Dabur

Indian Roots. Global Reach.

Dabur India Limited | Annual Report 2010-2011

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Corporate Information

BOARD OF DIRECTORS

Dr. Anand Burman
Chairman

Mr. Amit Burman
Vice Chairman

Mr. Pradip Burman
Director

Mr. Mohit Burman
Director

Mr. P. D. Narang
Director

Mr. Sunil Duggal
Director

Mr. R. C. Bhargava
Director

Mr. P. N. Vijay
Director

Dr. S. Narayan
Director

Mr. Albert Wiseman Paterson
Director

Mr. Analjit Singh
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

Standard Chartered Bank

The Hongkong & Shanghai Banking Corporation Ltd.

The Royal Bank of Scotland

Citibank NA

HDFC Bank Ltd.

IDBI Bank Ltd.

CORPORATE OFFICE

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Dabur Tower, Kaushambi, Sahibabad,
Ghaziabad - 201 010, (U.P.), India
Tel: 0120 - 39412525, 3982000
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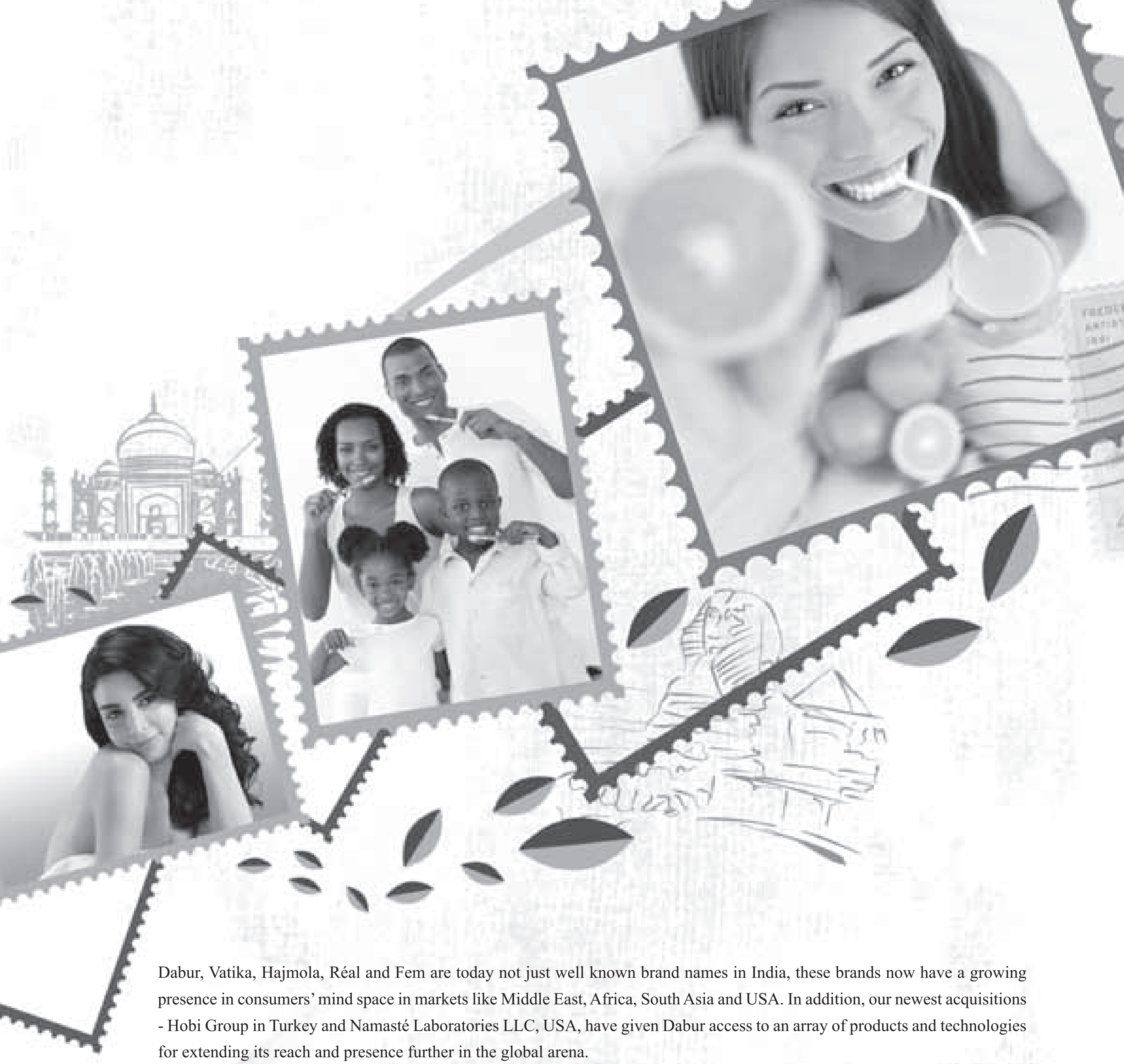
Call it a search for holistic and healthier living, a similar need drives people's preferences across the length and breadth of India and other countries across the world.

