
Cost of Materials	K	137393	122243
Manufacturing Expenses	L	7618	7076
Payments to and provisions for Employees	M	21234	16732
Selling and Administrative expenses	N	65706	50901
Financial Expenses	O	560	1334
Miscellaneous Expenditure Written off	IB	566	394
Depreciation		3191	2742
Total Expenditure		**236268**	**201422**
Balance being Operating Net Profit before Taxation		**52703**	**42500**
Provision for Taxation Current		8966	4748
Deferred		404	-255
Fringe Benefit		0	651
Net Profit After Taxation		**43333**	**37356**
Balance Brought Forward		42894	32323
Provision for Taxation of earlier years written back		(2)	0
Provision for Taxation of earlier years		21	72
		86208	69607
APPROPRIATIONS			
Interim Dividend		6498	6488
Proposed Final Dividend		10862	8651
Corporate Tax on Interim Dividend		1104	1103
Corporate Tax on Proposed Dividend		1846	1470
Transferred to Capital Reserve		207	1
Transferred to General Reserve		13000	9000
Balance carried over to Balance sheet		**52691**	**42894**
		86208	**69607**
EARNING PER SHARE (in Rs.) after consideration of extraordinary item (Re 1/- Per Share)			
Basic		4.99	4.31
Diluted		4.97	4.29
EARNING PER SHARE (in Rs.) without consideration of extraordinary item (Re 1/- Per Share)			
Basic		4.98	4.31
Diluted		4.96	4.29
NOTES TO ACCOUNTS	P		

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

Anil Kumar
Partner
Membership Number: 9390

Place: New Delhi
Dated: 18th June 2010

For **Dabur India Ltd.**

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

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

STATEMENT OF CASH FLOW (Pursuant to AS-3 issued by ICAI) - Indirect Method

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

Particulars	For the year ended March 31, 2010		For the year ended March 31, 2009	
A. Cash Flow from Operating Activities				
Net Profit Before Tax and Extraordinary Items		52,703		42,500
Add: Depreciation	3,191		2,742	
Provision for Contigent Liability	-		13	
Loss on Sale of Fixed Assets (incl. Extraordinary Item Rs 3, Pre. Yr. Nil)	43		14	
Fixed Assets Impairment Loss	159		258	
Miscellenous Exp. Written Off	594		438	
Miscellenous Exp. Written Off (included in Director Remun.)	353		287	
Interest	560	4,900	1,334	5,086
		57,603		47,586
Less: Profit on Sale of Investment	1,268		2,088	
Profit on Sale of Assets (incl. Extraordinary Item Rs 190, Pre. Yr. Nil)	244	1,512	42	2,130
Operating Profit before Working Capital Changes		56,091		45,456
Working Capital Changes :				
Increase/(Decrease) in Inventories	2,685		6,057	
Increase/(Decrease) in Debtors	(525)		1,191	
Decrease/(Increase) in Trade Payables	(6,656)		(1,442)	
Increase/(Decrease) in Working Capital		(4,496)		5,806
Cash Generated from Operating Activities		60,587		39,650
Interest Paid	560		1,338	
Tax Paid	9,304		3,751	
Corporate Tax on Dividend	2,574	12,438	2,204	7,293
Cash Used(-)/(+)Generated for Operating Activities (A)		**48,149**		**32,357**
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets		(12,836)		(9,687)
Sale of Fixed Assets (including Extraordinary Item Rs .1130, Pre. Year Nil)		1,774		413
Purchases of Investment including Investment n Subsidiaries		(532,837)		(401,631)
Sale of Investments		517,145		387,067
Cash Used(-)/(+)Generated for Investing Activities (B)		**(26,754)**		**(23,838)**
C. Cash Flow from Financing Activities				
Proceeds from Share Capital & Premium		25		11
Repayment(-)/Proceeds (+) of Long Term Secured Liabilities		(845)		(328)
Repayment(-)/Proceeds(+) from Short Term Loans		591		(491)
Repayment(-)/Proceeds(+) from other Unsecured Loans		(4,811)		12,982
Payment of other Advances of the nature of Loan		-		(183)
Payment of Dividend		(15,148)		(12,968)
Cash Used(-)/+(Generated) in Financing Activities (C)		**(20,188)**		**(977)**
Net Increase(+)/Decrease (-) in Cash and Cash Equivalents (A+B+C)		**1,207**		**7,542**
Cash and Cash Equivalents Opening Balance		**15,184**		**6,826**
Cash and Cash Equivalents Closing Balance		**16,391**		**14,368**
Cash & Cash Equivalent (Year End)				
Cash in Hand		13		24
Remittance in Transit including Cheques in Hand		47		59
Balances in Bank : Current Account	4,820		4,133	
Fixed Deposit Account	11,511	16,331	10,152	14,285
Total		16,391		14,368

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

Anil Kumar
Partner
Membership Number: 9390

Place: New Delhi
Dated: 18th June 2010

For **Dabur India Ltd.**

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

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

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

	As at March 31, 2010	As at March 31, 2009
Schedule A-Share Capital		
Authorised :		
1450000000 Equity Shares of Re. 1 each (Previous Year 1450000000 Equity Shares of Re. 1 each)	14,500	14,500
	14,500	**14,500**
Issued and Subscribed:		
867585830 Equity Shares of Re.1 each fully called up (Previous Year 865076249 Equity Shares of Re. 1 each)	8,676	8,651
Share Capital Suspense Account	14	-
	8,690	**8,651**

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 2509581 (previous year 1053276) shares have been allotted during the year and 1745965 (previous year 3995407) shares are outstanding under Employees Stock Option Scheme.
4. Of the above shares issued & subscribed, 8610721 (previous year 6101140) shares have been allotted upto 31st March 2010 under Employees Stock Option Scheme.
5. 1384620 number of equity shares of Rs. 1/- each are poised for allotment (for consideration other than cash) in favour of minority shareholders of erstwhile Fem Care Pharma Limited on account of consideration of merger of Fem Care Pharma Ltd. with the Company retrospectively since 01.04.2009. Pending allotment of said shares, entire consideration money has been shown as share capital suspense account.

Schedule B-Reserves and Surplus				
Capital Reserve :				
As per last account	2,337		2,336	
Add : Transferred from Profit & Loss A/c	207	2,544	1	2,337
Share Premium Account : As per last account	1,392		867	
Add: Premium on issue of Shares	1,660		525	
	3,052			1,392
Less: Adjustment for merger	(3,052)	0		
General Reserve :				
As per last account	15,786		5,575	
Add : Transferred from Profit & Loss A/c	13,000		9,000	
	28,786		14,575	
Add/(Less) : Utilised for Service Benefit	-		1,834	
Add/(Less) : Deferred Tax Applicable thereon	-		(623)	
Less: Adjustment for merger	19,228	9,558	-	15,786
Profit and Loss Account	52,691	52,691	42,894	42,894
Employee Stock Option Scheme Outstanding				
As per last account	2,759		3,091	
Add: Addition during the year	484		527	
	3,243		3,618	
Less: Allotted during the year	1,660		525	
Less: Deletion during the year	128	1,455	333	2,760
Total		**66,248**		**65,169**

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

	As at March 31, 2010	As at March 31, 2009
Schedule C-Secured Loans		
A. Term Loans :		
I) **Foreign Currency Loan (from Banks)** Secured by: First charge of Land,Building,Plant and Machinery and Movable fixed assets of Nashik Unit and Fixed Assets of Research and Development Division	1039	-
II) **GE Capital Services India (other than Banks)** Secured by: First charge on the movable and immovable assets including Plant and Machinery (present and future) situated at Kartowa, PO Mahanvita Distt. Jalpaiguri	0	218
III) **Deferred Payment Credit (other than Banks)** Secured By : Hypothecation of Machines acquired under DPC	190	240
B. Short Term Loans - from Banks : 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, ICICI Bank Ltd and Corporation Bank.	1198	607
	2427	**1065**
Schedule D-Unsecured Loans		
Book Overdraft of Current Account with Banks	0	1
Short Term Loan from Bank	7,890	11,000
Sales Tax Deferred (Sales Tax Incentive (deferral) under Package Scheme of Incentives. 1988 (Repayable within one year: Rs.31, previous year NIL)	290	-
Security Deposit from Dealers and Others	390	71
Commercial Papers	-	2,000
Total	**8,570**	**13,072**

NOTES:
Maximum amount of Commercial Papers outstanding during the Year Rs. 4000 (Previous Year Rs. 2000)

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

	As at March 31, 2010		As at March 31, 2009	
Schedule EA-Current Liabilities and Provisions				
A. Current Liabilities :				
Acceptance	6,087		4,527	
Creditors for Goods				
SME Units (Principal)	654		1,755	
Others	9,233		9,021	
Creditors for Expenses and other Liabilities	25,015		17,367	
Advance from Customers	1,912		194	
Interest Accrued but not due on loans	1		1	
Investor Education and Protection fund to be credited by :				
Unpaid Dividend	304	43,206	256	33,121
B. Provisions :				
For Dividend (Proposed) - Final	10,862		8,651	
For Corporate Tax on Proposed Dividend Final	1,846		1,470	
For Liabilities Disputed	176		176	
For Gratuity	1,325		1,444	
For Leave Salary	389		269	
For Others	6,124		5,395	
For Taxation :				
Brought forward	15,884		12,250	
Inherited from Merged Company	1,147		-	
Provision for the year	8,557		5,399	
	25,588		17,649	
Adjusted during the year	2,300		1,765	
	23,288	44,010	15,884	33,289
		87,216		**66,410**
Note : SME units as above means small and micro enterprises registered 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		3,577		3,049
Less: Deferred Tax Assets :				
VRS Payment	-		19	
Other disallowances under section 43B of Income Tax Act, 1961	57		43	
Provision for Contingent Liability	60		60	
Provision for Service Benefits	1,840		1,812	
Provision for Doubtful Advances	19		-	
Provision for Doubtful Debts	406	2,382	420	2,354
Net Deferred Tax Liability		**1,195**		**695**
(Decrease)/Accretion in Deferred Tax Liability		500		368
Less: Deferred Tax Liability inherited from Merged Entity		96		-
Less: Deferred Tax Assets Trf /(from)to General Reserve		-		(623)
Deferred Tax Liability provided during the year		**404**		**(255)**

Schedule F-Fixed Assets

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

	Gross Block					Depreciation					Net Block	
Name of Asset	Opening	Trf from Merged Company	Addition	Deletion	Closing	Opening	Trf from Merged Company	Addition	Deletion	Closing	As on 31.03.2010	As on 31.03.2009
Freehold land	1142	97	2224	24	3439	0	-	0	0	0	3439	1142
Leasehold Land	934	7	29	0	970	74	1	11	1	85	885	860
Building,Roads & Culvert	16060	1859	8123	755	25287	4343	201	502	44	5002	20285	11717
Plant & Machinery	24416	1687	4726	1809	29020	11041	358	1731	983	12147	16873	13375
Vehicles	1311	173	150	327	1307	516	29	225	172	598	709	795
Furniture & Off Equipment	2870	255	123	45	3203	1814	67	169	51	1999	1204	1056
Computers	3037	93	315	122	3323	2205	32	269	99	2407	916	832
Tenancy Rights	1113	63	0	0	1176	635	50	85	0	770	406	478
Software	994	4	0	0	998	417	4	199	0	620	378	577
	51877	4238	15690	3082	68723	21045	742	3191	1350	23628	45095	30832
Capital Work In Progress	5171	14	2326	5180	2331	0	-	0	0	0	2331	5171
Total Assets	**57048**	**4252**	**18016**	**8262**	**71054**	**21045**	**742**	**3191**	**1350**	**23628**	**47426**	**36003**
Previous Year	48420	-	10499	1871	57048	18977	-	2742	674	21045	36003	-

Note :
Capital work in progress includes advance against capital goods Rs.1390 (Previous Year Rs.592)

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

	Numbers (As on 31.3.2010)	As at March 31, 2010	As at March 31, 2009
Schedule G-Investments			
A Current Investments			
Quoted-other than Trade			
1 Axis Mutual fund	-	-	0.00
(Purchase during the year Units 2000000)	(-)		
(Sold during the year Units 2000000)			
2 LIC Mutual Fund	-	-	0.00
(Purchase during the year Units 892563587.41)	(-)		
(Sold during the year Units 892563587.41)			
3 LIC Mutual Fund	4,808,413.83	734.31	0.00
(Purchase during the year Units 84799502.41)	(-)		
(Sold during the year Units 79991088.58)			
4 DWS Mutual Fund	-	-	1,847.00
(Purchase during the year Units :60121049.68)	(16,196,923.72)		
(Sold during the year Units 76317973.41)	(-)		
5 DWS Mutual Fund	3,646,031.25	400.04	0.00
(Purchase during the year Units 6424812.48)	(-)		
(Sold during the year Units 2778781.23)			
6 Taurus Mutual Fund	432,190.63	4,657.21	0.00
(Purchase during the year Units 66199878.29)	(-)		
(Sold during the year Units 65767687.65)			
7 Birla Mutual Fund	4,308,376.34	500.00	0.00
(Purchase during the year Units 87823364.26)	(-)		
(Sold during the year Units 83514987.92)			
8 CHOLA Liquid Fund - Institutional Plus-Growth	15,000,000.00	1,500.00	0.00
(Purchase during the year Units 38073507.0502081)	(-)		
(Sold during the year Units 23073507.0495295)			
9 DSP Mutual Fund	-	-	0.00
(Purchase during the year Units 2377229.18)	(-)		
(Sold during the year Units 2377229.18)			
10 ABN Amro Mutual Fund	-	-	0.00
(Purchase during the year Units 329188773.30)	(-)		
(Sold during the year Units 329188773.30)			
11 Lotus Liquid Fund			
(Purchase during the year Units 13928354.04)	-	-	0.00
(Sold during the year Units 13928354.043)	(-)		
12 JPM Mutual Fund	-	-	0.00
(Purchase during the year Units 101945550.39)	(-)		
(Sold during the year Units 101945550.39)			
13 Kotak Mahindra Mutual Fund	35,808,262.15	4,000.00	500.00
(Purchase during the year Units 277045655.887596)	(5,000,000.00)		
(Sold during the year Units 246237393.738666)			

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

	Numbers (As on 31.3.2010)	As at March 31, 2010	As at March 31, 2009
Schedule G-(Contd.)			
14 Principal Mutual Fund (Purchase during the year Units 8575273.19952943) (Sold during the year Units38201015.6918179)	- (29,625,742.49)	-	4,100.53
15 Prudential Mutual Fund (Purchase during the year Units 101255132.692809) (Sold during the year Units 91255132.6947974)	10,000,000.00 (-)	1,000.00	0.00
16 Reliance Liquid Fund (Purchase during the year Units 206244795.792493) (Sold during the year Units 203193136.258781)	8,051,659.53 (5,000,000.00)	1,000.00	500.00
17 HSBC Mutual Fund (Purchase during the year Units 50631786.77) (Sold during the year Units 50631786.77)	- (-)	-	0.00
18 SCB Mutual Fund (Purchase during the year Units 130029075.517848) (Sold during the year Units109519409.182424)	20,509,666.34 (-)	2,490.99	0.00
19 Sundram Mutual Fund (Purchase during the year Units 12934230.6895138) (Sold during the year Units 25463739.5641878)	- (12,529,508.88)	-	2,330.00
20 TATA Mutual Fund (Purchase during the year Units 73644229.0279716) (Sold during the year Units 48650883.8083293)	24,993,345.22 (-)	2,500.82	0.00
21 UTI Mutual Fund (Purchase during the year Units 14555816.0030986) (Sold during the year Units 449389.841996862)	14,106,426.16 (-)	1,500.00	0.00
22 HDFC Mutual Fund (Purchase during the year Units 55332252.3819901) (Sold during the year Units 50330304.4228381)	5,001,947.96 (-)	500.19	0.00
23 HDFC Mutual Fund(Fem) (Purchase during the year Units 2518098.90217555) (Sold during the year Units 18873.662)	2,499,225.24 (-)	250.00	0.00
24 Templeton Mutual Fund (Purchase during the year Units 368689357.88) (Sold during the year Units 368689357.88)	- (-)	-	0.00
25 Templeton Mutual Fund(Fem) (Purchase during the year Units 49613122.3484734) (Sold during the year Units 38706337.358174)	10,906,784.99 (-)	1,374.94	0.00
26 JM Mutual Fund (Purchase during the year Units 78547050.18) (Sold during the year Units 78547050.18)	- (-)	-	0.00

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

		Numbers (As on 31.3.2010)	As at March 31, 2010	As at March 31, 2009
Schedule G-(Contd.)				
27	CANARA Mutual Fund (Purchase during the year Units 58056002.0806034) (Sold during the year Units 66875194.6292077)	14,583,788.06 (23,402,980.60)	1,500.16	2,500.00
28	Morgan Stan Mutual Fund (Purchase during the year Units 2000000) (Sold during the year Units 2000000)	- (-)	-	0.00
29	Bank of Baroda (Purchase during the year Units 191504034.80307) (Sold during the year Units 181185483.78402)	10,318,551.02 (-)	1,078.00	0.00
B.	**Long Term Investment:**			
I)	**Unquoted -Equity Shares - (Other than trade)**			
1	Sanat Products Ltd	50,000 (50,000)	105.00	105.00
2	Dabon International Pvt Limited	-	27.00	27.00
3	Forum 1 Aviation Ltd	4,550,000 (4,550,000)	456.14	456.14
II)	**Quoted -Equity Shares - Other than Trade Investments (Inherited from merged entity)**			
1	Colgate Palmolive India Ltd	100 (-)	0.44	0.00
2	Indusind Bank Ltd	1,600 (-)	0.72	0.00
3	Trent Limited	200 (-)	0.69	0.00
4	Proctor & Gamble (I) Ltd	225 (-)	0.71	0.00
5	Hindustan Unilever Ltd	2,500 (-)	1.91	0.00
6	Godrej Consumer Products Ltd	400 (-)	0.09	0.00
7	Godrej Industries Ltd	600 (-)	0.13	0.00
8	Saraswat Co-Op Bank Ltd	10,000 (-)	0.10	0.00
9	The NKGSB Co-Op Bank Ltd	10,000 (-)	1.00	0.00
10	Rupee Co-Op Bank	100 (-)	0.03	0.00
III)	**Unquoted Equity Shares -in wholly owned Subsidiaries**			
1	Dabur International Limited	1,600,000 (1,600,000)	4,465.50	4,465.50
2	H & B Stores Ltd (45000000 shares allotted during the year)	460,000,000 (415,000,000)	4,600.00	4,150.00
3	Dermoviva Skin Essentials Inc (inherited from merged entity)	65,000 (-)	28.43	0.00