It is a tradition that is rooted in the Indian ethos, which has now expanded and gained global reach.

Millions of people across 60 countries and 4 continents (Asia, Africa, North America & Europe) repose their trust in the one brand portfolio that spells Natural and Ayurvedic care.

A brand loyalty that has been built over generations, through a cumulative period of over 126 years… a tradition of trust that has crossed the Indian boundaries and is still growing from strength to strength.

This trust that has been reposed on our brands has powered the growth of Dabur from a small Ayurvedic pharmacy - that began operations in the bylanes of Kolkata - into a global market leader in Ayurvedic and Herbal Health and Personal Care products.



Dabur, Vatika, Hajmola, Réal and Fem are today not just well known brand names in India, these brands now have a growing presence in consumers' mind space in markets like Middle East, Africa, South Asia and USA. In addition, our newest acquisitions - Hobi Group in Turkey and Namasté Laboratories LLC, USA, have given Dabur access to an array of products and technologies for extending its reach and presence further in the global arena.

No surprise then that Dabur is not just the 4th largest FMCG company in India with revenues of Rs. 4,110 crores, but it is the world's largest Ayurvedic and Natural Health Care & Personal Care company with a product portfolio which caters to and is customized for the local consumers. A company which has truly become global with a difference.

This is the story of a Company with Indian Roots and Global Reach.

Our Roots

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.

The billion rupee brands

Dabur

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

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

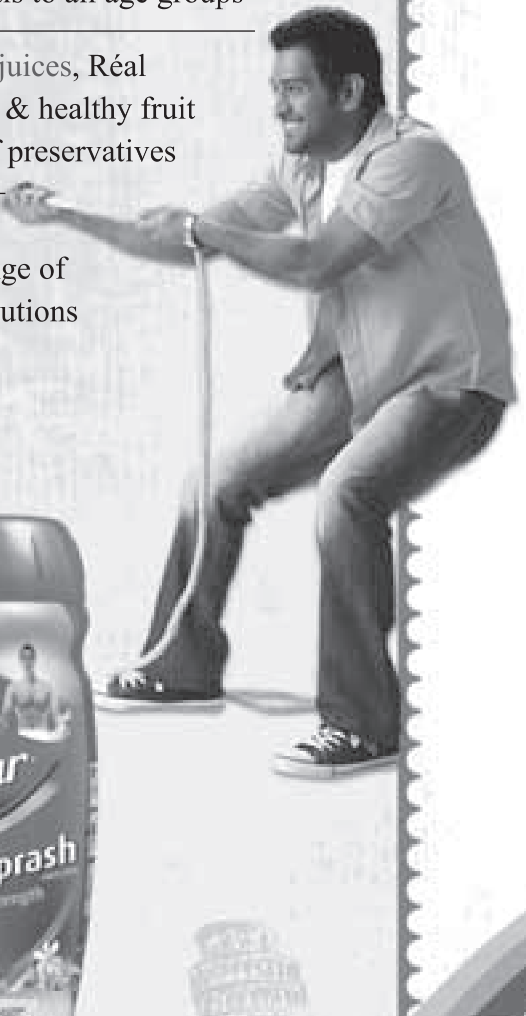
Tasty fun-filled digestives available in interesting formats like tablets and candies, Hajmola appeals to all age groups

Réal

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

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



CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me great pleasure to write to you at the end of another memorable year for your company.