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

		Numbers (As on 31.3.2010)	As at March 31, 2010	As at March 31, 2009
Schedule G-(Contd.)				
IV)	**Unquoted Equity Shares - Other than Trade**			
1	Commerce Centre Cooperative Housing Society Limited	15 (15)	0.02	0.02
2	Capexil (Agencies) Limited	3 (3)	0.01	0.01
3	Dabur Employees Consumers Co-op Stores Limited Stores Limited	250 (250)	0.03	0.03
4	Dabur Employees Cooperative Credit Society Ltd	650 (650)	0.07	0.07
5	Co-operative Stores Limited, Super Bazar	500 (500)	0.05	0.05
6	Saraswat Co-op Bank Ltd	1,000 (1,000)	0.10	0.10
7	Shivalik Solid Waste Management Ltd (inherited from merged entity)	18,000 (-)	1.80	0.00
V)	**Investment In Capital of Parnership Firm**			
1	Balsara International		49.49	0.00
VI)	**Government Bonds/Securities other than Trade**			
1	Power Finance Corporation of India	-	-	199.83
2	Power Finance Corporation of India	-	-	551.60
3	Power Finance Corporation of India	-	-	548.61
4	IRFC Limited	-	-	549.39
5	Rural Electricfication Corporation of India	-	-	300.00
6	National Saving Certificates (inherited from merged entity Rs 0.53)	-	1.80	1.27
7	Kisan Vikas Patra	-	0.07	0.07
C.	**Share Application money in subsidiary Pending Allotment (paid during the year)**	-	150.00	100.00
D.	**Advance against equity shares of Fem Care Pharma Ltd**		-	20,484.35
	Total		34,877.99	43,716.57
	Less Provision for diminution in value of long term trade investment	-	26.99	26.99
	Total		**34,851.00**	**43,689.58**
	NOTES :			
	Aggregate Book Value of Quoted Investments		24,991.36	11,777.54
	Aggregate Book Value of Other Investments		9,859.64	31,912.04
	Aggregate Market Value of Quoted Investments (Based on 31.03.2010)		25,052.06	11,847.75

NOTES :

1 All Equity shares are fully paid up.
2 Provision for dimunition in long term trade investment pertains to investment in Dabon International Pvt Ltd.
3 Share Application Money pending allotment pertains to H & B Stores Ltd.
4 No. of units/bonds of previous year given in brackets.
5 Disclosure of shareholding in subsidiaries held directly by the company :

Name of Subsidiaries	% Stake
Dabur International Ltd	100% held by Dabur India Limited
H & B Stores Ltd	100% held by Dabur India Limited
Dermoviva Skin Essentials INC (inherited from merged entity)	100% held by Dabur India Limited

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

	As at March 31, 2010		As at March 31, 2009	
Schedule H-Current Assets, Loans and Advances				
A Current Assets :				
Inventories				
Raw material	8,778		7,127	
Packing Material, Stores and Spares	4,291		3,914	
Stock in Process	5,157		5,311	
Finished Goods	11,618	29,844	9,820	26,172
Sundry Debtors (Unsecured) :				
Debts Outstanding for a period exceeding six months :				
Considered Good	674		26	
Considered Doubtful	1,194		1,235	
	1,868		1,261	
Less : Provision for Doubtful Debts	1,194		1,235	
	674		26	
Other Debts (Considered Good)	12,374	13,048	11,210	11,236
Cash and Bank balances				
Cash in Hand	13		24	
Balances with Scheduled Banks :				
In Current accounts (includes Rs. 304 in Unpaid Dividend Account, Previous Year Rs. 256)	4,820		4,133	
In Fixed Deposits Accounts (pledged with Government authoroties Rs. 10, previous Year Rs. 10)	11,511		9,153	
Balance with Non Scheduled Banks :				
In Fixed Deposits Accounts	-		1,000	
Remittance in transit & Cheques in hand	47	16,391	59	14,369
		59,283		51,777
B. Loans and Advances (Unsecured, Considered Good)				
Loans & Advances to Subsidiaries	390		-	
Security Deposit with various authorities (including Deposit with Govt. Authorities Rs.467.09 Previous year Rs. 421.85)	2,187		1,877	
Advance Payment of Tax	24,250		16,373	
Advances to Suppliers (Net of provision for doubtfuls Rs. 82 lacs, inherited on merger)	2,006		1,411	
Advance to Employees (Net of provision for doubtfuls Rs. 20 lacs, previous year Rs. Nil)	223		227	
Balance with Excise Authorities	2,250		1,905	
Other Advances Recoverable in Cash or in kind or for value to be received	1,206	32,512	935	22,728
Total (A+B)		**91,795**		**74,505**

NOTES :

1. In the opinion of Board of Directors, the Current Assets, Loans and Advances have realizable value at least equal to the amount at which they are stated.
2. Loans and Advances
   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) 0 2

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

	As at March 31, 2010		As at March 31, 2009	
Schedule H-(Contd.)				
3. Additional Disclosure as per Clause 32 of Listing Agreement				
Loans and Advances to Subsidiaries:				
Dermoviva Skin Essentials INC (USA)				
- Amount outstanding		390		0
- Maximum amount outstanding during the year		838		0
Schedule IA-Miscellaneous Expenditure				
(To the extent not written off or adjusted)				
Technical Knowhow fees paid	-		9	
Less: Amortised during the year	-	-	9	-
Deferred Employee Compensation under ESOP				
Opening balance	864		1,386	
Addition during the year	484		527	
Less : Cancelled during the year	128		333	
	1,220		1,580	
Less: Amortisation related to Subsidiary	27		44	
Less: Amortised during the year	919	274	672	864
Total		**274**		**864**
Schedule IB-Miscellaneous Expenditure Written Off				
Technical Knowhow fees paid		-		9
Deferred Employee Compensation under ESOP	919		672	
Less : Transferred to Director remuneration	353	566	287	385
Total		**566**		**394**

SCHEDULE Annexed to and forming part of Profit & Loss Account for the year ended March 31, 2010

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

	For the year ended March 31, 2010		For the year ended March 31, 2009	
Schedule J-Sales and Other Income				
A Sales :				
Domestic Sales less returns		275,393		230,163
Export sales		12,652		12,205
		288,045		**242,368**
B. Other Income :				
Export subsidy		533		681
Rent realised		142		9
(Tax deducted at source Rs. 15 Previous year Rs. Nil)				
Sale of scrap		522		503
Royalty		-		32
Miscellaneous receipts		575		950
Profit on Sale of long term investment other than trade		-		76
Profit on Sale of current investments other than trade		1,268		2,013
Profit on Sale of Fixed Assets		244		42
(Including Capital Profit of Rs. 207; Previous Year Re 1)				
		3,284		**4,306**
Schedule K-Cost of Materials				
Raw Materials Consumed :				
Opening Stock	7,127		5,749	
Add : Inherited through merger	385		-	
Add : Purchases	60,936		58,172	
	68,448		63,921	
Less : Closing Stock	8,778	59,670	7,127	56,794
Packing Material Consumed :				
Opening Stock	3,901		3,120	
Add : Inherited through merger	10		-	
Add : Purchases	39,492		33,200	
	43,403		36,320	
Less : Closing Stock	4,263	39,140	3,901	32,419
Purchase of Finished Products		39,551		36,919
Adjustment of Stocks in Process and Finished Goods				
Opening Stock :				
Stock in Process	5,311		3,350	
Finished Products	9,820		7,892	
Stock in Process inherited through merger	70		-	
Finished Goods inherited through merger	606		-	
	15,807		11,242	
Closing Stock :				
Stock in Process	5,157		5,311	
Finished Products	11,618		9,820	
	16,775		15,131	
Increase/(Decrease) in Stock in Process and Finished Goods		(968)		(3,889)
		137,393		**122,243**

SCHEDULE Annexed to and forming part of Profit & Loss Account for the year ended March 31, 2010

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

	For the year ended March 31, 2010		For the year ended March 31, 2009	
Schedule L-Manufacturing and Operating Expenses				
Power and Fuel		3543		3663
Stores and Spares Consumed		1036		1042
Repairs & Maintenance				
Building		221		224
Plant & Machinery		374		374
Others		544		388
Processing Charges		1900		1385
		7618		**7076**
Schedule M-Payment to and Provisions for Employees				
Salaries, Wages and Bonus		17001		13254
Contribution to Provident and Other Funds		1896		1691
Workmen and Staff Welfare		865		525
Directors' Remuneration (including perquisites Rs. 353 previous year Rs. 287 under ESOP)		1472		1262
		21234		**16732**
Schedule N-Selling and Administrative Expenses				
Rent		1714		1410
Rates and Taxes		286		267
Insurance		268		228
Sales Tax		167		101
Freight & Forwarding Charges		5288		5007
Commission, Discount and Rebate		3021		2275
Advertising and Publicity		39003		28493
Travel & Conveyance		2724		2082
Legal & Professional		1807		978
Telephone, Fax Expenses		366		292
Security Expenses		377		300
General Expenses		9627		7852
Directors' Fees		14		10
Auditors' Remuneration :		0		
- Audit Fee	47		22	
- Reimbursement of Expenses	17		13	
- Provident Fund and certificates	19	83	19	54
Donation		613		363
Contribution to Scientific Research Expenses		50		166
Provision for Doubtful Debts		96		738
Loss on Sale of Fixed Assets		43		14
Provision for Contingent Liability (net of provision written back Rs 22, previous year Rs.17)		0		13
Fixed Assets written down		159		258
		65706		**50901**
Schedule O-Financial Expenses				
Interest paid on :				
Fixed Period Loan	224		667	
Others (Net of Int. received Rs.768 TDS thereon Rs. 64 Previous Year Rs. 113 TDS thereon Rs 8)	15	239	318	985
Bank Charges		321		349
		560		**1,334**

SCHEDULE Annexed to and forming part of the Accounts for the year ended March 31, 2010.

Schedule P-Accounting Policies & Notes To Accounts

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

A. ACCOUNTING POLICIES

Significant accounting policies are summarized below:

1. Accounting Convention:

The accounts have been prepared in accordance with the historical cost convention under accrual basis of accounting as per Indian GAAP. Accounts and disclosures thereon comply with the Accounting Standards specified in Companies (Accounting Standard) Rules, other pronouncements of ICAI, provisions of the Companies Act, 1956 and guidelines issued by SEBI as applicable.

Indian GAAP enjoins management to make estimates and assumptions that affect reported amount of assets, liabilities, revenue, expenses and contingent liability pertaining to year, the financial statements relate to. Actual result could differ from such estimates. Any revision in accounting estimate is recognized prospectively from current year and material revision, including its impact on financial statement, is reported in notes to accounts in the year of incorporation of revision.

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 and as per the useful lives of the assets estimated by the management when useful life of the assets is deemed less 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 impair able 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 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, individual tangible fixed assets of various CGU's are identified for writing 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 overheadupto the stage of completion.
- Finished goods : Cost of input plus appropriate Overhead.

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

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.

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.

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.

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

- 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.

14. Derivative Trading :

The company enters into derivative transaction of the nature of currency future or forward contract with the object of hedging against adverse currency fluctuation only (not being for trading or speculation) in respect of import / export commitment and exposure in foreign currency. The contracts are by and large mark to market and loss, if any, sustained on open contract is recognized in accounts. However gain, if any, in this connection is not recognized as a measure of prudence.

15. Miscellaneous Expenditure:

- Deferred Employees Compensation under ESOP is amortized on straight line basis over vesting period.
- Share issue expenses and research fee paid to technical collaborators are charged to revenue in the year of is occurrence

B : NOTES TO ACCOUNTS

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

	As at 31st March 2010	As at 31st March 2009
Cost/Revalued	17229	11049
Written Down	14007	8178

2. Loans and Advances include Rs.49 (Previous year Rs.49)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 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.49 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 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.6, 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 higher than corresponding carrying cost of 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, each of plants situated at Nashik /Baddi/Jammu, 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.755 (previous year Rs. 655)

ii. In respect of claims by employees Rs.17 (previous year Rs 13)

iii. In respect of letters of credit Rs. 53 (previous year Rs. 42)

iv. In respect of Bank Guarantees executed Rs.673 (previous year Rs.1850)

v. In respect of Sales Tax under appeal Rs. 1167 (previous year Rs. 760)

vi. In respect of excise duty disputes pending with various judicial authorities Rs.2321 (previous year Rs. 1731).

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

vii. In respect of Corporate Guarantees given by the Company Rs.7133 (previous year Rs.6595)

viii. In respect of Income tax under appeal Rs.77 (previous year Rs.68)

b) Bills discounted Rs 3416 (previous year Rs. 4527).

c) Estimated Amount of contract remaining to be executed on capital Account Rs. 2462 (previous year Rs. 3065) - Net of advance Rs 1390 (previous year Rs.592)

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
VATS	Short payment of VAT	63	0	21	42	IInd appeal filed
Sales Tax	Classification of Laldant Manjan	24	12	0	36	Filed review application with High Court
Sales Tax	Classification of Gulabari	1	0	0	1	Appeal filed before the D.C.Appeal
Sales Tax	Exemptions forms from dealers	1	0	1	0	Iind appeal filed before D C Appeal
Entry Tax	Entry tax on car	1	0	0	1	Appeal pending before D.C.
Sales Tax	Classification of Hajmola Candy	28	0	0	28	Appeal pending before S T Appellete
Sales Tax	Tax Paid purchase	29	0	0	29	Pending before High Court
Sales Tax	-	0	10	0	10	-
Excise	Capital Goods removal	30	0	0	30	DC appeal
		177	22	22	177	

(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 4 (b) above.

5 A. Expenditure in Foreign Currency	31-03-2010	31-03-2009
- Professional, Consultation Fees & Others	1321	248
- Others (Travellling, Conveyance & administration)	12	38
	1333	286
5 B. CIF Value of Imports:		
- Raw Materials	1882	1603
- Stores & Spares (Including packing material)	18	47
- Capital Goods	413	635
	2313	2285
5 C. Earning in Foreign Exchange:		
- Export sales at FOB	12373	10987

5 D. Value of raw materials, stores and spares parts consumed :-

	Raw Material				Packing Material, Stores & Spares			
	31.03.2010		31.03.2009		31.03.2010		31.03.2009	
	Value	%	Value	%	Value	%	Value	%
Imported	730	1.22%	603	1.06%	79	0.20%	46	0.14%
Indigenious	58940	98.78%	56191	98.94%	40097	99.80%	33415	99.86%
Total	59670	100.00%	56794	100.00%	40176	100.00%	33461	100.00%

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

5 E. Net Dividend remitted in foreign currency	2009-10	2008-09
2007-08 Final Dividend	0	2
2008-09 Interim Dividend	0	2
2008-09 Final Dividend	2	0
2009-10 Interim Dividend	2	0
	4	4

6 a. Particulars of Consumption of Important Raw Materials:

Class of Goods	**Unit**	**Quantity**	**2009-10 Value**
Sugar and Molases	Tonnes	20045	5968
		(17641)	(3110)
Vegetables Oils	Tonnes	20078	11200
		(18783)	(12252)
Herbs, Jari Booti & Raw Madhu	Tonnes	32504	16437
		(34331)	(14017)
Chemicals & Perfumery Compounds	Tonnes	24177	14992
		(22380)	(16420)
Others Raw Materials	Assorted	-	11073
			(10995)
Total Raw Materials			59670
			(56794)

6b. Particulars of consumption of Important Packing Material:

Glass Containers	Pcs.in Lacs.	1068	3182
		(1042)	(2926)
Plastic Containers/Caps/Jar	Pcs.in Lacs.	7010	11252
		(6468)	(10456)
Printed Packing Materials	Assorted		7265
			(5271)
Laminates & Lamitubes	Assorted		8918
			(7811)
Other Packing Materials	Assorted		8523
			(5955)
Total Packing Materials			39140
			(32419)

6c. Particulars in respect of goods manufactured:

Class of Goods	Unit	Licenced Capacity	Installed Capacity	Production Qty.	Opening Stock Qty.	Opening Stock Value	Closing Stock Qty.	Closing Stock Value	Sale Qty.	Sale Value
Hair Oils	Kilo-ltrs		84644	28220	1066	1008	1527	1524	27759	56719
			(51480)	(23116)	(756)	(737)	(1066)	(1008)	(22805)	(50484)
Chyawanprash	Tonnes		32700	14898	674	443	373	332	15199	22058
			(22000)	(13979)	(437)	(270)	(674)	(443)	(13741)	(19430)
Honey	Tonnes		7121	5789	197	225	190	268	5796	13650
			(6000)	(5344)	(245)	(250)	(197)	(225)	(5393)	(11688)
Tooth Powder & Paste	Tonnes		56320	23934	1234	1080	1017	922	24150	39700
			(45099)	(20623)	(1308)	(1045)	(1234)	(1080)	(20697)	(32970)
Hajmola	Tonnes		6154	4557	229	263	290	425	4497	10266
			(6000)	(4043)	(527)	(564)	(229)	(263)	(4340)	(9051)
Asava - Arishta	Kilo-ltrs		14444	7910	572	287	810	448	7672	6477
			(12000)	(6836)	(689)	(298)	(572)	(287)	(6954)	(5640)
Fruits, Nector & Drinks	Kilo-ltrs		35700	18143	1043	365	1629	564	17558	9008
			(27572)	(15019)	(1197)	(391)	(1043)	(365)	(15173)	(7613)
Vegetable Pastes	Mt		4080	1023	122	122	142	148	1003	916
			(4080)	(740)	(93)	(70)	(122)	(122)	(711)	(601)
Others						3491		3981		79979
						(2586)		(3018)		(63660)
Total						7284		8614		238772
						(6210)		(6811)		(201136)

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

6d. Particulars in respect of traded goods:

Class of Goods	Unit	Purchases Qty.	Purchases Value	Opening Stock Qty.	Opening Stock Value	Closing Stock Qty.	Closing Stock Value	Sale Qty.	Sale Value
Hair Oils	Kilo-ltrs	33	502	28	32	10	12	51	119
		(75)	(570)	(24)	(22)	(28)	(32)	(71)	(156)
Tooth Powder & Paste	Tonnes	3553	5395	192	182	306	300	3439	5601
		(4580)	(6544)	(142)	(131)	(192)	(182)	(4530)	(7401)
Hajmola	Tonnes	3489	3570	308	250	339	388	3457	4395
		(3484)	(2868)	(151)	(105)	(308)	(250)	(3328)	(3968)
Fruits,Nector & Drinks	Kilo-ltrs	36861	13162	5858	1958	3361	1342	39358	22107
		(35195)	(14118)	(2348)	(743)	(5858)	(1958)	(31685)	(18113)
Vegetable Pastes	Mt	871	316	105	41	124	50	852	471
		(679)	(300)	(173)	(33)	(105)	(41)	(746)	(385)
Others			16606		679		912		16581
			(12519)		(648)		(546)		(11210)
Total			39551		3142		3004		49273
			(36919)		(1682)		(3009)		(41232)

Note : a) Production / purchase are net of stock writtrn down , write down of inventory in monetary term aggregate Rs.1288 (previous year 911).
b) Figures in bracket relate to previous year.

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

	31.03.2010	31.03.2009
Salary	239	233
Contribution to Provident Fund	29	28
Residential Accommodation	144	139
Medical & Leave Travel Benefit	2	3
Contribution to Superannuation Fund	36	35
Others (Including Rs. 353 Previous year Rs. 287 Under stock option Scheme)	1022	780
	1472	1218

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

	31.03.2010	31.03.2009
Profit for the year before tax as per Profit & Loss Account	52684	42500
Add: Managerial remuneration	1472	1219
Directors fees	14	10
Provision for doubtful debts	96	738
Less : Excess provision of debts written back	45	0
Less : Capital Profit	207	1
Adjusted net profit	54014	44466
Maximum permissible remuneration	5942	4891

8. Particulars of Balances with Non-Scheduled Banks:

	Balance as on 31.03.2010	Maximum Balance during the year
Current Year	Nil	1000.00
Previous Year	1000.00	1000.00

9. 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 before the Office of Special Land Acquisition Officer, Ghaziabad against the land so acquired. However, keeping in view the generally accepted accounting practice, the said claim has not been considered in the books of accounts.

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

10. Employee related Dues :

Particulars	Gratuity (funded)	Leave Salary (funded)	Post Separation benefits of director (un-funded)	Total
A. Defined Benefit Plan				
Expenses recognized during the period:				
A. Past Service Cost	0	0	0	0
B. Current Service Cost	292	190	115	597
	(231)	(42)	(289)	(562)
C. Interest Cost	177	56	271	504
	(196)	(37)	(296)	(529)
D. Expected Return on Plan Assets	(8)	(26)	0	(34)
	(21)	(-47)	0	(-26)
E. Accumulated Loss/ Gain	(97)	46	(173)	(224)
	(-116)	(177)	(91)	(152)
F. Total Expenses recognized during the year (A+B+C+D+E)	364	266	213	843
	(332)	(209)	(676)	(1217)
B. Reconciliation of opening & closing balances of obligations:				
I. Obligation as on 01.04.2009	2528	794	3617	6939
	(2241)	(461)	(4941)	(7643)
II. Past service cost	0	0	0	0
	(13)	(40)	0	(53)
III. Current service cost	292	191	114	597
	(231)	(42)	(289)	(562)
IV. Interest cost	177	56	271	504
	(194)	(37)	(296)	(527)
V. Actuarial Gain / (Loss)	(97)	19	(173)	(251)
	(-116)	(177)	(91)	(152)
VI. Settlement	(133)	(150)	(129)	(412)
	(-151)	(-153)	(-2001)	(-2305)
VII. Obligation as on 31.03.2010	2767	910	3700	7377
	(2412)	(604)	(3616)	(6632)
C. Change in Plan Assets:				
(Reconciliation of opening and closing balances)				
I. Fair Value of Plan Assets as on 01.04.2009	1068	335	0	1403
	(930)	(166)	0	(1096)
II. Expected Return on Plan Assets	86	26	0	112
	(58)	(47)	0	(105)
III. Actuarial Gain / (Loss)	(78)	(26)	0	(104)
	(-79)	0	0	(-79)
IV. Employer Contribution	498	312	0	810
	(210)	(275)	0	(485)
V. Settlement	(132)	(124)	0	(256)
	(-151)	(-153)	0	(-304)
VI. Fair Value of Plan Assets as on 31.03.2010	1442	523	0	1965
	(968)	(335)	(0)	(1303)

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

D. Investment detail of plan assets as on 31.3.2010 : 100% in reimbursement insurance Company for fund managed by it

E. Actuarial Assumption :

Discount rate (%)	7.00%
Estimated rate of return on plan assets (%)	8.00%
Salary escalation ratio inflation (%)	10.00%
Method	Project 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. Figures in bracket relate to previous year.

J. Defined Contribution Plan :-

Company's contribution to different defined contribution plans :-

Particulars	**2009-10**	2008-09
Provident Fund	712	553
Employees State Insurance	60	52
Employees Superannuation Fund	318	300

11 A. Related party Disclosures

Related party disclosures as required under AS 18 :

(a) Related parties where control exists :-

H & B Stores Limited	- (Domestic Wholly Owned Subsidiary)
Dermoviva Skin Essentials INC	- (Foreign 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) Ltd.	- (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 /Partnership

Forum 1 Aviation Limited.

Balsara International

(c) Other Releted Parties in transaction with the Company.

(I) Key management personnel

(whole time directors)

1 Pradip Burman

2 P. D. Narang

3 Sunil Duggal

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

(II) Relative of key management personnel

1 Asha Burman.

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

1 Sanat Products Ltd.

11 B. Related Party Transactions as on 31.03.2010:

Sl. No.	Particulars	Subsidiary	Joint Ventures/ Partnership	Key Management Personnel	Entity under significant influence	Total	Outstanding as on 31.03.2010
1	Purchases of Goods	16,797	-	-	202	16,999	33
		(17,288)	(-)	(-)	(-)	(17,288)	(1,448)
2	Sale of Goods	2,549	-	-	4	2,552	256
		(3,174)	(-)	(-)	(-)	(3,174)	(759)
3	Equity Conribution	500	-	-	-	500	150
		(1,950)	(456)	(-)	(-)	(2,406)	(100)
4	Security Deposit	-	-	-	-	-	-
		(-)	(38)	(-)	(-)	(38)	(38)
5	Capital Contribution	-	49	-	-	49	49
		(-)	(-)	(-)	(-)	(-)	(-)
6	General Expenses	-	394	-	-	394	-
		(-)	(327)	(-)	(-)	(327)	(-)
7	Processing Charges		8	-	-	8	-
		(-)	(-)	(-)	(-)	(-)	(-)
8	Interest Recd on Security	-	2	-	-	2	-
		(-)	(2)	(-)	(-)	(2)	(-)
9	Rent Paid	-	2	68	-	70	-
		(-)	(-)	(59)	(-)	(59)	(-)
10	Remuneration/Exg./Pension	-	-	1,050	-	1,050	-
		(-)	(-)	(873)	(-)	(873)	(-)
11	Guarantees & collaterals given	4,588	714	-	-	5,303	5,303
		(5,860)	(714)	(-)	(-)	(6,575)	(6,575)
12	Employee Stock Option Scheme	27	-	353	-	381	-
		(44)	(-)	(287)	(-)	(331)	(-)
13	Royalty Received	-	-	-	-	-	-
		(32)	(-)	(-)	(-)	(32)	(32)
14	Loan Givan	838	-	-	-	838	385
		(-)	(-)	(-)	(-)	(-)	(-)
15	Repayment of Loan Received	453	-	-	-	453	-
		(-)	(-)	(-)	(-)	(-)	(-)

Notes

A. Item refered to in 1 above includes Purchases from Dabur Nepal Pvt. Ltd. Rs. 16797 (Rs.17288).

B. Item refered to in 2 above includes Sales to, Dabur International Ltd. Weikfield International (UAE) Ltd & Naturelle LLC Rs. 752,402 & 518 (Rs.493,706 & 306) respectively.

C. Item refered to in 5 above includes Capital Contribution to Balsara International Rs. 49 (Nil).

D. Item refered to in 9 above includes Rent paid to Balsara International Rs. 2 (Nil).

E. Item refered to in 11 above includes Guarantees & Collaterals to Dabur Egypt Ltd., Naturelle LLC, Asian Consumer Care Pvt. Ltd., Forum I Aviation Ltd. & Asian Consumer Care Pakistan Pvt. Ltd. Rs. 1738, 763, 1690, 714 & 398 (Rs. 1955, 3905, NIL, 714 & NIL) respectively.

F. Figures in bracket relates to previous year.

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

12. Exchange loss works out to Rs. 509 (Previous Year Rs. 210) - net of exchange gain Rs. 1367 (Previous year Rs. 793) which has been debited to Profit & Loss Account under the head "general expenses".

13. Information pursuant to AS 19 issued by ICAI

a. Operating Lease :-

i) 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	36	58	0
	(32)	(96)	(0)
Cars	44	69	0
	(30)	(41)	(0)

ii) Lease rent debited to Profit & Loss account of the year.Rs. 38 (Previous year Rs.38)

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

iv) Figures in bracket relate to previous year.

b. Financial Lease :

Vehicle includes vehicle obtained on finance lease. The lease is for four years after which the legal title would be passed to the leasee. There is no escalation clause in the lease agreement. There is no restriction imposed by the lease arrangements. There is no sub-lease.

The total minimum lease payment at the year end.	1
Less : Amount representing finance charged	-
Present value of minimum lease payment	1
(Rate of interest 12.50% p.a.)	
Minimum lease payment :	
Within one year	1
Lease payment (principle) made during the year	2
Finance charge paid during the year	-

14. Due to subsidiaries forming part of current liabilities :

Included in :-	**2009-10**	2008-09
Sundry creditors for goods	33	1448
Sundry creditor for expenses and other liabilities	105	16
Advance from customers	1429	Nil

15. Information pursuant to AS 24 on discontinued operations:

	Particulars	Hair Oil Baddi	MSY Unit Baddi
1	Discontinued since	March 2004	Nov, 2000
2	Segment, the unit relates to in financial statement	Consumer Care	Consumer Care
3	Carrying amount of total assets	33	28
		(33)	(28)
4	Carrying amount of total liabilities	4	0
		(4)	(0)
5	Profit from ordinary activities	0	0
		(0)	(0)
6	Income Tax expenses	0	0
		(0)	(0)

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

7	Gain on disposal of assets	0	0
		(0)	(0)
8	Cash flow from discontinued operations	-	-
9	Operating activities	0	0
		(0)	(0)
10	Investing Activities	0	0
		(0)	(0)
11	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.

16. a. Pension and other perquisites to relative of a deceased director Re.1 (previous year 16) and Rs Nil (previous year 8) respectively paid during the year.

b. Pension and other perquisites of retired director Rs.Nil (previous year 59) and Rs 13 (previous year 31) respectively paid during the year.

17. (I) Investment in Joint Venture (Information pursuant to AS-27 issued by ICAI) :-

(a) The company is a party to joint venture agreement 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) Share of the company in assets, outside liability, net worth, income and expenses not being allocated for herein works out to Rs.1240 (Previous year 1243), Rs.593 (Previous year 728) , Rs.154 (Previous year 20), Rs 399 (Previous year 291) and Rs.303 (Previous year 286) 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 JEC amounting to Rs. 394 (Previous year Rs.327) has been charged to profit and loss account under the head general charges.

(e) The Company has furnished guarantee bond for Rs. 714 (previous year Rs. 714) in respect of borrowing availed by the JCE for acquisition of aircraft which forms part of para B 4 (a) (vii) of this schedule.

(f) No income from said investment, unless realized in cash, is recognized in this stand alone account.

(II) Investment in partnership firm :

(a) The company has invested Rs.49 (previous year NIL) against capital contribution during the year (Previous year NIL) towards it's 99% stake in a partnership firm namely Balsara International.

(b) Mr Abhay Agarwal is another 1% partner in said firm who has invested Re.1 on accounts of his capital.

(c) Pending finalization of account of the firm, income and expenses of the said firm have not been accounted for the year which, however, has immaterial impact on profitability of the company .

(d) Assets and liabilities pertaining to interest of the company in the partnership firm as on 31.3.2010 amount to Rs. 81 & Rs. 9 respectively.

18. Debtors includes Rs. 280 (Previous year 759) being due from subsidiaries.

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

19. (a) Movement of provision from doubtful debts:

Particulars	**For the year ended on 31.3.2010**	For the year ended on 31.3.2009
Opening Provision	1235	517
Inherited from Merger	61	-
Provision made during the year	96	738
	1392	1255
Excess provision withdrawn (Credited to Miscellaneous receipt)	45	20
Charged to Bad Debts (of the Balance Sheet)	153	-
Closing Provision	1194	1235

(b) Outstanding overseas exposure hedged by forward /option contract against adverse currency fluctuation

(i) Packing Credit USD 100

(c) Outstanding overseas exposure not being hedged against adverse currency fluctuation :-

(i) Export receivable are as follows :

EUR 2
GBP 1
USD 17

(ii) Imported Creditors are as follows :

UAE Dhiram 98
AUD 1
Swiss Franc 1
EUR 1

(iii) Foreign Currency Loan JYN 2165

20. Earnings per Share :

Without consideration of Exrtraordinary items

Particulars		**For the year ended on 31.3.2010**	For the year ended on 31.3.2009
A	Profit after tax (after adjustment of tax for earlier years)	43314	37283
	Less/ Add : Extraordinary Expenses / Income		
	Profit on sale of EOU	-190	0
	Loss on sale of SPC Chemicals	3	0
	Miscellaneous Expenditure for preponement of date of exercise right under ESOP	61	0
B.	Profit before consideration of Extraordinary items	43188	37283
	Number of shares		
	(i) Basic	867247779	864907642
	(ii) Diluted	870668806	869156259
	(i) EPS (Basic)	4.98	4.31
	(ii) EPS (Diluted)	4.96	4.29
C.	After consideration of Extraordinary items		
D.	Profit after tax (after adjustment of tax for earlier years)	43314	37283
	Number of shares		
	(i) Basic	867247779	864907642
	(ii) Diluted	870668806	869156259
	EPS (Basic)	4.99	4.31
	EPS (Diluted)	4.97	4.29

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

21. (a) Pursuant to approval by Hon'ble High Court at Delhi & Mumbai of the scheme of merger and subsequent submission of certified copy of the judgment of Hon'ble court to ROC, Fem Care Pharma Ltd has been merged with the company retrospectively since April 1, 2009.

(b) Due to merger, following assets and liabilities have been inherited by the company as on 01.04.2009 from the merged entity :-

Assets	Rs. in Lacs	Liabilities	Rs. in Lacs
Fixed Assets	2102	Secured Loan	1039
Investment	2796	Un-Secured Loan	355
Current Assets	5824	Current Liabilities & Provisions	3203
Inventories	871	Creditors for goods	461
Sundry Debtor	669	Creditor for expenses and other liability	1333
Cash at Bank	2595	Advance from Customers	51
Loan & Advances	1689	Interest accrued and due	0
		Un-claimed dividends	7
		Provisions	1351

(c) Turnover and profit/(loss) before tax in respect of the merged entity during the year have been Rs. 11945 and Rs. 2355 respectively.

(d) Consideration money, paid in excess of proportionate net asset inherited, amounting to Rs. 22280 has been charged off to Share Premium Rs. 3052 and General Reserve Rs. 19228 in terms of the scheme.

(e) Provision for expired stock inherited from merger amounting to Rs. 85 lacs has been adjusted against value of inventory during the year.

(f) Minority interest in said erstwhile entity is being been satisfied by way of issue of 138420 number of equity share of Re.1/- each of the company to the minority share holders in terms of the scheme. Issuance of share is still pending.

(g) Considering merger, the figures of previous year are not readily comparable with those of current financial year.

(h) The merger scheme , approved by the Hon'ble High Courts, has been incorporated in accounts on the basis of purchase procedure method. However the accounting of merger stands at variance from AS-14 to the effect of treatment of excess of value of investment over proportionate net assets taken over under the merger deal due to adjustment of same against share premium and general reserve instead of being accounted for as goodwill. This led to under statement of goodwill and reserve & surplus by Rs.22280 lacs each.

22. Extra Ordinary Item Includes :-

a) Profit on sale of E.O.U at Nashik 190 lacs

b) Loss on sale of specific chemical 3 lacs

c) Rs. 61 lacs on account of miscellaneous expenditure written off in consequence of preponement of the date of exercise of option right under ESOP with corresponding decline in vesting period for a part of options, unlike earlier years.

d) There was no extra-ordinary income or expense in previous year.

23. Information Pursuant to AS - 17 issued by ICAI. (refer page no. 122)

24. 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

Anil Kumar
Partner
Membership Number: 9390

Place: New Delhi
Dated: 18th June 2010

For **Dabur India Ltd.**

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

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

23. INFORMATION PURSUANT TO AS - 17 ISSUED BY ICAI.

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

	Consumer Care Business		Consumer Health Business		Foods		Others		Unallocated		Total	
	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	216,584	181,586	27,955	24,455	35,232	29,258	8,274	7,069	-	-	**288,045**	**242,368**
Inter-segment sales	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	**216,584**	**181,586**	**27,955**	**24,455**	**35,232**	**29,258**	**8,274**	**7,069**	**-**	**-**	**288,045**	**242,368**
RESULT												
Segment result	63,813	50,563	7,362	7,129	6,245	5,326	440	131	-	-	**77,860**	**63,149**
Unallocated corporate expenses	-	-	-	-	-	-	-	-	24,597	19,315	**24,597**	**19,315**
Operating Profit	**63,813**	**50,563**	**7,362**	**7,129**	**6,245**	**5,326**	**440**	**131**	**-24,597**	**-19,315**	**53,263**	**43,834**
Interest expense (Net of Interest Income)	-	-	-	-	-	-	-	-	560	1,334	**560**	**1,334**
Income Tax (Current + Deferred)	-	-	-	-	-	-	-	-	9,370	5,144	**9,370**	**5,144**
Profit from Ordinary Activities	**63,813**	**50,563**	**7,362**	**7,129**	**6,245**	**5,326**	**440**	**131**	**-34,527**	**-25,793**	**43,333**	**37,356**
Exceptional item												
Net Profit	**63,813**	**50,563**	**7,362**	**7,129**	**6,245**	**5,326**	**440**	**131**	**-34,527**	**-25,793**	**43,333**	**37,356**
OTHER INFORMATION	As on 31/03/10	As on 31/03/09	As on 31/03/10	As on 31/03/09	As on 31/03/10	As on 31/03/09	As on 31/03/10	As on 31/03/09	As on 31/03/10	As on 31/03/09	**As on 31/03/10**	**As on 31/03/09**
Segment assets	50,815	38,713	9,438	7,376	11,532	11,105	3,267	3,405	-	-	**75,052**	**60,599**
Unallocated corporate assets	-	-	-	-	-	-	-	-	99,020	93,598	**99,020**	**93,598**
Total Assets	**50,815**	**38,713**	**9,438**	**7,376**	**11,532**	**11,105**	**3,267**	**3,405**	**99,020**	**93,598**	174,072	154,197
Segment liabilities	6,953	5,262	2,552	1,081	355	2,265	64	106	-	-	**9,924**	**8,714**
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	89,484	72,527	**89,484**	**72,527**
Total Liabilities	**6,953**	**5,262**	**2,552**	**1,081**	**355**	**2,265**	**64**	**106**	**89,484**	**72,527**	99,408	81,241
Capiltal Expenditure	**6,931**	**4,456**	**385**	**387**	**1,155**	**1,162**	**257**	**291**	**4,108**	**3,390**	12,836	9,686
Depreciation	**1,515**	1,189	**181**	175	**329**	314	**209**	192	**957**	872	**3,191**	**2,742**
Non-cash expenses other than depreciation	-	-	-	-	-	-	-	-	**566**	394	**566**	**394**

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. 288045 (242368), the export sales is of Rs 12652 (12205) and Domestic Sale is Rs. 275393 (230163)

25. 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	2010
	Date	Month	Year

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

Public Issue: Nil	Right Issue: Nil
Bonus Issue: Nil	Private Placement: Nil
Employee Stock Option: 2510	Share Capital Suspense: 1385

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

Total Liabilities: 8713047	Total Assets: 8713047

Sources of Funds

Paid up capital: 868970	Reserve & Surplus: 6624843
Secured Loans: 242720	Unsecured Loans: 857001
Deferred Tax Liaiblity (Net): 119512	

Application of Funds

Net Fixed Assets: 4742623	Investments: 3485098
Net Current Assets: 457912	Misc Expenditure: 27363

IV Performance of Company (Amount in Rs. Thousand)

Turnover: 28897140	Total Expenditure: 23626771
Profit/(Loss) Before Tax: 5270369	Profit/(Loss) After Tax: 4331425
Earning per share in Rs.: 4.99	Dividend Rate %: 200%

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

Anil Kumar
Partner
Membership Number: 9390

Place: New Delhi
Dated: 18th June 2010

For **Dabur India Ltd.**

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

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

Consolidated Financial Statements

AUDITOR'S REPORT

The Board of Directors,
Dabur India Limited

We have audited the attached consolidated balance sheet of Dabur India Limited group, as at 31st March, 2010 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 outflow amounting to Rs.647.70 lacs, Rs.95.34 lacs and Rs.56.47 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 it's management which has not been audited by us.

We report that the consolidated financial statements have been prepared by the Dabur India Limited'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 Limited group as at 31st March, 2010.
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 Limited group for the year ended on that date.