The fiscal year ended March 2011 had its set of challenges. Persistent double digit domestic inflation, disturbances in our markets in the Middle East and in North Africa, the increase and volatility of crude oil prices, all added to pressures on the revenues and on the profits of the company. However, the intrinsic growths in the markets where we operate, remain strong and the consumer confidence in these markets is enduring.

External pressures notwithstanding, the Indian Economy has exhibited a strong momentum, growing at 8.6%, and the consumer goods industry has correspondingly performed well. I am pleased to inform you that Dabur has ended the year with good growth in both revenues and profitability. On a consolidated basis, the revenues grew by 20.3% to end the year at Rs. 4109.9 crores and the Net Profit rose 13.4% to Rs. 568.6 crores. The steady growth achieved by your company has been enabled by sustained investments in marketing and brand building, distribution, production, supply chain management and by driving operational efficiencies across all functions.

During the year, your Company saw robust volume-led growth across key categories like hair oils, toothpaste, skin care, health supplements, home care and foods. The year also saw Dabur complete two overseas acquisitions within a span of just four months. In October 2010, Dabur completed the acquisition of Turkey-based Hobi Group, giving it access to a new market as well as to a wide range of personal care products that will further expand its portfolio in the overseas markets, especially the Middle East and North Africa. This was followed in quick succession by the acquisition of Namasté Laboratories LLC, giving Dabur an entry into global African hair care market. On the domestic side, in continuation with our strategy to expand our presence in the OTC healthcare space, we have recently acquired 'Thirty-Plus', India's first energizer and nutritional supplement brand.

During the year, your Company saw robust volume-led growth across key categories.

Going forward, we would look at more such opportunities to gain market entry and consolidate our competitive positioning while remaining focused on current market segments in which we operate today. Acquisitions would, therefore, continue to be integral to our growth strategy as we move ahead.

The growth strategies and your Company's achievement through 2010-11 have been elaborated in detail in the Management Discussion & Analysis section of this report. In this letter, I would like to highlight 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.

The consumer goods sector has performed encouragingly in 2010-11. What is more heartening is the fact that significant amount of growth is volume-driven. Higher raw material prices, rising food inflation and disruptive competition has impacted margin profiles of a few categories in the sector. However I do believe that the structural consumption growth story is still intact with real per capita disposable incomes continuing to rise and the Indian middle class emerging as a significant market. In the current inflationary scenario, companies with pricing power at the back of strong brands and efficient capital structure will emerge stronger by managing costs efficiently, expanding their presence through smart innovations and putting into play relevant consumer insights. Dabur is a nimble-footed organization that takes cognizance of these opportunities and changes in market dynamics to stay ahead and continue to invest behind its brands and businesses.

Overall the Company is well positioned to participate in the quantum growth that is happening and is expected to happen in the future in the consumer goods industry. The industry is expected to more than triple in size from the current level of about $33 billion in the next 10 years. Various demographic and economic indicators are pointing towards a period of sustained growth and robust demand conditions in the coming years. Growing middle class and rural households represent an opportunity that may well be ahead of estimates in the future. We believe that steady demand conditions should ensure strong double digit growth in the industry going forward. The challenges in terms of cost pressures will have to be met through enhancing efficiencies and building strong and powerful brands.

I would like to take this opportunity to thank all our consumers, business partners, shareholders and employees for continued commitment and support. Our employees are our greatest assets 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 each and everyone of our stakeholders for their trust, encouragement, support and passion that inspires us to strive higher and higher with each passing year. We remain true to our motto – "Dedicated to the health and wellbeing of every household".

Yours sincerely,

Dr. Anand C Burman
Chairman
Dabur India Ltd

We remain true to our motto: Dedicated to the health & well being of every household.