For **G. BASU & CO.**
Chartered Accountants
Firm Registration No.301174E

Anil Kumar
Partner
Membership No.9390

Place : New Delhi
Date : 18th June, 2010

BALANCE SHEET as at March 31, 2010

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

	Schedule	As at March 31, 2010	As at March 31, 2009
SOURCES OF FUNDS :			
Shareholders' Funds:			
Share Capital	A	8,690	8,651
Reserves and Surplus	B	84,849	73,229
		93,539	81,880
Minority Interest	B2	376	457
Loan Funds:			
Secured Loans	C	7,023	9,805
Unsecured Loans	D	10,907	13,194
Deferred Tax Liability (Net)	EB	1,067	695
TOTAL		**112,912**	**106,031**
APPLICATION OF FUNDS :			
Fixed Assets :			
Gross Block	F	98,571	79,918
Less : Depreciation		33,907	29,935
Net Block		64,664	49,983
Capital Work in Progress		3,009	5,933
		67,673	55,916
Investments	G	**26,411**	**34,697**
Current Assets, Loans And Advances:	H		
Inventories		42,622	37,547
Sundry Debtors		11,984	17,788
Cash & Bank Balances		19,231	14,843
Loans & Advances		36,739	24,902
		110,576	95,080
Less: Current Liabilities and Provisions	EA		
Liabilities		46,693	46,148
Provisions		45,329	34,378
		92,022	80,526
Net Current Assets		**18,554**	14,554
Miscellaneous Expenditure	IA	**274**	**864**
(to the extent not written off or adjusted)			
Notes to Accounts	P		
Total		**112,912**	**106,031**

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

Anil Kumar
Partner
Membership Number: 9390

Place: New Delhi
Dated: 18th June 2010

For **Dabur India Ltd.**

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

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

PROFIT & LOSS ACCOUNT for the year ended March 31, 2010

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

	Schedule	For the year ended March 31, 2010	For the year ended March 31, 2009
INCOME :	**J**		
Sales Less Returns		341,667	283,411
Less : Excise Duty		2,530	2,868
Net Sales		**339,137**	**280,543**
Other Income		3,943	4,685
Total Income		**343,080**	**285,228**
EXPENDITURE :			
Cost of Materials	K	155,074	137,617
Manufacturing Expenses	L	10,366	9,918
Payments to and Provisions for Employees	M	28,474	23,470
Selling and Administrative Expenses	N	82,220	62,493
Financial Expenses	O	1,232	2,321
Miscellaneous Expenditure Written Off	IB	594	438
Depreciation		5,027	4,486
Total Expenditure		**282,987**	**240,743**
Balance being Net Operating Profit Before Tax		60,093	44,485
Provision for Taxation Current		9,556	4,994
Provision for Taxation Deferred		491	-255
Provision for Taxation Fringe Benefit		0	665
Net Profit After Tax		**50,046**	**39,081**
Minority Interest		-81	-41
Net Profit After Minority Interest		**50,127**	**39,122**
Balance Brought Forward		55,713	43,377
Deferred Tax Liabilities for Earlier Years		-216	0
Provision for Taxation for Earlier Year Written Back		-2	0
Provision for Taxation for Earlier Year		21	72
Profit Available for Appropriation		**106,037**	**82,427**
Appropriation/Allocation			
Interim Dividend		6,498	6,488
Proposed Dividend - Final		10,862	8,651
Corporate Tax on Interim Dividend		1,104	1,103
Corporate Tax on Proposed Dividend		1,846	1,470
Transferred to Capital Reserve		207	1
Transferred to General Reserve		13,000	9,000
Balance Carried Over to Balance Sheet		**72,520**	**55,714**
Earning Per Share (In Rs.) (After consideration of extraordinary items)			
Basic		5.80	4.51
Diluted		5.78	4.49
Earning Per Share (In Rs.) (Without consideration of extraordinary items)			
Basic		5.77	4.51
Diluted		5.75	4.49
Notes to Accounts	P		

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

Anil Kumar
Partner
Membership Number: 9390

Place: New Delhi
Dated: 18th June 2010

For **Dabur India Ltd.**

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

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

STATEMENT OF CASH FLOW (Pursuant to AS-3 issued by ICAI) - Indirect Method

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

Particulars	For the year ended March 31, 2010 (Post Merger)		For the year ended March 31, 2009	
A. Cash Flow From Operating Activities				
Net Profit Before Tax		60,093		44,485
Add:				
Depreciation	5,027		4,486	
Impairment Loss	159		258	
Loss on sale of Fixed Assets				
(Including Extraordinary Item Rs 3, Previous Year Rs.nil)	204		25	
Miscellaneous Exp. Written off	594		438	
Miscellaneous Exp. Written off (Included in Director Remuneration)	353		287	
Interest	1,232	7,569	2,321	7,815
		67,662		52,300
Less:				
Profit on sale of Investment	1,268		2,088	
Profit on sale of Assets				
(Including extraordinary item Rs 190, Previous Year Rs. Nil)	240	1,508	41	2,129
Operating Profit before Working Capital changes		66,154		50,171
Working Capital changes				
Increase/(Decrease) in Inventories	4,087		7,298	
Increase/(Decrease) in Debtors	(4,989)		538	
Decrease/(Increase) in Trade Payables	4,720		1,635	
Increase/(Decrease) in Working Capital		3,818		9,471
Cash Generated from Operating Activities		62,336		40,700
Interest Paid	1,243		2,316	
Tax Paid	10,447		3,955	
Corporate Tax on Dividend	2,574	14,264	2,204	8,475
Cash Used(-)/(+)Generated For Operating Activities (A)		**48,072**		**32,225**
B. Cash Flow From Investing Activities				
Purchase of Fixed Assets		(16,038)		(16,642)
Sale of Fixed Assets				
(Including Extraordinary Item Rs. 1130, Previous Year Rs. Nil)		2,638		3,772
Purchases of Investment Including Investment In Subsidiaries		(527,552)		(399,304)
Sale of Investments		517,145		387,067
Cash Used(-)/(+)Generated For Investing Activities (B)		**(23,807)**		**(25,106)**

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

Particulars	For the year ended March 31, 2010 (Post Merger)		For the year ended March 31, 2009	
C. Cash Flow from Financing Activities				
Proceeds from Share Capital & Premium		25		11
Repayment(-)/Proceeds (+) of Long Term Secured Liabilities		821		(618)
Repayment(-)/Proceeds(+) from short Term Loans		(3,802)		426
Repayment(-)/Proceeds(+) from other Unsecured Loans		(2,598)		13,034
Payment of Loan		0		183
Payment of Dividend		(15,148)		(12,968)
Cash Used(-)/+(Generated) in Financing Activities (C)		(20,702)		68
Net Increase(+)/Decrease (-) in Cash and Cash Equivalents (A+B+C)		3,563		7,186
Cash and Cash Equivalents Opening Balance		15,668		7,657
Cash and Cash Equivalents Closing Balance		19,231		14,843
Cash & Cash Equivalent (Year end)				
Cash in Hand		25		36
Remittance in Transit including Cheques in hand		57		165
Balances in Bank :				
Current Account	5,358		4,392	
Fixed Deposit Account	13,791	19,149	10,250	14,641
Total		**19,231**		**14,843**

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

Anil Kumar
Partner
Membership Number: 9390

Place: New Delhi
Dated: 18th June 2010

For **Dabur India Ltd.**

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

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

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

	As at March 31, 2010	As at March 31, 2009
Schedule-A Share Capital		
Authorised :		
1450000000 Equity Shares of Re. 1 Each (Previous Year 1450000000 Equity Shares of Re. 1 each)	14,500	14,500
	14,500	**14,500**
Issued and Subscribed:		
867585830 Equity Shares of Re.1 each fully called up (Previous Year-865076249 Equity Shares of Re. 1 each	8,676	8,651
Share Capital Suspense Account	14	-
Total	**8,690**	**8,651**
Schedule-B Reserves and Surplus		
Capital Reserve	1,938	1,733
Share Premium Account	0	1,392
Exchange Fluctuation Reserve	32	-137
Employees Housing Reserve Fund	586	531
General Reserve	8,253	11,172
Legal Reserve	65	65
Profit And Loss Account	72,520	55,714
Employee Stock Option Scheme Outstanding	1,455	2,759
Total	**84,849**	**73,229**
Schedule-B2 Minority Interest		
Share Capital	203	203
Share Premium	9	9
Capital Reserve	127	127
General Reserve	11	11
Profit & Loss	26	107
Total	**376**	**457**
Schedule-C Secured Loans		
I Term Loans :		
from Banks	1,039	0
other than Banks	0	218
II Short Term Loans - from Banks	5,794	9,117
III Deferred Payment Credit (Other than Banks)	190	470
Total	**7,023**	**9,805**
Schedule-D Unsecured Loans		
Deposit : Directors	0	48
Security Deposit from Dealers and Others	459	118
Short term Loan from Banks	10,158	11,028
Interest free Sales Tax Loan	290	0
Commercial Papers	0	2,000
Total	**10,907**	**13,194**

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

	As at March 31, 2010		As at March 31, 2009	
Schedule-EA Current Liabilities and Provisions				
A. Current Liabilities :				
Acceptance		6,080		4,527
Creditors SME Units (Goods)		654		1,755
Creditors for Goods		6,267		7,330
Creditors for Expenses and other Liabilities		33,199		31,947
		46,200		45,559
Advances from Customers		164		297
Interest Accrued but not due on Loans		25		36
Investor Education and Protection Fund to be Credited by :				
-Unpaid Dividend		304		256
		46,693		46,148
B. Provisions :				
for Dividend (Proposed) - Final		10,862		8,651
for Corporate Tax on Proposed Dividend- Final		1,846		1,470
for Liabilities disputed		176		176
for Gratuity		1,561		1,699
for Leave Salary		570		477
for Housing, Bonus & other Welfares		6,124		5,396
for Taxation		24,190		16,509
		45,329		34,378
		92,022		**80,526**
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 Liaibility :				
Depreciation		3,700		3,049
Less: Deferred Tax Assets :				
VRS Payment	-		19	
Other Disallowances under section 43B of Income Tax Act, 1961	57		43	
Provision for Contingent Liability charged	60		60	
Service Benefits	2,091		1,812	
Provision for Doubtful Advances	19		0	
Provision for Doubtful Debt	406	2,633	420	2,354
Net Deferred Tax Liability		**1,067**		**695**
(Decrease)/Accretion in Deferred Tax Liability		372		368
Less : Deferred Tax Liabilty/(Asset) Inherited on Merger		96		0
Net Accretion in Deferred Tax Liability		275		0
Add Deferred Tax Liabilty of earlier year written back		216		0
Less : Deferred Tax Assets Transfered to General Reserve		0		-623
Deferred Tax Liability Provided During Year		**491**		**-255**

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

Schedule-F Fixed Assets

	Gross Block					Depreciation					Net Block	
Name of Asset	Opening 01.04.2009	Transfer from Merged Entity	Addition during the year	Sale/ Transfer/ Adjust-ment	Gross Block 31.03.2010	Opening 01.04.2009	Transfer from Merged Entity	For the year	Sale/ Transfer/ Adjust-ment	Accumulated Depreciation 31.03.2010	As on 31.03.2010	As on 31.03.2009
Freehold Land	1,514	97	2,302	24	3,889	0	0	0	0	0	3,889	1,514
Leasehold Land	1,139	7	5	0	1,151	74	1	14	1	88	1,063	1,065
Building, Roads & Culvert	23,580	1,859	9,360	990	33,809	6,061	201	799	65	6,996	26,813	17,519
Plant & Machinery	39,206	1,687	6,264	2,723	44,434	17,104	358	3,036	1,333	19,165	25,269	22,102
Vehicles	1,909	173	260	393	1,949	855	29	305	201	988	961	1,054
Furniture & Off Equipment	4,005	255	250	268	4,242	2,162	67	120	88	2,261	1,981	1,843
Computers	3,652	93	358	167	3,936	2,475	32	344	114	2,737	1,199	1,177
Patents	1,113	63	0	0	1,176	635	50	85	0	770	406	478
Live Stock	0		0	0	0	0	0	0	0	0	0	0
Software	1,654	4	9	0	1,667	569	4	324	0	897	770	1,085
Goodwill	2,146	5	167	0	2,318	0	5	0	0	5	2,313	2,146
	79,918	4,243	18,975	4,565	98,571	29,935	747	5,027	1,802	33,907	64,664	49,983
Capital Work In Progress	5,933	14	5,434	8,372	3,009	0	0	0	0	0	3,009	5,933
Total Fixed Assets	**85,851**	**4,257**	**24,409**	**12,937**	**101,580**	**29,935**	**747**	**5,027**	**1,802**	**33,907**	**67,673**	**55,916**
Previous Year	72,966		21,642	8,757	85,851	26,441		4,486	992	29,935	55,916	

Note : Capital work in progress includes advance against capital goods Rs. 2,187 (Previous year Rs. 927)

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

	Numbers (As on 31.3.2010)	As at March 31, 2010	As at March 31, 2009
Schedule-G Investments			
A Current Investments			
Quoted-other than Trade			
Axis Mutual fund (Purchase during the year Units 2000000) (Sold during the year Units 2000000)	- (-)	-	0.00
LIC Mutual Fund (Purchase during the year Units 892563587.413032) (Sold during the year Units 892563587.413032)	- (-)	-	0.00
LIC Mutual Fund (inherited from merged entity) (Purchase during the year Units 84799502.407788) (Sold during the year Units 79991088.5796429)	4,808,413.83 (-)	734.31	0.00
DWS Mutual Fund (Purchase during the year Units : 60121049.6805595) (Sold during the year Units 76317973.4059375)	- (16,196,923.72)	-	1,847.00
DWS Mutual Fund(Inherited From Merged Entity) (Purchase during the year Units 6424812.47945619) (Sold during the year Units 2778781.22724866)	3,646,031.25 (-)	400.04	0.00
Taurus Mutual Fund (Purchase during the year Units 66199878.2917942) (Sold during the year Units 65767687.6515979)	432,190.63 (-)	4,657.21	0.00
Birla Mutual Fund (Purchase during the year Units 87823364.2637808) (Sold during the year Units 83514987.9205294)	4,308,376.34 (-)	500.00	0.00
CHOLA Liquid Fund - Institutional Plus-Growth (Purchase during the year Units 38073507.0502081) (Sold during the year Units 23073507.0495295)	15,000,000.00 (-)	1,500.00	0.00
DSP Mutual Fund (Purchase during the year Units 2377229.17553276) (Sold during the year Units 2377229.17553276)	- (-)	-	0.00
DSP Mutual Fund (inherited from merged entity) (Sold during the year Units 42687.87)	-	-	0.00
ABN Amro Mutual Fund (Purchase during the year Units 329188773.302381) (Sold during the year Units 329188773.302381)	- (-)	-	0.00
Lotus Liquid Fund (Purchase during the year Units 13928354.0434123) (Sold during the year Units 13928354.0434123)	- (-)	-	0.00
JPM Mutual Fund (Purchase during the year Units 101945550.387441) (Sold during the year Units 101945550.387441)	- (-)	-	0.00

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

	Numbers (As on 31.3.2010)	As at March 31, 2010	As at March 31, 2009
Schedule - G (Contd.)			
Kotak Mahindra Mutual Fund (Purchase during the year Units 277045655.887596) (Sold during the year Units 246237393.738666)	35,808,262.15 (5,000,000.00)	4,000.00	500.00
Principal Mutual Fund (Purchase during the year Units 8575273.19952943) (Sold during the year Units 38201015.6918179)	- (29,625,742.49)	-	4,100.53
Prudential Mutual Fund (Purchase during the year Units 101255132.692809) (Sold during the year Units 91255132.6947974)	10,000,000.00 (-)	1,000.00	0.00
Prudential Mutual Fund (Purchase during the year by JCE) (Sold during the year by JCE)	310,850.69 (220,467.41)	78.57	28.57
Reliance Liquid Fund (Purchase during the year Units 206244795.792493) (Sold during the year Units 203193136.258781)	8,051,659.53 (5,000,000.00)	1,000.00	500.00
Reliance Liquid Fund (inherited from merged entity) (Sold during the year Units 17940.12)			
HSBC Mutual Fund (Purchase during the year Units 50631786.7681742) (Sold during the year Units 50631786.7681742)	- (-)	-	0.00
SCB Mutual Fund (Purchase during the year Units 130029075.517848) (Sold during the year Units109519409.182424)	20,509,666.34 (-)	2,490.99	0.00
Sundram Mutual Fund (Purchase during the year Units 12934230.6895138) (Sold during the year Units 25463739.5641878)	- (12,529,508.88)	-	2,330.00
TATA Mutual Fund (Purchase during the year Units 73644229.0279716) (Sold during the year Units 48650883.8083293)	24,993,345.22 (-)	2,500.82	0.00
UTI Mutual Fund (Purchase during the year Units 14555816.0030986) (Sold during the year Units 449389.841996862)	14,106,426.16 (-)	1,500.00	0.00
HDFC Mutual Fund (Purchase during the year Units 55332252.3819901) (Sold during the year Units 50330304.4228381)	5,001,947.96 (-)	500.19	0.00
HDFC Mutual Fund(inherited from merged entity) (Purchase during the year Units 2518098.90217555) (Sold during the year Units 18873.662)	2,499,225.24 (-)	250.00	0.00
Templeton Mutual Fund (Purchase during the year Units 368689357.88338) (Sold during the year Units 368689357.88338)	-	-	0.00

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

	Numbers (As on 31.3.2010)	As at March 31, 2010	As at March 31, 2009
Schedule - G (Contd.)			
Templeton Mutual Fund (inherited from merged entity) (Purchase during the year Units 49613122.3484734) (Sold during the year Units 38706337.358174)	10,906,784.99 (-)	1,374.94	0.00
Fidelity Mutual Fund (Inherited From Merged Entity) (Sold during the year Units 125869.237)	-		0.00
CANARA Mutual Fund (Purchase during the year Units 58056002.0806034) (Sold during the year Units 66875194.6292077)	14,583,788.06 (23,402,980.60)	1,500.16	2,500.00
Morgan Stan Mutual Fund (Purchase during the year Units 2000000) (Sold during the year Units 2000000)	- (-)	-	0.00
Bank Of Baroda (Purchase during the year Units 191504034.80307) (Sold during the year Units 181185483.78402)	10,318,551.02 (-)	1,078.00	0.00
Bharti Mutual Fund (Purchase during the year Units 91485.7433099555) (Sold during the year Units 91485.7433099555)	- (-)	-	0.00
IDFC Money Manager Fund (Inherited From Merged Entity) (Sold during the year Units 754232.94)	- (-)	-	0.00
HDFC Equity Mutual Funds SIP (inherited from merged entity) (Sold during the year Units 18873.66)	- (-)	-	0.00
LIC Savings Plus Mutual Fund (Sold during the year Units 3513317.45)	- (-)	-	0.00
B. Long Term Investment			
I) Unquoted -Equity Shares - Trade Investments			
1 Sanat Products Ltd	50,000.00 (50,000.00)	105.00	105.00
2 Dabon International Pvt Limited	-	27.00	27.00
II) Quoted -Equity Shares - Trade Investments (inherited from merged entity)			
1 Colgate Palmolive India Ltd	100.00 (-)	0.44	0.00
2 Indusind Bank Ltd	1,600.00 (-)	0.72	0.00
3 Trent Limited	200.00 (-)	0.69	0.00
4 Proctor & Gamble (I) Ltd	225.00 (-)	0.71	0.00
5 Hindustan Unilever Ltd	2,500.00 (-)	1.91	0.00
6 Godrej Consumer Products Ltd	400.00 (-)	0.09	0.00
7 Godrej Industries Ltd	600.00 (-)	0.13	0.00

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

	Numbers (As on 31.3.2010)	As at March 31, 2010	As at March 31, 2009
Schedule - G (Contd.)			
8 Saraswat Co-Op Bank Ltd	10,000.00 (-)	0.10	0.00
9 The NKGSB Co-Op Bank Ltd	10,000.00 (-)	1.00	0.00
10 Rupee Co-Op Bank	100.00 (-)	0.03	0.00
III) Unquoted Equity Shares - Other than Trade			
Commerce Centre Cooperative Housing Society Limited	15.00 (15.00)	0.02	0.02
Capexil (Agencies) Limited	3.00 (3.00)	0.01	0.01
Dabur Employees Consumers Co-Op Stores Limited	250.00 (250.00)	0.03	0.03
Dabur Employees Cooperative Credit Society Ltd	650.00 (650.00)	0.07	0.07
Co-operative Stores Limited, Super Bazar	500.00 (500.00)	0.05	0.05
Saraswat Co-op Bank Ltd	1,000.00 (1,000.00)	0.10	0.10
Shivalik Solid Waste Management Ltd (inherited from merged entity)	18,000.00 (-)	1.80	0.00
IV) Investment in Capital of Partnership Firm			
Balsara International		49.49	0.00
V) Government Bonds/Securities other than Trade			
Power Finance Corporation of India	-	-	199.83
Power Finance Corporation of India	-	-	551.60
Power Finance Corporation of India	-	-	548.61
IRFC Limited	-	-	549.39
Rural Electricfication Corporation of India	-	-	300.00
Egyptian Government Treasury Bill	-	1,181.06	150.00
National Saving Certificates	-	1.80	1.27
Kisan Vikas Patra	-	0.07	0.07
D. Advance agsinst equity shares of Fem Care Pharma Ltd		-	20,484.35
Total		**26,437.55**	**34,723.50**
Less Provision for diminution in value of long term trade investment	-	26.99	26.99
Total		**26,410.56**	**34,696.51**
NOTES :			
Aggregate Book Value of Unquoted Investments		1,340.63	22,890.40
Aggregate Book Value of Quoted Investments		25,069.93	11,806.11
Aggregate Market Value of Quoted Investments (based on 31.03.2010)		25,130.63	11,847.75

NOTES :

1 All Equity shares are fully paid up.
2 Provision for dimunition in long term trade investment pertains to investment in Dabon International Pvt Ltd.
3 No. of shares/units of previous year given in brackets.