10 Year Highlights

₹ crore	FY02*	FY03	FY04**	FY05	FY06#	FY07^	FY08	FY09	FY10	FY11^^
Operating Results:										
Sales	1,200	1,285	1,236	1,417	1,757	2,080	2,396	2,834	3,416	4,110
Other Income	12	7	9	9	13	26	34	47	48	65
EBITDA	144	162	164	217	300	376	443	517	677	820
EBITDA Margins (%)	12.0	12.6	13.3	15.3	17.1	18.1	18.5	18.3	19.8	19.9
Profit Before Tax (PBT)	82	106	124	176	257	319	384	445	601	708
Taxes	14	14	15	19	30	39	52	54	100	139
Tax Rate (%)	16.6	13.3	12.0	10.8	11.7	12.1	13.4	12.1	16.7	19.6
Profit After Tax (PAT)	64	85	107	156	214	282	333	391	501	569
PAT Margins (%)	5.4	6.6	8.6	11	12.2	13.5	13.9	13.8	14.7	13.8
Financial Position:										
Fixed Assets (Net)	371	257	250	295	512	379	465	559	677	1542
Current Assets, Loans & Advances	504	522	340	408	471	640	774	951	1106	1853
Current Liabilities & Provisions	183	241	294	400	436	452	732	805	920	1458
Net Working Capital	322	281	46	8	35	189	42	146	186	395
Total Assets	705	640	433	543	624	670	749	1060	1129	2465
Share Capital	29	29	29	29	57	86	86	87	87	174
Reserves & Surplus	365	388	257	335	440	393	531	732	848	1217
Shareholders Funds	393	417	286	364	497	480	618	819	935	1391
Loan Funds	304	964	132	164	121	160	99	230	179	1051
Total Capital Employed	705	640	433	543	624	670	749	1060	1129	2465
Return Ratios:										
ROCE (%)	12.6	16.1	28.6	31.3	39	45.7	47.6	39.4	45.7	33.2
RONW (%)	16.6	20.6	38.1	43.5	46.1	61.3	55.3	47.7	53.5	48.9
Equity Share Data:										
Earnings Per Share (₹)	2.3	3	3.7	5.4	3.7	3.3	3.9	4.5	5.8	3.3
Dividend Per Share (₹)	0.5	1.4	2	2.5	1.8	1.4	1.5	1.8	2	1.3
No. of Shares (In Cr)	28.6	28.6	28.6	28.6	57.3	86.3	86.4	86.5	86.9	174.1

Sales are Gross Sales i.e. Net of Sales Tax/VAT paid *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 ^^Bonus Issue of 1:1 issued during the year; ROCE & RONW on average basis due to acquisitions during the year

ACCOLADES 2010-11

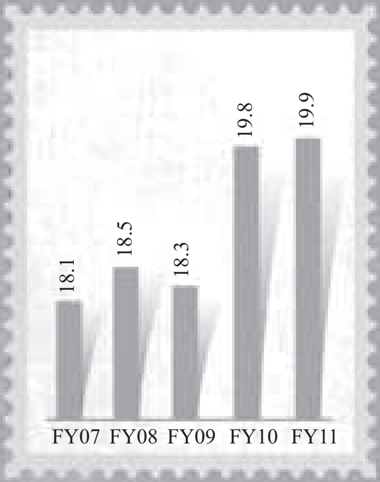
Dabur Amla Hair Oil enters Limca Book Of Records for organizing the longest-ever non-stop hair massage session

Four Dabur products - Meswak Super Value Hygiene Pack, Vatika Enriched Almond Hair Oil, Dabur Amla Flower Magic Hair Oil and Dabur Uveda Complete Fairness Cream - honoured with INDIASTAR Awards, the National Awards for Excellence in Packaging