SCHEDULE Annexed to and forming part of the Balance Sheet as at March 31, 2010

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

	As at March 31, 2010	As at March 31, 2009
Schedule-H Current Assets, Loans and Advances		
A Current Assets :		
Inventories		
- Raw Materials	14,494	11,786
- Packing Materials, Stores and Spares	6,845	6,182
- Stock in Process	5,667	6,112
- Finished Goods	15,616	13,467
	42,622	37,547
Sundry Debtors (Unsecured) :		
- Debts outstanding for a period exceeding six months :		
Considered Good	674	28
Considered Doubtful	1,467	1,477
	2,141	1,505
Less : Provision for Doubtful Debts	1,467	1,477
	674	28
- Other Debts (Considered Good)	11,310	17,760
	11,984	17,788
Cash and Bank Balances :		
- Cash in Hand	25	36
- Remittance-in-transit & Cheques-in-hand	57	165
- Balance with Banks		
In Current Accounts	5,358	4,392
In Fixed Deposit Accounts	13,791	10,250
	19,231	14,843
	73,837	70,178
B. Loans and Advances (Unsecured, Considered Good)		
Security Deposit with various Authorities (Including Deposit with Govt. Authorities Rs. 510.98 Previous Year Rs.411.90)	3,580	2,993
Advance Payment of Tax	24,845	16,717
Advances to Suppliers	3,516	1,525
Advances to Employees	470	301
Balance with Excise Authorities	2,250	1,905
Other Advances recoverable in cash or in kind or for value to be received	2,078	1,461
	36,739	**24,902**
Total (A+B)	**110,576**	**95,080**

Schedule - IA Miscellaneous Expenditure				
(To the extent not written off or adjusted)				
Technical Knowhow Fees Paid	-		9	
Less: Amortised during the year	-	-	9	-
Deferred Employee Compensation under ESOP				
Opening Balance	864		1,386	
Addition during the year	484		527	
Less: Cancelled during the year	127		333	
	1,221		1,580	
Less: Amortised during the year	947	274	716	864
Total		**274**		**864**

SCHEDULE Annexed to and forming part of the Profit & Loss Account for the year ended March 31, 2010

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

	for the year ended March 31, 2010		for the year ended March 31, 2009	
Schedule - IB Miscellaneous Expenditure Written Off				
Technical knowhow fees paid		-		9
Deferred Employee compensation Under Esop	947		716	
Less: Transferred to Director Remuneration	353	594	287	429
Total		**594**		**438**
Schedule - J Sales and Other Income				
A. Sales :				
Sales Less Returns		341,667		283,411
		341,667		**283,411**
B. Other Income :				
Export Subsidy		533		681
Rent Realised		142		9
Sale of Scrap		745		733
Miscellaneous Receipts		1,015		1,132
Profit on Sale of current investments other than trade		-		2,013
Profit on Sale of long term investment other than trade		1,268		76
Profit on Sale of Fixed Assets		240		41
		3,943		**4,685**
Schedule-K Cost of Materials				
Raw Materials Consumed :				
Opening Stock	11,786		9,131	
Add : Inherited through Merger	385		-	
Add : Purchases	83,433		84,055	
	95,604		93,186	
Less : Closing Stock	14,506	81,098	11,786	81,400
Packing Material Consumed :				
Opening Stock	6,046		5,313	
Add : Inherited through Merger	10		-	
Add : Purchases	52,775		45,449	
	58,831		50,762	
Less : Closing Stock	6,804	52,027	6,046	44,716
Purchase of Finished Products		22,977		15,478
Adjustment of Stocks in Process and Finished Goods				
Opening Stock :				
Stock in Process	6,112		3,628	
Finished Products	13,467		11,974	
Stock in Process inherited through Merger	70		-	
Finished Products inherited through Merger	606		-	
	20,255		15,602	
Closing Stock :				
Stock in Process	5,667		6,112	
Finished Products	15,616		13,467	
	21,283		19,579	
Increase/Decrease in Stock in Process and Finished Goods		(1,028)		(3,977)
		155,074		**137,617**

SCHEDULE Annexed to and forming part of the Profit & Loss Account for the year ended March 31, 2010

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

	For the Year ended March 31, 2010	For the Year ended March 31, 2009
Schedule - L Manufacturing and Operating Expenses		
Power and Fuel	4,681	5,021
Stores and Spares Consumed	1,369	1,531
Repairs & Maintenance		
– Building	331	310
– Plant & Machinery	655	600
– Others	963	557
Processing Charges	2,367	1,899
	10,366	**9,918**
Schedule - M Payments to and Provisions for Employees		
Salaries, Wages and Bonus	23,031	18,670
Contribution to Provident and Other Funds	2,286	2,153
Workmen and Staff Welfare	1,506	874
Directors' Remuneration	1,651	1,773
	28,474	**23,470**
Schedule - N Selling and Administrative Expenses		
Rent	2,451	2,204
Rates and Taxes	566	349
Insurance	531	451
Sales Tax	308	102
Freight & Forwarding Charges	6,228	5,959
Commission, Discount and Rebate	3,675	2,641
Advertising and Publicity	49,348	34,326
Travel & Conveyance	3,514	2,721
Legal & Professional	2,277	1,666
Telephone, Fax Expenses	586	518
Security Expenses	547	437
General Expenses	10,905	9,400
Directors Fees	14	10
Auditors' Remuneration:	152	123
Donation	613	365
Contribution to Scientific Research Expenses	50	179
Provision for Doubtful Debts	92	746
Loss on Sale of Fixed Assets	204	25
Provision for Contingent Liability	-	13
Fixed Assets written down	159	258
	82,220	**62,493**
Schedule - O Financial Expenses		
Interest paid on :		
Fixed Period Loan	344	969
Others	317	786
	661	1,755
Bank Charges	571	566
	1,232	**2,321**

SCHEDULE Annexed to and forming part of the Accounts for the period ended March 31, 2010.

(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. Accounting Convention:

The accounts have been prepared in accordance with the historical cost convention under accrual basis of accounting as per Indian GAAP. Accounts and disclosure thereon comply with the Accounting Standards specified in Companies (Accounting Standard) Rules, other pronouncements of ICAI, provisions of the Companies Act, 1956 and guidelines issued by SEBI as applicable.

Indian GAAP enjoins management to make estimates and assumptions that affect reported amount of assets, liabilities, revenue, expenses and contingent liability pertaining to year, the financial statements relate to. Actual result could differ from such estimates. Any revision in accounting estimate is recognized prospectively from current year and material revision, including its impact on financial statement, is reported in notes to accounts in the year of incorporation of revision.

2. 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 subsidiary body corporate incorporated in Isle of MAN), Dermoviva Skin Essentials INC (a wholly owned subsidiary body corporate incorporated in USA), 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'etre 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 Pvt. 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 AI Khaimah, 90% stake wherein is held by Dabur International Ltd).

The consolidated financial statements have been prepared on the basis of AS-21, 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.

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)

3. Translation 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 regards 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.

4. (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.
- Depreciation on Stores and fixtures in H & B Stores Limited is provided on the basis of assessed life span of assets.
- 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, redundance & un-usability at the year end.

5. 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.

6. 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.

7. 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.

8. 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.

9. Retirement Benefits:

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

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

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.

10. 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.

11. 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.

12. 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.

13. Foreign Currency Translation:

In respect of foreign branches/offices integral foreign operation approach has been adopted as per revised AS11 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.

14. Employees 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 guidelines 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.

15. Derivative Trading:

The company enters into derivative transaction of the nature of currency future or forward contract with the object of hedging against adverse currency fluctuation only (not being for trading or speculation) in respect of import / export commitment and exposure in foreign currency. The contracts are by and large mark to market and loss, if any, sustained on open contract is recognized in accounts. However gain, if any, in this connection is not recognized as a measure of prudence.

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

16. 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, 2010	As at March 31, 2009
Cost/Revalued	17229	11049
Written Down	14007	8178

2. Loan and Advances includes Rs.49 (Previous year Rs.49) paid to Excise Authorities on behalf of Sharda Laboratories Limited, now known as SBL Limited, in respect of excise duty demand of Rs.68 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 dedcied 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 Boiron Laboratories Limited for Rs.49 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 along with interest demanded by the Excise Authorities. During the year 1991-92 the parent company had received a refund of Rs.6 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.

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 2.00% 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 755 (previous year 655)
   b) In respect of claims by employees Rs 17 (previous year 13)
   c) In respect of letters of credit Rs.2206 (previous year 2126)

   ii. In respect of Bank Guarantees executed Rs.2744 (previous year 4104)

   iii. In respect of Sales Tax under appeal Rs.1336 (previous year 921)

   iv. In respect of excise duty disputes pending with various judicial authorities Rs.2321 (previous year Rs.1732)

   v. In respect of Corporate Guarantees given by the Company Rs.9 (previous year Rs. 21)

   vi. In respect of Income tax under appeal Rs 118 (previous year Rs.111)

b) In respect of Bill Discounting Rs.3416 (previous year Rs.4527)

c) Estimated Amount of contract remaining to be executed on Capital Account Rs.3192 (previous year Rs. 3652) net of advance Rs. 2187 (previous year Rs. 927)

d) Information pursuant to AS 29 :

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

(i) Brief particulars of provisions on disputed liabilities :-

Nature of Liability	Particular of dispute	Opening Liability	Provision made during the year	Provision adj. during the year	Closing Provision	Forum where the dispute is pending
VATS	Short payment of VAT	63	0	21	42	IInd appeal filed
Sales Tax	Classification of Laldant Manjan	24	12	0	36	Filed review application with High Court
Sales Tax	Classification of Gulabari	1	0	0	1	Appeal filed before the D.C.Appeal
Sales Tax	Excemtions forms from dealers	1	0	1	0	IInd appeal filed before D C Appeal
Entry Tax	Entry tax on car	1	0	0	1	Appeal pending before D.C.
Sales Tax	Classification of hajmola Candy	28	0	0	28	Appeal pending before S T Appellete
Sales Tax	Tax Paid purchase	29	0	0	29	Pending before High Court
Sales Tax		0	10	0	10	
Excise	Capital Goods removal	30	0	0	30	DC appeal
		177	22	22	177	

(ii) Resulting outflows against above liabilities pending before Sales Tax DC/Tribunal/CCT's, if mature, are expected to be in succeeding financial year.

(iii) Provisions are made herein for medium risk oriented issues as a measure of abundant precaution.

e) Remote risk possibility of further cash outflow is presumed pertaining to contingent liabilities listed in para 4 (a) and 4 (b) above.

5. Employee related Dues :

I) Defined Benefit Plan

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.

Particulars	Gratuity (funded)	Leave Salary (funded)	Post Separation benefits of director (un-funded)	Total
A. Expenses recognized during the year :-				
a. Past Service Cost	0	0	0	0
b. Current Service Cost	394	252	115	761
	(353)	(169)	(289)	(811)
c. Interest Cost	180	57	271	508
	(200)	(39)	(296)	(535)
d. Expected Return on Plan Assets	(14)	(28)	0	(42)
	(22)	(-49)	(0)	(-27)
e. Accumulated Loss/ Gain	(70)	72	(173)	(171)
	(-148)	(200)	(91)	(143)
f. Total Expenses recognized during the year (a+b+c+d+e)	490	353	213	1056
	(427)	(359)	(676)	(1462)
B. Reconciliation of opening & closing balances of obligations :-				
I. Obligation as on 01.04.2009	2799	922	3617	7338
	(2473)	(557)	(4941)	(7971)
II. Past service cost	0	0	0	0
	(13)	(40)	(0)	(53)
III. Current service cost	536	318	114	968
	(353)	(169)	(299)	(821)
IV. Interest cost	180	57	271	508
	(200)	(39)	(296)	(535)
V. Actuarial Gain / (Loss)	(71)	44	(173)	(200)
	(-145)	(200)	(91)	(146)
VI. Settlement/Paid	(316)	(253)	(129)	(698)
	(-212)	(-242)	(-2001)	(-2455)
VII. Obligation as on 31.03.2010	3128	1088	3700	7916
	(2682)	(763)	(3626)	(7071)

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

C. Changes in plan assets :-

Particulars	Gratuity (funded)	Leave Salary (funded)	Post Separation benefits of director (un-funded)	Total
I. Fair Value of Plan Assets as	1120	355	0	1475
on 01.04.2009	(969)	(166)	(0)	(1135)
II. Expected Return on Plan Assets	92	28	0	120
	(63)	(49)	(0)	(112)
III. Actuarial Gain / (Loss)	(78)	(28)	0	(106)
	(-82)	(0)	(0)	(-82)
IV. Employer Contribution	498	312	0	810
	(247)	(299)	(0)	(546)
V. Settlement	(65)	(149)	0	(214)
	(-212)	(-228)	(0)	(-440)
VI. Fair Value of Plan Assets as on 31.03.2010	1567	518	0	2085
	(985)	(286)	(0)	(1271)

Figures in bracket relate to previous year

D. Investment detail of plan assets as on 31.03.2010 — 100% in reimbursement right from insurance company for fund managed by it.

E. Actuarial Assumption :

Discount rate (%)	7.00%
Estimated rate of return on plan assets (%)	8.00%
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. Included in above following figures based on management estimate not being actuarially ascertained.

	Gratuity	Leave Salary	Total
Obligation as on 01.04.2009	188	96	284
	(135)	(78)	(213)
Obligation as on 31.03.2010	231	112	343
	(188)	(128)	(316)
Current service cost	231	117	348
	(105)	(119)	(224)

II) Defined Contribution Plan :-

Company's contribution to different defined contribution plans :-

Particulars	2009-10	2008-09
Provident Fund	712	553
Employees State Insurance	60	52
Employees Superannuation Fund	318	300

6 A. 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

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

(b) Other related in parties transaction with companies under consolidation.

(i) Joint Venture / Partnership
Balsara International
Forum I Aviation Ltd

(ii) Key management personnel (KMP) — Relatives of Key Management Personnel
(Whole time directors)
Anup Sharma
Pradip Burman
Gaurav Burman
Mohit Burman
Saket Burman
Amit Burman — Asha Burman
Aditya Burman — Ashok Burman & Anand Burman
Siddharth Burman
P D Narang
Sunil Duggal
Rukma Rana
Sunder Krishana till 07.09.2009
Sikandar T Tiwana
Sarabjit Singh till 14.05.2009

(iii) Entity where one of KMP's exercise significance:
Sanat Products Ltd.

6 B. Related party transactions consolidated as on 31.03.2010

Sl. No.	Particulars	Joint Ventures/ Partnership	Associates	Key Management Personnel	Entity Under Significant Influence	Total	Outstanding As On 31.03.2010
1	Purchases of Goods	-	-	-	202	202	33
		(-)	(-)	(-)	(-)	(-)	(-)
2	Sale of Goods	-	-	-	4	4	3
		(-)	(-)	(-)	(-)	(-)	(-)
3	Capital Contribution	49	-	-	-	49	-
		(-)	(-)	(-)	(-)	(-)	(-)
4	General Expenses	394	-	-	-	394	-
		(327)	(-)	(-)	(-)	(327)	(-)
5	Processing Charges	8	-	-	-	8	-
		(-)	(-)	(-)	(-)	(-)	(-)
6	Repayment of Loan Received	-	-	47	-	47	-
		(-)	(-)	(-)	(-)	(-)	(-)
7	Interest Paid	-	-	3	-	3	-
		(-)	(-)	(4)	(-)	(4)	(-)
8	Interest received	2	-	-	-	2	-
		(2)	(-)	(-)	(-)	(2)	(-)
9	Rent Paid	2	7	68	-	77	-
		(-)	(-)	(60)	(-)	(60)	(-)
10	Remuneration/Exg./Pension	-	-	1323	-	1323	-
		(-)	(-)	(1,324)	(-)	(1,324)	(-)
11	Guarantees & collaterals given	714	-	-	-	714	714
		(714)	(-)	(-)	(-)	(714)	(714)
12	Employee Stock Option Scheme	-	-	353	-	353	-
		(-)	(-)	(287)	(-)	(287)	(-)

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

Notes

1 Item no. 3 refers to Capital Contribution to Balsara International

2 Item no. 4 refers to Joint Venture Expenses to JCE (Forum I Aviation Ltd)

3 Item no. 5 refers to Processing Charges to Balsara International

4 Item no. 8 refers to JCE (Forum I Aviation Ltd)

5 Item no. 11 refers to JCE (Forum I Aviation Ltd)

6 Item no. 12 relates to Mr. Sunil Duggal and Mr. P.D.Narang.

Figures in brackets are of previous year

7. The parent 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 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.

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

(a). Operating Lease :-

i) 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	261	499	59
	(214)	(268)	(0)
Cars	45	69	0
	(33)	(46)	0

ii) Lease rent debited to Profit & Loss account of the year Rs.278 (previous year 338).

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

iv) Figures in bracket relate to previous year.

(b). Financial Lease :–

Vehicle includes vehicle obtained on finance lease. The lease is for four years after which the legal title would be passed to the lessee. There is no escalation clause in the lease agreement. There is no restriction imposed by the lease arrangements. There are no sub-lease.

The total minimum lease payment at the year end.	1
Less : Amount representing finance charged	-
(Present value of minimum lease payment	1
(Rate of interest 12.50% p.a.)	
Minimum lease payment :	
Within one year	1
Lease payment (principle) made during the year	2
Finance charge paid during the year	-

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

9. Information pursuant to AS 24 on discontinued operations (pertaining to parent company only)

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

Particulars		Hair Oil - Baddi	MSY Unit - Baddi
1	Discontinued since	March, 2004	Nov, 2000
2	Segment, Unit relates to in financial Statement	FMCG	FMCG
3	Carrying amount of total assets	33	28
		(33)	(28)
4	Carrying amount of total liabilities	4	0.
		(4)	(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)

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.

10. Exchange loss works out to Rs 509 (Previous Year Rs. 210) net of exchange gain Rs.1323 (Previous year Rs. 793) which has been debited to Profit & Loss Account.

11. (I) Investment in Joint Venture :

(a) The parent company is a party to joint venture agreement 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. The stake of the company in the joint venture arrangement is 14.28%.

(b) Parent company's commitment towards revenue expenditure of the JEC amounting to Rs. 394 (Previous year Rs.327) has been charged to profit and loss account under the head general charges.

(c) Incorporated in CFS on proportionate basis are the assets and liabilities as on 31.03.2010 and income and expenses for the year ended on that date, being the proportionate share of parent company estimated from unaudited financial statements of the JCE.

Assets & Liability of JCE as on 31.03.2010 as incorporated herein :-

Particulars	31.03.2010		31.03.2009	
Secured Loan		577		714
Creditors		16		14
Fixed Assets	872		869	
Investment	79		33	
Advance to employee	1		1	
Cash & Bank	13		70	
Debtors	16		18	
Other Advances	260		252	

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

Income and Expenses for the year ended as on 31st March, 2010 incorporated herein :

Particulars	For the year ended 31.03.2010	For the 8 months ended 31.03.2009
INCOME		
Misc Receipt (include revenue from flying Rs. 397)	399	291
Total	399	291
EXPENSES		
Operation Expenses	80	68
Payment to and provision for employees	50	37
Administrative Expenses	113	105
Financial Expenses	60	76
Total	303	286
Profit (Forms part of profit in consolidated Profit & Loss A/c)	96	5

(d) Parent company has furnished guarantee bond for Rs. 714 to banks of the JCE against it's share of Commitment against loan obtained by the JCE for acquisition of aircraft which forms part of para B (4) (a) (ii) of this schedule.

(II) Investment in partnership firm :

(a) The parent company has invested Rs.49 (previous year NIL) against capital contribution during the year (Previous year NIL) towards its 99% stake in a partnership firm Balsara International.

(b) Mr Abhay Agarwal is another 1% partner in said firm who has invested Rs.1 on accounts of his capital.

(c) Pending finalization of account of the firm, income and expenses of the said firm have not been accounted for the year which, however, has immaterial impact on profitability of the company.

(d) Assets and liabilities pertaining to interest of the company in the partnership firm as on 31.3.2010 amount to Rs 81 & 9 (Previous year Nil, Nil) respectively.

12. 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 taxable profit to adjust deferred tax asset, if provided thereon.

13. Extra-ordinary items :

a) Profit on sale of E.O.U at Nashik 190 lacs

b) Loss on sale of specific chemical 3 lacs

c) Rs 61 lacs on account of miscellaneous expenditure written off in consequence of preponement of the date of exercise of option right under ESOP with corresponding decline in vesting period for a part of options, unlike earlier years.

d) There was no extra-ordinary income or expense in previous year.

14. Movement of provision for doubtful debts :

	Dabur India Ltd.	Fem care Pharma Ltd.	Dabur India Ltd. (Incl Fem)	Dabur Nepal Pvt. Ltd.	Asian Consumer Care Pvt. Ltd.	Dabur International Ltd.	Total
Opening 01.04.09	1,234	61	1,295	257	-	19	1,571
Addition	55	41	96	9	6	-	111
Excess Prov w/b	44	-	44	-	-	19	63
Customer w/o agt Prov	153	-	153	-	-	-	153
Closing 31.03.10	1,092	102	1,194	266	6	-	1,466

15. Depreciation on stores fixtures for one of the subsidiaries has been revised during the year to the effect of consideration of useful life of eight year against fifteen years considered upto previous financial year. Said fixed assets carried forward from earlier year have bee depreciated at rate applicable for the purpose of amortizing the depreciable value thereof within revised life span of the assets. Due to such revision, loss for the year has gone up by Rs.320 with the consequent decline in net fixed assets of the company.

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

16. Earnings per Share :

a) Without consideration of Exrtraordinary items

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
A. Profit after tax (after adjustment of tax for earlier years)	50320	39049
Less/ Add : Extraordinary Expenses / Income		
Profit on sale of EOU	-190	0
Loss on sale of SPC Chemicals	3	0
Miscellaneous Expenditure for preponement of date of exercise right under ESOP	61	0
B. Profit before consideration of Extraordinary items	50072	39049
Number of shares		
(i) Basic	867247779	864907642
(ii) Diluted	870668806	869156259
(i) EPS (Basic)	5.77	4.51
(ii) EPS (Diluted)	5.75	4.49
b) After consideration of Extraordinary items		
Profit after tax (after adjustment of tax for earlier years)	50320	39049
Number of shares		
(i) Basic	867247779	864907642
(ii) Diluted	870668806	869156259
EPS (Basic)	5.80	4.51
EPS (Diluted)	5.78	4.49

17. (a) Pursuant to approval by Hon'ble High Court at Delhi & Mumbai of the scheme of merger and subsequent submission of certified copy of the judgment of Hon'ble court to ROC, Fem Care Pharma Ltd has been merged with the parent company retrospectively since April 1, 2009.

(b) Due to merger, following assets and liabilities have been inherited as on 01.04.2009 from the merged entity :-

Assets	(Amount)	Liabilities	(Amount)
Fixed Assets	2102	Secured Loan	1039
Investment	2796	Un-Secured Loan	355
Current Assets	5824	Current Liabilities & provisions	3203
Inventories	871	Creditors for goods	461
Sundry Debtor	669	Creditor for expenses and other liability	1333
Cash at Bank	2595	Advance from Customers	51
Loan & Advances	1689	Interest accrued and due	0
		Un-claimed dividends	7
		Provisions	1351

(c) Turnover and profit/(loss) before tax in respect of the merged entity during the year have been Rs. 11945 and Rs. 2355 respectively.

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

(d) Consideration money, paid in excess of proportionate net asset inherited, amounting to Rs. 22280 has been charged off to Share Premium Rs. 3052 and General Reserve Rs. 19228 in terms of the scheme.

(e) Provision for expired stock inherited from merger amounting to Rs. 85 lacs has been adjusted against value of inventory during the year.

(f) Minority interest in said erstwhile entity is being been satisfied by way of issue of 138420 number of equity share of Rs.1/- each of the company to the minority share holders in terms of the scheme. Issuance of shares is still pending.

(g) Considering merger, the figures of previous year are not readily comparable with those of current financial year.

(h) The merger scheme , approved by the Hon'ble High Courts, has been incorporated in accounts on the basis of purchase procedure method. However the accounting of merger stands at variance from AS-14 to the effect of treatment of excess of value of investment over proportionate net assets taken over under the merger deal due to adjustment of same against share premium and general reserve instead of being accounted for as goodwill. This led to under statement of goodwill and reserve & surplus by Rs.22280 lacs each.

18. (a) Following merger of erstwhile Fem Care Pharma Limited with the parent company, Dermoviva Skin Essentials INC (Formerly Jaquline INC) a body corporate incorporated in USA (a whole time subsidiary of former) has become whole time subsidiary of parent company w.e.f. 1.4.2009.

(b) Considering above, following assets and liabilities as on 1.4.2009 has come to be recognized herein for the purpose of arriving at goodwill amount.

Assets	(Amount)	Liabilities	(Amount)
Investment	424	Unsecured Loan	797
Current Assets :		Current liabilities	70
Royalty received	24		
Cash & Bank	10		
Loan & advances	270		
	728		867

(c) Excess of outside liabilities over assets added with the value of investment in said subsidiary working out to Rs. 167 has been accounted for as goodwill.

(d) Gross revenue and profit before tax of said subsidiaries amounted to Rs 9 and Rs. (16) respectively.

19. 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.

20. Information Pursuant to AS - 17 issued by ICAI. (refer page no. 151)

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

Anil Kumar
Partner
Membership Number: 9390

Place: New Delhi
Dated: 18th June 2010

For **Dabur India Ltd.**

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

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

20. INFORMATION PURSUANT TO AS - 17 ISSUED BY ICAI. For the year ended March 31, 2010

(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	262543	217491	27955	24455	41580	33510	918	597	8672	7358			**341667**	**283411**
Inter-segment sales														
Total Revenue	**262543**	**217491**	**27955**	**24455**	**41580**	**33510**	**918**	**597**	**8672**	**7358**			**341667**	**283411**
RESULT														
Segment result	71950	55312	7362	7129	7252	5677	-935	-1783	595	212			**86226**	**66547**
Unallocated corporate expenses											24900	19742	**24900**	**19742**
Operating profit	**71950**	**55312**	**7362**	**7129**	**7252**	**5677**	**(935)**	**(1783)**	**595**	**212**	**(24900)**	**(19742)**	**61325**	**46805**
Interest expense (Net Of Interest Income)											1232	2321	**1232**	**2321**
Income Tax(Current + Deferred)											10047	5404	**10047**	**5404**
Profit from ordinary activities	**71950**	**55312**	**7362**	**7129**	**7252**	**5677**	**(935)**	**(1783)**	**595**	**212**	**(36180)**	**(27467)**	**50046**	**39080**
Exceptional item														
Minority Interest											81	41	**81**	**41**
Net profit	**71950**	**55312**	**7362**	**7129**	**7252**	**5677**	**(935)**	**(1783)**	**595**	**212**	**(36099)**	**(27426)**	**50127**	**39121**
OTHER INFORMATION	As on 31/03/10	As on 31/03/09	As on 31/03/10	As on 31/03/09	As on 31/03/10	As on 31/03/09	As on 31/03/10	As on 31/03/09	As on 31/03/10	As on 31/03/09	As on 31/03/10	As on 31/03/09	**As on 31/03/10**	**As on 31/03/09**
Segment assets	93,980	77,637	9,438	7,376	23,850	13,979	1,636	1,967	3,266	3,405			**132,170**	**104,364**
Unallocated corporate assets											72,490	81,330	**72,490**	**81,330**
Total assets	**93,980**	**77,637**	**9,438**	**7,376**	**23,850**	**13,979**	**1,636**	**1,967**	**3,266**	**3,405**	**72,490**	**81,330**	**204,660**	**185,694**
Segment liabilities	25,694	27,327	2,552	1,081	6,960	2,341	387	275	63	564			**35,656**	**31,588**
Unallocated corporate liabilities											75,739	73,089	**75,739**	**73,089**
Total liabilities	**25,694**	**27,327**	**2,552**	**1,081**	**6,960**	**2,341**	**387**	**275**	**63**	**564**	**75,739**	**73,089**	**111,395**	**104,677**
Capiltal Expenditure	**8,690**	**9,023**	**642**	**666**	**1,270**	**1,312**	**321**	**333**	**946**	**982**	**4,170**	**4,327**	**16,038**	**16,642**
Depreciation	2,139	1,893	224	202	995	915	125	38	299	282	1,246	1,156	**5,028**	**4,486**
Non-cash expenses other than depreciation											594	438	**594**	**438**

Consolidated Financial Statements

As per IFRS applicable to European Union

AUDITOR'S REPORT

The Board of Directors,
Dabur India Ltd.

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

The said group accounts comprised of the consolidated Balance Sheet as at 31st March, 2010, consolidated statement of income for the year ended 31st March, 2010, Statement of Cash Flow for the year ended 31st March, 2010, restated Stock Holders Equity, Reserves and Other comprehensive income and related notes.

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

We conducted our audit in accordance with auditing standard generally accepted in European Union. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. 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 accounts read with the Notes and schedules attached thereto give a true and fair view of the financial position of said group as at 31st March, 2010 and the results and cash flow for the year ended 31st March, 2010 in accordance with the International Accounting Standards and complying with the financial reporting requirements incorporated in the said standards and IFRS pronouncements.

For **G. BASU & CO.**
Chartered Accountants
Firm Registration No.301174E

(Manoj Kumar Das)
Partner
Membership No. 013783

Place : New Delhi
Date : 18th June, 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at March 31, 2010

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

	Note No.	As at March 31, 2010	As at March 31, 2009
ASSETS			
Property, Plant and Equipment	30	61,964	51,127
Goodwill	32	23,906	1,459
Intangibles	33	1,881	2,191
Assets held for sale	56	61	61
Investments (not readily marketable equities)	31(a)(ii)	158	20,591
Other non-current assets	34	3,580	2,993
Deferred Tax Asset (non current)	34A	2,577	2,742
Total Non-Current Assets		**94,127**	81,164
Cash and Cash equivalents	26	19,232	14,843
Other Investment (readily marketable securities)	31(a)(i)	26,318	14,206
Accounts Receivable, net of allowances	27	11,986	17,788
Inventories	28	42,622	37,546
Other current assets	29	32,559	22,701
Deferred Tax Asset (current)	34A	58	214
Total Current Assets		**132,774**	**107,297**
Total Assets		**226,901**	**188,461**
Equity			
Share Capital	42	8,690	8,651
Share Premium		3,173	1,536
Other Reserve		21,809	21,809
Stock Option Reserve		1,946	2,621
Retained Earnings		89,157	60,107
Other Comprehensive Income		(850)	(229)
Total Equity attributable to Equity Holders		**123,925**	94,495
Non Controlling interest	39	**323**	404
Total Equity		**124,249**	94,899
LIABILITIES			
Long term debt, excluding current portion	35b	828	212
Other non-current liabilities	38	32,694	22,479
Deferred Tax Liability (non current)	34A	5,360	1,713
Total Non-Current Liability		**38,883**	**24,404**
Short term debt and current portion of long term debt	35a	16,347	22,193
Trade accounts payable	36	12,996	13,608
Current Luability under disposal group	56	4	4
Accrued expenses and other current liabilities	37	34,316	33,316
Deferred Tax Liability (current)	34A	105	37
Total Current Liabilities		**63,768**	**69,157**
Total Liabilities		**102,651**	**93,562**
Total Equity and Liabilities		**226,901**	**188,461**

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
Dated: 18th June 2010

For **Dabur India Ltd.**

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

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

CONSOLIDATED INCOME STATEMENT for the year ended March 31, 2010

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

Particular	Note No.	For the year ended March 31, 2010	For the year ended March 31, 2009
Revenue	44	338859	280712
Cost of revenues	46	180177	160852
Gross profit		**158682**	**119860**
Operating expenses			
Selling, General and Administrative expenses	47	79209	60047
Personnel expenses	48	15633	12411
Depreciation and Amortisation	49	6250	5024
Total operating expenses		**101092**	**77482**
Results from Operating Activities		**57590**	**42377**
Financial Cost	50	1059	2321
Other income, net	45	2680	3257
Profit before Income Tax		**59211**	**43313**
Income Tax expenses			
Current Income tax	51	9359	4994
Deferred Income tax	34A	902	-432
		10261	**4562**
Profit after Income Tax		**48950**	**38751**
Minority Interest		**-81**	**-41**
Retained Profit		**49031**	**38792**
Profit attributable to :			
Owners of the Company		**49031**	**38792**
Non Controlling Interest		**-81**	**-41**
		48950	**38751**
Earning per Equity share			
Basic		5.65	4.48
Diluted		5.63	4.46

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
Dated: 18th June 2010

For **Dabur India Ltd.**

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

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

CONSOLIDATED STATEMENT OF CASH FLOW for the year ended March 31, 2010

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

	For the year ended March 31, 2010	For the year ended March 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	**49031**	**38,792**
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities		
Depreciation and amortization	6250	5,283
Provision for Taxation	9359	4,994
Deferred tax benefits	902	(432)
Loss / (gain) on disposal of property, plant and equipment	(60)	(16)
Loss / (gain) on disposal of investment	(1,268)	(2,088)
Amortization of employees stock option plan expenses	520	1,068
Minority interest	(81)	(41)
Interest expenses	1059	2,321
Unrealised Gain / Loss on Currency Fluctuation	-169	82
	16512	**11170**
Changes in operating assets and liabilities		
(Increase) / decrease in accounts Receivable	6483	(556)
(Increase) / decrease in Inventories	(4,089)	(7,298)
Decrease / (increase) in other non current assets	(587)	(818)
Decrease / (increase) in other current assets	(7,255)	(2,807)
Increase / (decrease) in account payable	(2,049)	(11,199)
Increase / (decrease) in other Current Liabilities	628	13,604
Increase / (decrease) in other non current liabilities	10381	2,730
	3514	**(6,345)**
Dividend Tax	(2,574)	(2,204)
Income tax paid	(10,447)	(4,994)
Interest paid	(1,059)	(2,321)
Net cash provided by operating activities	**54976**	**34099**
Cash flow from Investing activities		
Expenditure on property, plant and equipment	(15,861)	(16,460)
Proceeds from sale of propety, land and equipment	2,518	2,781
Purchase of intangibles	(22,456)	(182)
Purchase of Securities	(15,026)	(34,710)
Sale of other securities	21701	22,352
Net cash issued in investing activities	**(29,125)**	**(26,219)**
Cash flows from financing activities		
Proceeds from exercise of stock option	25	11
Repayment/Proceeds of short term debts (net)	-6154	13,413
Repayment of long term debts (net)	(1,000)	(1,149)
Payment of dividend	(15,148)	(12,968)
Net cash provided by financing activities	**(22,277)**	**(694)**
Net increase in cash and cash equivalent during the year	**3,573**	**7,186**
Cash and cash equivalent at the beginning of the year	**15659**	7,657
Cash and cash equivalent at the end of the year	**19232**	14,843

Note :

1. (a) Cash outflows in repayment of Foreign Currency Loan Rs. 445.15 lacs is included in Repayment of Long Term Debt
   (b) Foreign Currency unrealised gain in holding the Foreign Currency Loan (SCB) is Rs. 22.72 lacs
2. The total Purchase consideration in discharging the obligation for acquisition of business (Fem Care Pharma Ltd.) includes Rs. 26350 in cash/ cash equivalents and Rs. 14 lacs by means of issue of shares
3. Cash Flow from Discontinued operation is negligible and hence has been ignored.

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

Manoj Kumar Das
Partner

Place: New Delhi
Dated: 18th June 2010

For **Dabur India Ltd.**

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

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

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

STATEMENT OF STOCK HOLDERS' EQUITY AS AT MARCH 31, 2010

Particulars:	Note	No. of shares	Stock Holder's Equity	Share Premium	Other Reserve	Stock Option Reserve	Retained Earning	Minority Interest
Opening Balance 01.04.2009		**865076249**	**8651**	**1536**	**21809**	**2621**	**60107**	**404**
Share Suspense	42	1384620	14					
Issue of Share against exercise of stock option	42	2509581	25					
Premium amount against exercise of stock option	43			1637		-1637		
Stock option amorisation	43					962		
Payment of Dividend							-17723	
Unrealised Profit on Inter Group Transaction							-74	
Deferred Tax	34A						-2184	
Profit during the year							**49031**	**-81**
Closing Balance 31.03.2010		**868970450**	**8690**	**3173**	**21809**	**1946**	**89157**	**323**

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2010

	Note	For the year ended March 31, 2010	For the year ended March 31, 2009
Opening balance as on 01.04.2009		**-229**	-218
Translation adjustment	57	169	-82
Unrealised gain on Readily Marketable Securities	31 (a)	65	71
Unrealised Loss on Not Readily Marketable Securities	31 (b)	-27	
Unrealised gain on Short term Liability restatement (Packing Credit)	29 (d)	123	
Deferred Tax	34A	-950	
Closing balance as on 31.03.2010		**-850**	**-229**

OPERATIVE SEGMENT REPORT AND RELATED INFORMATION MARCH 10 IN CONFORMITY WITH IFRS 8

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

	Consumer Care Business		Consumer Health Business		Foods		Retail		Others		Unallocated		Total Consolidated	
	Current Year	*Previous Year*	*Current Year*	*Previous Year*	*Current Year*	*Previous Year*	*Current Year*	*Previous Year*	*Current Year*	*Previous Year*	*Current Year*	*Previous Year*	***Current Year***	***Previous Year***
REVENUE														
External Sales	260,381	218,612	27,726	21,030	41,239	33,191	910	591	8,601	7,288	0	0	**338,857**	**280,712**
Other Income											2,680	3,257	**2,680**	**3,257**
Inter-segment sales														
Total Revenue	**260,381**	**218,612**	**27,726**	**21,030**	**41,239**	**33,191**	**910**	**591**	**8,601**	**7,288**	**2,680**	**3,257**	341,537	283,969
RESULT														
Segment result	66,681	51,470	6,847	5,064	6,744	5,140	-861	-1,614	539	192	2,680	3,257	**82,630**	**63,509**
Unallocated Corporate expenses											-22,361	-17,874	**-22,361**	**-17,874**
Operating profit	**66,681**	**51,470**	**6,847**	**5,064**	**6,744**	**5,140**	**-861**	**-1,614**	**539**	**192**	**-19,681**	**-14,617**	60,269	45,635
Interest expense (Net)											1,059	2,321	**1,059**	**2,321**
Income Tax(Current + Deferred)											10,261	4,562	**10,261**	**4,562**
Profit from ordinary activities	**66,681**	**51,470**	**6,847**	**5,064**	**6,744**	**5,140**	**-861**	**-1,614**	**539**	**192**	**-31,001**	**-21,500**	48,948	38,752
Minority Interest											81	41	**81**	**41**
Net profit	**66,681**	**51,470**	**6,847**	**5,064**	**6,744**	**5,140**	**-861**	**-1,614**	**539**	**192**	**-31,082**	**-21,541**	49,029	38,793
OTHER INFORMATION														
Segment assets	106,704	78,910	8,901	7,276	16,264	13,790	1,543	1,941	2,477	3,359			**135,888**	**105,276**
Unallocated corporate assets											88,378	80,231	**88,378**	**80,231**
Total assets	**106,704**	**78,910**	**8,901**	**7,276**	**16,264**	**13,790**	**1,543**	**1,941**	**2,477**	**3,359**	**88,378**	**80,231**	224,266	185,507
Segment liabilities	40,653	25,127	2,232	915	334	1,982	357	233	59	477			**43,637**	**28,734**
Unallocated corporate liabilities											56,213	61,873	**56,213**	**61,873**
Total liabilities	**40,653**	**25,127**	**2,232**	**915**	**334**	**1,982**	**357**	**233**	**59**	**477**	**56,213**	**61,873**	99,850	90,607
Capital Expenditure														
Business Combination	16835	0	0	0	0	0	0	0	5612	0	0	0	**22,447**	**0**
Addition to Property	1645	4211	132	324	0	0	0	0	0	0	1513	3563	**3,290**	**8,098**
Plant & Equipment	6283	4432	503	334	880	585	126	84	188	167	4587	2759	**12,566**	**8,362**
Intangible Assets	5	95	0	7	0	13	0	2	0	4	4	62	**9**	**182**
	24768	**8738**	**635**	**666**	**880**	**598**	**126**	**85**	**5800**	**171**	**6104**	**6384**	38,312	16,642
Depreciation & Amortisation	**2,638**	2,121	**281**	226	**1,275**	1,025	**52**	42	**393**	316	**1,611**	1,295	**6,250**	**5,025**

	2009-10	2008-09
Geographical Revenue :		
India	273502	228060
Outside India		
Dubai	42821	34394
Egypt	8420	6251
Others	14114	12007
	338857	**280712**

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

Notes of consolidated financial statement compiled under IFRS applicable to European Union for the year ended March 31, 2010

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

1. Business combination :

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

The company was incorporated on 16th September 1975 with the object of manufacturing and marketing FMCG, Ayurvedic & Pharmaceutical products. The pharmaceutical division of the company was demerged from the existing entity on 1.4.2003. DIL has manufacturing facilities in eight States of India. The group 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%
Weikfield 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 (Pak) Pvt Ltd	Pakistan	99.99% by Dabur International Ltd
Naturelle LLC	Emirates of Ras Al Khaimah	100% by Dabur International Ltd

*Control on composition of Board of Directors by parent company arises d'etre of subsidiary status

(a) Since the date of transition from Indian GAAP to IFRS meant for EU is 1.4.2006 and the practice of preparation of consolidated financial statement (CFS) under pooling method has been in vogue since much longer period under Indian GAAP, the stipulation of IFRS-3 laying down purchase method of incorporating consolidated accounts had to be done away with for business combination lasting since before transition date.

(b) Pursuant to approval by Hon'ble High Court Delhi & Mumbai of Scheme of merger of Fem Care Pharma Ltd with the Parent Company retrospectively since 01.04.2009 and submission of Certified Copy of the Judgement of Hon'ble Court to ROC, erstwhile Fem Care Pharma Ltd has joined the group. The merger has been accounted for under purchase procedure method, takeover of assets and liabilities being at book values as against fair value laid down under IFRS-3.

(c) To the extent of (a) and (b) above and non-identification of major Components for separate accounting of fixed assets remain deviated from IFRS – 3 and IAS – 16 with consequent impact on statement of shareholders equity & value of property, plant and equipments.

2. Adoption of International Financial Reporting Standards (IFRS) :

The group had adopted IFRS as applicable to European Union (EU) with effect from 1st April 2007 with a transition date to 1st April, 2006.

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

3. Basis of presentation and use of estimates :

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

4. Concentration of Customer :

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

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

5. Foreign currency translation :

Reporting currency of DIL is Indian rupee (INR) in which the group accounts have been presented. The accompanying financial statements are reported in INR accounted for under re-measurement method. Monetary assets and liabilities of Overseas group Companies are translated in INR at the appropriate year end exchange rates. Income and expenses are translated using monthly average exchange rate in effect during the year under report. The 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.

6. Taxation :

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

Deferred taxation is provided in full using the liability method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the Tax base, being the amount used for taxation purposes in conformity with IAS 12. Deferred tax is provided on temporary differences arising on investments in Group undertakings, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that it will not reverse in the foreseeable future. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. As envisaged under IAS 12, deferred tax assets and liabilities are not discounted. Deferred tax is determined using the tax rates that have been enacted or substantively enacted by the balance sheet date. Temporary differences include timing differences.

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

(a) Revaluation of Non-monetary assets,

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

(c) Unrealised earnings of Subsidiaries, Associates and Joint Ventures,

(d) Eliminated unrealized profit on intra group transactions,

(e) Recognized Surplus / Deficit in a (Funded) Defined benefit plan,

(f) Hedging Loss/Gain,

(g) Impairment Loss.

7. 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.

8. Impairment of Assets :

Assets are reviewed for impairment whenever events indicate that the carrying amount of a cash-generating unit may not be recoverable. In addition, assets those have indefinite useful lives (Intangible Assets) 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.

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

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

9. Inventories :

Inventories are stated at the lower of cost and net realizable value in conformity with IAS - 2. Cost is based on the weighted average cost incurred in acquiring inventories and bringing them to their existing location and condition, which will include raw materials, direct labour and overheads, where appropriate. Net realizable value is the estimated selling price less costs to completion and sale.

10. Financial Instruments :

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

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

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

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

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

(b) The Long Term Loans and Receivables are valued at Amortised Cost in the Balance Sheet date.

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

(c) Long Term Liabilities, Deferred Credits are valued at amortised cost and the difference is adjusted in the Income Statement in the year of arriving at the amortised cost of the Financial Instrument concerned. The subsequent unwound discounted cost is charged to Income Statement.

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

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

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

(g) Derivative Instruments

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

11. Property, Plant and Equipment :

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

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

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

Estimated cost of sale is reduced from carrying amounts of assets when the same is held, for disposal. No further depreciation is provided after the asset become idle whether on the ground of temporary suspension of use or poised for sale. Assets classified as Held for Sale are carried at the lower of carrying amount and Fair value less costs to sell and classified separately as "Non Current Assets held for Sale" and shown in the Statement of financial position accordingly.

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

Assets held & used 31.03.10 :

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

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

12. 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.

13. Lease and Hire purchase Contract :

In accordance with IAS – 17 Lease contract, the substance of transaction of the Lease are reviewed to assess the extent to which risk and rewards of ownership and substance transferred to lesser to qualify to being a Finance Lease. The rental expenses in Operating Lease are expensed in Profit & Loss account.

14. Biological Asset :

The biological asset held by the company in the Consolidated Financial Statement is of insignificant value (Rs. 0.22 lacs) which forms part of Fixed Assets (Property, Plant and Equipment) with the group, instead of Inventory as required under IAS – 2.

15. Goodwill :

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

16. Share-based payments :

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

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

17. Advertising Cost :

Expenditure on advertising is expensed when incurred.

18. Earnings per share :

In accordance with IAS-33, "Earning per Share" (EPS), basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earning per share is computed using the weighted average number of common and diluted common equivalent shares outstanding during the period. The effect of change in accounting policy and fundamental errors adjustable retrospectively is given effect to EPS in both Basic and Diluted computations.

19. Revenue Recognition :

1. Revenue encompasses only the gross inflow of economic benefits received or receivable on its own account.
2. Customers of the Group Companies consist primarily of large wholesalers and dealers network who sell directly into the retail channel. Revenue from product sales is recognized when the merchandise is sold or shipped to customers and all four

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

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. (iv)Risk and Reward of the ownership have been transferred.

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

3. Interest, Royalty, Dividend –

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

20. Borrowing Costs :

The borrowing costs as per IAS-23 on the bench mark treatment that borrowing costs could be recognized as expenses in period in which they are incurred. When the borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets, such costs are capitalized in terms of the criteria in Revised IAS 23. Where the interest rate of the borrowing is less than the commercial interest rate prevailing in the local currency borrowing, the resultant exchange loss on account of Foreign Exchange is added to the borrowing cost and the same is capitalized if the loan is taken for acquisition of the qualifying assets.

21. (a) Operating Segment and related information :

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

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

(b) Joint Venture / Associate

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

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

22. Accounting Policies, changes in Accounting Estimates and Errors :

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

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

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

23. Contingent Liabilities, Contingent Assets and Contingent Provision :

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

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

24. The Dividend, Post Balance Sheet Event:

The directors of the parent company have recommended dividend amounting to Rs. 10,862 lacs (including dividend tax Rs. 18.46 lacs) being INR 1/- per share for financial year ended 31.3.2010 not being recognizable under IFRS as laid down in IAS 10 as such maintained in the Retained Earnings. Further DIL has paid interim dividend of Rs. 76.02 lacs (including Rs 11.04 lacs on account of tax thereon) during & for financial year 2009-10 which has been duly recognized as distribution of profit and adjusted in Retained Income. The final dividend of 2008-09 of Rs. 101.21 lacs (including tax of Rs. 14.70 lacs) paid during the year has been charged in the retained income.

25. Reconciliation of weighted average equity outstanding basic vis-à-vis diluted :

i)	Weighted average number of basic shares	867247779
ii)	Weighted average diluted equity share outstanding	870668806

Right on equity share arising under grant of option under ESOP exercisable on future dates added to diluted holding.

Earnings per Share :

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2009
Profit after tax (after adjustment of tax for earlier years)	**48950**	**38751**
Less/ Add :		
Loss of Minority Interest	81	41
Loss on Discontinued operation	3	3
A. Profit from Continuing Operation attributable to	**49034**	**38795**
Ordinary equity Shareholders of the parent company		
Number of shares		
(i) Basic	**867247779**	864907642
(ii) Diluted	**870668806**	869156259
(i) EPS (Basic)	**5.65**	4.48
(ii) EPS (Diluted)	**5.63**	4.46
B. Loss from Reported Discontinued operation		
Loss from discontinued operation	**3**	3
Number of shares		
(i) Basic	**867247779**	864907642
(ii) Diluted	**870668806**	869156259
(i) EPS (Basic)	**Negligible**	Negligible
(ii) EPS (Diluted)	**Negligible**	Negligible

26. Cash & Cash Equivalents :

Cash & cash equivalent comprises following –

	2010	2009
Cash in hand	25	36
Remittance in transit	58	165
Balance with Bank	5,358	3393
Bank Overdrafts	-	(1)
Fixed Deposit Accounts	13,791	11,250
Total	19232	14,843

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

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

27. Accounts Receivable :

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

Total account receivable as at March 31, 2010, net of allowance for doubtful account of INR 1467 (INR 1477 lac previous year) amounts to INR 11986 (INR 17788 previous year).

28. Inventories :

Inventories are comprised of the following:

	2010	2009
Raw Material	14,494	11,786
Packing material, stores & spares	6,845	6,182
Stock in progress	5,667	6,111
Finished goods	1,5616	13,466
Total	42622	37,546

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

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

29. Other Current Assets :

Other current assets comprise of the following:

	2010	2009
Advance payment of tax	24,845	16,717
Advance to suppliers	3,516	1,525
Advance to employees	470	301
Balances with excise authority	2,250	1,905
Other advances recoverable in cash or in kind or value to be received	1478	2,254
	32,559	22,701

30. Property, Plant & Equipment :

Property, Plant & Equipment comprise of the following:

	2010	2009
Freehold Land	3889	1,513
Leasehold Land	1151	1,138
Building, Roads & Culverts	33808	23,579
Plant & Machinery	44434	39,205
Vehicles	1950	1,909
Furniture & office Equipment	4242	4,005
Computers	3935	3,651
Capital Work in Progress	3010	5,933
Total Gross Block	96420	80,937
Less : Accumulated Depreciation	(34395)	(29.749)
Net Block	62025	51,188

During the year plant & machinery, vehicle, furniture & fixture and computer costing INR 2722, INR 393, INR 268 & INR 167 lacs were sold. Accumulated depreciation thereon aggregated INR 1736. The net Loss of discarded/sold assets amounting to INR 30 are taken to Income Statement.

The depreciation expenses relating to Property, Plant and Equipment for the year is INR 5759 (previous year INR 4721).

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

31 Financial Instruments: Other than Trade Receivables and Payables

(A) Investments

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

Mutual Fund	2010	2009
Carrying Cost	25071	11,806
Gross unrealized holding gain accounted in Other comprehensive income	65	72
Fair Value	25136	11,878
Other Short Term Readily marketable securities (Carrying Cost)	1182	2477
Gross of unrealized gain / (loss)	-	(149)
Total (Fair Value)	26318	14206

Other Investments available for sale :

i) Readily marketable equity securities :		
Carrying Cost	NIL	NIL
Gross unrealized holding gain is accounted in Other comprehensive income	NIL	NIL
Fair Value	NIL	NIL
ii) Not readily marketable equity securities:		
Carrying Cost	185	20618
Gross unrealized holding loss accounted in other comprehensive income	27	27
Fair Value	158	20591

(ii) Long Term Liabilities include:

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

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

The respective liabilities of (i) and (ii) above have been valued at amortised cost applying the fair interest rates. The detailed calculations are given below:

i) Deferred Payment Credit

Date of Investment 20.06.2007:	342
Less: Down Payment	57
(Net)	**285**
Payable in 5 yearly payments	
Fair Rate of Return on domestic loan 12%	

The liability in respect of the deferred payment credit is restated at Rs. 199.93 lacs in terms of Present Value as on 31.03.2008. The gain of INR 84.57 lacs is credited to Interest account during the year. The said amount is adjustable in 6 years effective from 08-09 for INR 14.10 lacs each. During the year 28.20 lacs have been adjusted in the Income Statement of 09-10. Restated value of said loan works out to INR 228 reduced by the repayment in the current year.

ii) Term Loan from SCB (Standard Chartered Bank)

Loan amount is Rs. 1,914.12 lacs payable in 17 equal quarterly instalments of Rs. 112.60 lacs each commencing from 08.04.2008.

The amortised cost of Loan on 31.03.2009 applying fair rate of quarterly interest (1.25%) for borrowing from overseas sources is Rs. 1,278.22 lacs. The gain of Rs. 185 lacs is adjusted to Interest account in Income Statement. INR 61.84 charged on account of interest for a period of three years. Foreign exchange gain / loss amounting to INR 22 has been adjusted to Income Statement during the year. Restated Value of loan works out to INR 1340 reduced by the repayment within the current year.

(B) Hedging Instruments

A Particulars	B Cost of Instrument	C Committed Liabilities	D Fair Value
Financial Liability- Packing Credit	4541.25	4612.50	4490.00

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

Information pertaining to IFRS - 7

i) The company availing Packing Credit facility from external sources has hedged a US $ (Dollar) against INR 46.125 for a period of one year in the back drop of price of INR 45.4125 per $ (USD) ruling at the point of transaction. The price of $ (USD) is INR 44.90 as on 31.03.2010.

ii) Hedging Loss (C-B) is Rs. 71.25 – recognized in Income Statement.

iii) Unrealised gain in hedging is 122.50 – recognized in Other Comprehensive Income.

32 Goodwill :

	2010	2009
Gross Goodwill	40061	17614
Cumulative impairment provision	16155	16155
Net Goodwill	23906	1459

Components of Goodwill :

(a) On September 14, 2003, the parent company acquired 100% stake in Dabur International Limited by way of acquiring 100000 numbers of shares therein at a consideration of INR 2287.50 lac. Excess of consideration money over the net asset value of the investee entity amounting to INR 825.40 lac has been accounted for as Goodwill.

(b) 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 lac. Excess of consideration money over the net asset value of the investee entity amount to INR 562.35 has been accounted for as Goodwill. Said Goodwill was impaired subject to due loss of impairment during course of reinstatement of account to IFRS as on 1.4.06.

(c) On April 01, 2005, Balsara Hygiene Products Ltd., Balsara Home Products Ltd. and Besta Cosmetics Ltd. joined the group after DIL acquired directly or indirectly 99.52%, 100% and 100% stakes in respective entities at aggregate of consideration of Rs. 16345.20 lacs. Rs. 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 Rs. 10.30 lacs of goodwill inherited from Balance Sheet of subsidiaries were impaired subject to due test of impairment during reinstatement of account in IFRS.

(d) As on April 01, 2006, three entities, Balsara Hygiene Products Ltd., Balsara Home 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 satatements as subsidiaries of DIL. The merger, contributed to additional goodwill of INR 632.23 in CFS which has beern carried in balance sheet and is subjected to due test of impairment.

(e) New Acquisition

(i) Pursuant to approval of Hon'ble High Court of Delhi and Mumbai of scheme of merger of subsidiary M/s. Femcare Pharma Ltd. With the company retrospectively since 1-4-09 and submission of certified copy of judgement of Hon'ble Court to ROC, erstwhile Fem Care Pharma Ltd. has been merged with the group since 1-4-09.

(ii) The Minority Interest in the said erstwhile subsidiary has been satisfied through equity settled share based payment by issue of 138420 numbers of equity shares of Re 1 each of the company as per the scheme. Issuance of shares is still pending.

(iii) The excess of consideration of acquisition over proportionate net assets taken over under the deal has been accounted for as 'Goodwill' which works out to Rs. 222.80 lacs.

(iv) Assets and Liabilities taken over under under merger are given below:

Assets		**Liabilities**	
Fixed Assets	2,102	Secured Loans	1,040
Investments	2,796	Unsecured Loans	355
Current Assets	5,824	Current Liabilities & Provision	3,203
Inventories	871	Creditors for goods	461
Sundry Debtors	669	Creditors for expenses and other liabilities	1,333
Cash at Bank	2,595	Advance from Customers	51
Loans & Advances	1,689	Interest accrued and due	Nil
		Unclaimed Dividends	7
		Provisions	1,351

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

Goodwill arising on account of consolidation of assets and outside liabilities of said entity as on 1.4.09 being the excess of value of investment over net assets is worked out below -

Particulars	As on 01.04.2009	Particulars	As on 01.04.2009
(A) Assets-(taken over as on 01.04.09)		**(B) Liabilities**	
Investments	424	Unsecured Loans	797
Current Assets:		Provision for interest payable to Parent Company	70
Royalty Received	24		
Cash & Bank Balances	10		
Loans & Advances	270		
Total	728	Total	867
(C) Value of Investment in said entity	28		
(D) Goodwill (C+B-A)	167		

33. Details of intangible assets (Patent & Software) :

		2010		2009
Patents		1125		1,113
Software	1667		1,654	
Less : Amortization	911	756	576	1,078
Total		1881		2,191

34. Other non-current assets :

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

	2010	2009
Security deposits with various authorities	3,580	2,993
Total	3,580	2,993

34A. Deferred Tax:

		31.03.2009	Adjustment				31.03.2010
			Income Statement	Other Comprehen-sive income	Retained Earnings	Total	
A	**Deferred tax liability (NonCurrent)**						
	Depreciation of Plant & equipment	1583	559			559	2142
	Reinstatement of Long term investment	131		-122		-122	9
	Undistributed Profit of Subsidiaries			967	2184	3151	3151
	Reinstatement of Deferred Loan		19			19	19
	Reinstatement of Forex Loan		40			40	40
	Deferred Tax liability (NonCurrent)	**1713**	**618**	**845**	**2184**	**3647**	**5360**
B	**Deferred Tax assets (Non Current)**						
	Service benefits	2369	-278			-278	2091
	Contingent Liability	60					60
	Doubtful Debts/Advances	304	121			121	425
	Miscellaneous Expenditure (Technical know how fees)	8	-8			-8	0
	Deferred Tax assets (Non Current)	**2742**	**-165**	**0**		**-165**	**2577**
C	**Deferred tax liability (current)**						
	Unrealised Profit of Intra co transaction	0		42		42	42
	Hedging Gain - Packing Credit	0		41		41	41
	Reinstatement of Readily Marketable Securities	37	-37	22		-15	22
	Deferred tax liability (current)	**37**	**-37**	**105**		**68**	**105**
D	**Deferred Tax assets (Current)**						
	Service benefits	46	-46			-46	0
	Disallowance	168	-110			-110	58
E	**Total deferred tax Assets (Current)**	**214**	**-156**		**0**	**-156**	**58**
F	**Total deferred tax liability**	**-1205**	**902**	**950**	**2184**	**4036**	**2831**

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

35. 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	1938	11.00%	Stock,movable properties & guarantee by Dabur India Ltd
African Consumer Care Ltd	Standard Chartered Bank	127	11.00%	Stock, book debts, leasehold property, movable property plant, equipment & personal guarantee of one director
Dabur Egypt Ltd	HSBC	202	5.00%	Stock, book debts, leasehold property, movable property plant, equipment & personal guarantee of one director
Naturelle LLC	ABN AMRO	672	Libor+1.5%	Movable properties & guarantee by Dabur India Limited
Dabur India Limited	Consortium of IDBI,SCB, SBI, ABN & HDFC	7890	8.00%	Stock & book debts
Dabur India Limited	Packing Credit Loan	5671		Unsecured
Add:	Current portion of long term debt	518		Point no. 35(b)
	Total	16347		

b). Long Term Borrowing (at Restated Value)

Particulars	Payable after one year	Payable within a year	Security
Standard Chartered Bank	502	420	Mortgage of factory at Nashik
Deferred Payment Credit	67	67	Charge on specific machinery
Sales Tax Loan Scheme (interest free)	259	31	Unsecured
	828	518	

36. Trade Accounts payable :

Trade accounts payable of INR 13000 (PY INR 13,612) comprise trade creditors for goods & services which include notes payable of INR 6080 (PY. INR 4,527).

37. Accrued expenses & other current liabilities :

Accrued expenses & other current liabilities comprise the following :

	2010	2009
Creditor for Expenses & Other Liabilities	33365	32,391
Advance from Customer	164	296
Security Deposit from Dealers	457	117
Interest accrued but not due on loans	25	35
Unpaid Dividend	304	256
Total	34316	33,316

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

38. Other non-current liabilities :

	2010	2009
Leave salary	570	477
Housing, Gratuity & Other Welfare	7,861	5,492
Taxation	24,263	16,509
Total	32,694	22,479

39. Minority Interest :

	2010	2009
Stock holder's equity	203	203
Share Premium	9	9
Other Reserve	138	138
Retained earning	(27)	54
Total	323	404

The share of loss of Minority Stake holders of financial year 2009-10 amounting to INR 81 has been credited to Minority Interest account.

40. Leasing Contract (excluding Land) :

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

	Not later than 1 year	Later than 1 year but not later than 5 years	Later than 5 years
Building	261	499	59
	(214)	(268)	(Nil)
Cars	44	69	Nil
	(33)	(46)	(Nil)

(ii) Lease Rent charged to Income Statement for the year Rs. 278 lacs(Previous Year 238)

(iii) Contingent rent recognized as income – NiL

(iv) The non cancellable lease agreement related to Flat & Vehicle, the period of lease not exceeding 5 years in each case.

41. Contingent Asset :

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

42. Stockholders' Equity :

(a) (i) 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 35 lacs towards exercise of stock option by minority

(ii) 1384620 number of equity shares of Re. 1 each are pending allotment (for consideration other than cash) in favour of Minority Shareholders of erstwhile Fem Care Pharma Ltd on account of consideration of merger of Fem Care Pharma Ltd., with the Parent Body retrospectively from 01.04.2009. Entire consideration money Rs. 14 lacs has been taken as part of equity.

(b) Employees Stock Exchange option:

The position of Equity Capital as on 31.03.2010 is as furnished below:

	As at 31.03.2010	As at 31.03.2009
Authorised:		
Equity Shares of Re.1 each 1450000000 number of shares	14500	14500
Issued and Subscribed:		
Equity Shares of Re. 1 each fully called up, 867585830 number of shares (previous year 865076249 number of shares at Re. 1 each)	8676	8651
Share Suspense A/c	14	-
	8690	8651

Note :

a) Of the above shares issued and subscribed 8610721 (Previous Year 6101140) shares have been allotted upto 31.03.2010 under ESOP scheme.

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

b) Of the above shares 755717743 shares have been allotted as fully paid up bonus shares from Share Premium account (286651392) and capitalization of Free reserves (469066351) shares.

c) Movement of Equity :

Particulars	Number of shares
Opening number of shares	865076249
Issuance against exercise of options in ESOP	2509581
	867585830
Pending Issue	1384620

43. 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.

	2010	2009
Outstanding, beginning of the year	3,995,407	5,073,660
Granted	413,842	563,472
Exercised	2,509,581	1,053,276
Cancelled	153,703	588,449
Outstanding, at the end of the year	1,745,965	3,995,407

Particulars of disclosure regarding share based payments :

		For the year:	Cumulative:
1.	Number of Options granted	413842	12888400
2.	Pricing formula Black Scholes Pricing Option	Each option carries the right to the holder to apply for equity shares of the company at par	
3.	Options vested	2509585	8135616
4.	Options exercised	2509581	8108962
5.	Total number of shares arising as a result of exercise of option	2509581	8610721
6.	Options lapsed/cancelled	153703	3033473
7.	Variation in terms of options	None	None
8.	Money realized by exercise of options INR		8610721
9.	Total number of options in force	1745965	1745965
10.	Weighted average exercise price (per option) weighted average fair value of per option :		(Rs. In lacs)
	(per intrinsic value method)		115.21
	(per black scholes model)		113.13
11.	The fair value of each option is estimated using the Black Scholes model after applying the following weighted average assumptions :		
	- Risk free interest rate		6.50
	- Expected life		1 to 5 years
	- Expected Volatility		15.92%
	- Expected Dividend yield		2.05%
	- Price of underlying shares in the Market at the time of option grant		136.59
12.	Share based payment led to charge of Rs. 962 lacs on Profit & Loss account with corresponding rise in Stock Option Reserve account in balance sheet		

a) Fair Value of Grant of Stock option under Black Schole Pricing Option model amortised during the year 09-10 works out to Rs. 962 lacs.

b) Consequent to making share base payment, fair value of Premium Component of equity shares issued on exercise of

option by the beneficiaries during the year determined on BLACK SCHOLES METHOD, aggregate, Rs. 1637 lacs has been charged off to stock option reserve with corresponding credit to Share Premium account.

c) Of the above shares issued 2509581 (Previous Year 1053276) shares have been allotted during the year and 1745965 (Previous Year 3995407) shares are outstanding under Employees Stock Option Scheme.

d) Of the above shares issued and subscribed, 9565961 (Previous Year 6101140) shares have been allotted upto 31st March'10, under Employees Stock Option Scheme.

44. Revenue :

	2010	2009
Sales less returns	337581	279297
Subsidy	533	681
Sale of scrap	745	733
Total	338,859	280,712

45. Other Income :

	2010	2009
Rent Realised	142	9
Misc Receipt	1,015	1,144
Profit on sale of investment	1,268	2,088
Profit / (Loss) on sale of assets	255	16
Total	2,680	3,257

46. Cost of Revenue :

	2010	2009
Raw Material consumed	81,098	81,400
Packing Materials consumed	52,027	44,715
Purchase of Finished goods	24,264	16,919
Increase(-) / Decrease in stock in process & finished goods	-1,028	-3,975
Mfg. Expenses	10,365	9,917
Workmen & staff welfare	13,451	11,874
Total	180,177	160,852

47. Selling, General & Administrative Expenses :

	2010	2009
Rent	2,451	2,204
Rates & Taxes	566	348
Insurance	531	451
Freight & forwarding charges	4,940	4,516
Commission, Discount	2,427	1,496
Advertisement & Publicity	49,348	34,325
Travel & Conveyance	3,514	2,720
Telephone	586	518
Legal & Professional	2,277	1,665
Security expenses	547	436
General expenses	10,834	9,668
Hedging Loss (realized)	71	-
Directors fees	14	10
Auditors' remuneration:		
Audit Fee	47	22
Others	105	100
Donation	613	364
Contribution to scientific research expenses	50	179

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

Bad debts	92	745
Provision for Contingent Liability		13
Loss on sale of Fixed Assets	195	258
Total	79,209	60047

48. Personnel Expenses :

	2010	2009
Directors' remuneration	1,740	1,486
Salaries & benefits	13,373	9,857
ESOP Employees	520	1068
Total	15,633	12,411

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

49. Depreciation & amortization :

	2010	2009
Depreciation on Property, Plant & Equipment	5,760	4,720
Amortisation of Software	331	303
Assets discarded/impaired	159	-
Total	6250	5024

50. Financial Expenses :

	2010	2009
Fixed period loan	171	969
Others	317	786
Bank charges	571	566
Total	1059	2,321

51. Income Taxes :

Income tax provision of Rs. 9359 includes foreign income tax provision of INR 239 (previous year INR 3) for Dabur Nepal Pvt. Ltd. and INR 48 (previous year INR 33) for Asian Consumer Care (Pakistan) Pvt. Ltd and INR 288 (previous year INR 198) for Dabur Egypt Ltd and INR Nil (previous year INR 6) for Asian Consumer Care Pvt. Ltd., Bangladesh and INR 12 (previous year INR Nil) for Dabur International Ltd and INR 3 (previous year INR 6) for African Consumer Care Ltd.

52. Related party transaction in conformity with IAS – 24 :

a. Rent paid INR 6.57 (previous year INR Nil) to ACI Ltd., Bangladesh, a joint venture partner and INR 68.20 (previous year INR 59.36) to Key management personnel.
b. Remuneration to key management personnel INR 1,322.55 (previous year INR 1,382.93).
c. Director Fees INR 14 (previous year INR 10.20).
d. Loan taken from director amounting to INR Nil (previous year INR 48.13).
e. Interest paid on loan taken from director amounting to INR 2.56 (previous year INR 4.09).
f. Payment to post employment defined benefit plan INR 1,056.08 (Balance as on 31.03.10 INR 7,915.91 lacs (previous year 7,336.84 lacs). Share based payment to key management personnel (ESOP) INR 353.09.
g. Guarantee Bond furnished to Bank on behalf of JCE INR 714 (previous year INR 714).

Note :

i) Key Management personnel include Mr Pradeep 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.
iii) Forum I Aviation Ltd – a Jointly Controlled Entity.

53. Other contingency & capital commitment :

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

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

List of contingencies are as follows :

	2010	2009
Claims not acknowledged as debts In respect of Guarantees furnished	772.34	667.93
Current	2,752.42	4,124.64
Bills purchased/discounted under letter of credit	5,621.97	6,653.11
Demand for taxes pending disposal of appeal(s)	3,805.98	2,763.95
In respect of capital Commitment for unexpected contract	3,191.55	3,652.28

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

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

i) Civil Suits filed by third parties Rs. 754.99 lacs (Previous Year Rs. 655.16 lacs)

ii) Claims by employees Rs. 17.35 lacs (Previous Year Rs. 12.77 lacs) for which reliable outflow of the liabilities are not measureable.

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

Guaranteed Party	Name of party on whose behalf guarantee issued	Carrying Amount As on 31/03/2010	Fair Value As on 31/03/2010
HDFC Limited	Forum I Aviation Ltd	714.29	714.29
HDFC Limited	R S Saini	8.75	8.75
Citi Bank	Asian Consumer Care Pvt Ltd	1040.00	1040.00
HSBC,New Delhi	Dabur Egypt Limited	502.77	502.77
HSDC LTD	Dabur Egypt Limited		
National Societe Generale	Dabur Egypt Limited	1,234.75	1,234.75
ABN AMRO BANK	Dabur Oncology Plc		
ABN AMRO BANK	Naturelle LLC	763.30	763.30
Hongkong Bank	Dabur India Limited		
Hongkong Bank	H&B Stores Ltd		
Punjab National Bank	Dabur India Limited		
Standard Chartered Bank	FEM Care Pharma Ltd	1,347.00	1,347.00
Corporation Bank	FEM Care Pharma Ltd	475.00	475.00
Standard Chartered Bank	Asian Consumer Care Pvt. Ltd	650.00	650.00
Standard Chartered Bank	Asian Consumer Care (Pakistan) Pvt Ltd	397.50	397.50

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

Non-current Loans and Advances includes INR 48.64 lac 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 lac 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 lacs 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 lac 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 lac, pursuant to the decision of Hon'ble Supreme Court in this regard. Fate of the arbitration proceedings not being readily ascertainable, no adjustment or recognition of income or expenses have been made concurring the issue.

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

54. Employees post retirement benefit :

A) Defined Benefit Plan

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

Particulars	Gratuity (funded)	Leave Salary (funded)	Post Separation benefits of director (un-funded)	Total
i) Expenses recognized during the period :				
A. Current Service Cost	394	252	115	761
B. Interest Cost	180	57	271	508
C. Expected Return on Plan Assets	(14)	(28)	0	(42)
D. Actuarial Loss/ Gain	(70)	72	(173)	(171)
E. Total Expenses recognized during the year (A+B+C+D+E)	490	353	213	1056
ii) Reconciliation of opening and closing balances of obligations :				
I. Obligation as on 01.04.2009	2799	922	3617	7338
II. Past service cost	0	0	0	0
III. Current service cost	536	318	114	968
IV. Interest cost	180	57	271	508
V. Actuarial Gain / (Loss)	(71)	44	(173)	(200)
VI. Settlement	(316)	(253)	(129)	(698)
VII. Obligation as on 31.03.2010	3128	1088	3700	7916
iii) Change in Plan Assets :				
I. Fair Value of Plan Assets as on 01.04.2009	1120	355	0	1475
II. Expected Return on Plan Assets	92	28	0	120
III. Actuarial Gain / (Loss)	(78)	(28)	0	(106)
IV. Employer Contribution	498	312	0	810
V. Settlement	(65)	(149)	0	(214)
VI. Fair Value of Plan Assets as on 31.03.2010	1567	518	0	2085

iv) Investment detail of plan assets as on 31.03.2010 100% in reimbursement right from insurance company for fund managed by it.

v) Actuarial Assumption :

Discount rate (%)	7.00%
Estimated rate of return on plan assets	8.00%
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 on long term investment in government bonds.

vii) The estimate of future salary increase take in-to 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	2009-10	2008-09
Provident Fund	712	553
Employee State Insurance	60	53
Employees Superannuation Fund	318	300

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.

55. Impairment of Goodwill :

Gross goodwill amounting to INR has arisen against consolidation / merger of Dabur International Limited, UAE, Weikfield International Limited, UAE and Balsara Group, respective contribution to gross goodwill being INR , INR and INR .

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

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

Based on assumption of life span of CGU'S and discount factor (applied for determination of as on date discounted value of future cash inflow of CGU's) at five years and 8% respectively, goodwill of Weikfield International and Balsara Group of Industries have been impaired by INR 562 lakhs and INR 15893 lakhs 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.

56. Total Assets includes INR 61 Lacs held for Sales with reference to IFRS 5. Total Liabilities includes INR 4 Lacs held for sales in disposal with reference to IFRS 5.

57. Exchange Gain works out to Rs. 52 Lacs which has been recognized in income statement and included in General Charges. All resulting exchange differences of foreign operations amounting to Rs. 169 Lacs has been adjusted to Comprehensive total income statement.

58. Interest in Joint Venture IAS-31 :

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

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

(c) The Company's Share of revenue expenditure of JCE amounting to Rs. 394.66 is expensed in General Charges in the Income Statement.

59. Assets and Liabilities of JCE as on 31.03.2010 as incorporated herein :

Secured Loan	577
Creditors	16
Fixed Assets	871
Investments	79
Advance to Employees	1
Cash & Bank	13
Debtors	16
Other Advance	260

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

Income/Misc Receipts including revenue from Flying (397)	399
Total	399
Operation Expenses	80

Consolidated Financials as per IFRS

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

Payments to & provision for employees	50
Administrative Expenses	113
Financial Expenses	60
Total	303
Forms part of Consolidated Income Statement	**96**

60. Interest in Partnership Firm- Associates- IAS-28 :

(a) The Company has invested Rs.49.49 (Previous Year Nil) against Capital Contribution during the year (Previous Year Nil) towards 99% interest (balance 1% is represented by one individual as partner investing 0.50 lacs on account of his capital).

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

(c) Assets and Liabilities pertaining to interest of the Group in the partnership firm as on 31.03.2010 amount to be Rs. 81.04 lacs & Rs. 9.22 lacs respectively.

Share of The Company in assets, outside liabilities, net worth and income and expenses not being allocated herein worked out to Rs. 1,240.22 lacs (Previous Year Rs. 1,242.72 lacs), Rs. 592.51 lacs (Previous Year Rs. 728.35 lacs), Rs. 153.55 lacs (Previous Year Rs. 20.21 lacs), Rs. 398.51 lacs (Previous Year Rs. 290.76 lacs) and Rs. 303.16 lacs (Previous Year Rs. 286.21 lacs) respectively in respect of year under audit and as per unaudited accounts of JCE.

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

62. Discontinued Operation :

The information pertaining to discontinuing operation in conformity to IFRS- 5 is furnished below:

Place / Location	Hair Oil Baddi	MST Unit Baddi
Discontinued since	March'04	November'00
Segment/unit related in Financial statements	FMCG	FMCG
Carrying amount of total assets	33 (33)	28 (28)
Carrying amount of total liabilities	4 (4)	0 (0)
Loss on discontinued operation	2	1

Note

(a) The brackets indicate Previous Year.

(b) The information to other parameters (eg Profit from ordinary activities, Income Tax expenses, Gains on disposal of assets, Cash flows) are not furnished as they are nil.

(c) Parts of fixed assets in Plant & Machinery categories of discontinued operations under reference have been used for new plant set up in relevant premises, not included in (3) above.

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

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

Manoj Kumar Das
Partner

Place: New Delhi
Dated: 18th June 2010

For **Dabur India Ltd.**

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

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

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