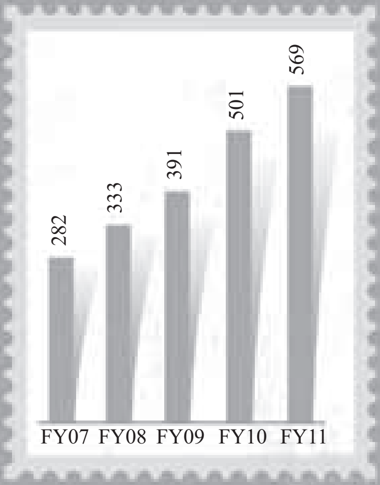
Performance at a Glance

Sales (₹ Cr)

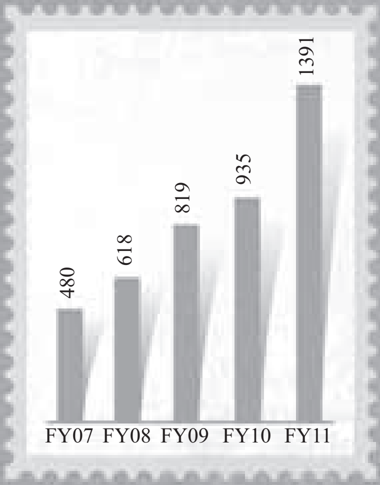
EBITDA Margins (%)



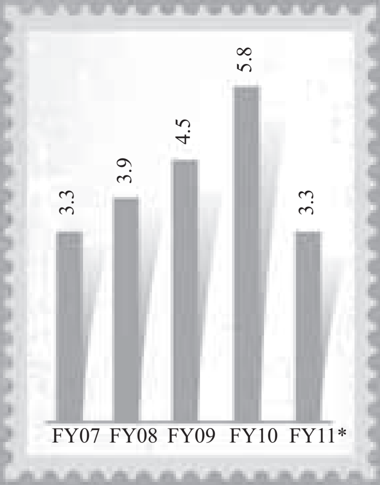
Profit After Tax (₹ Cr)



Shareholders' Fund (₹ Cr)



EPS (₹)



*Post Bonus

Dabur ranked among Top 10 Most Respected FMCG Companies in India by Businessworld

Dabur India Ltd. ranked as India's Most Customer Responsive FMCG Company by The Economic Times

Dabur India Ltd. ranked among Top 100 Beauty Companies in the world by WWD BeautyBiz. Dabur debuted on the list this year with a ranking of 63

Chyawanprash, Hajmola & Réal voted as Power Brands by consumers as per research conducted by Indian Council for Market Research

Corporate Social Responsibility

Dabur has always believed that businesses can, and should, have a positive impact on the communities they serve. At Dabur, we have dedicated ourselves to earning the trust and respect of our customers, partners and neighbours by being responsible and doing things that are good for the planet and each other.

We have a two-pronged approach when it comes to community and social initiatives. The first pillar of this movement is the various brands and initiatives that have been at the forefront of not only meeting the consumer's ever-changing needs but also doing good to the society at large. The second - and an equally strong - pillar in our community initiatives is SUNDESH (Sustainable Development Society), an NGO that's sworn to the mission of ensuring overall socio-economic development of the rural & urban poor on a sustainable basis, through different participatory and need-based initiatives.

Swasthya Chetna Abhiyan

The past few years have seen a surge in outbreak of flu and viruses, taking a toll on India. In view of the rising mortality rate of diseases like Swine Flu, viral & other infections, Dabur Chyawanprash rolled out a mega community initiative - Immune India - aimed at spreading awareness about the need to build your immunity and fight such deadly viruses.

In 2010-11, Dabur Chyawanprash launched 'Swasthya Chetna Abhiyan' in rural Uttar Pradesh and Bihar, a programme covering 6 districts of rural Bihar and 2 districts of rural Uttar Pradesh. The 45-day activity covered 540 villages and reached out to almost 20 lakh people in the two states.

The idea was to inform people that there are so many widespread diseases and the underlying problem is low immunity. The campaign ended with Dabur identifying 30 consumers from rural U.P. and Bihar as Dabur Chyawanprash Immunity Ambassadors to spread awareness about building stronger immunity to fight the rising incidence of flu, viral attacks, infections in their respective villages and districts.

Samajdhar Maa, Swasth Bacha

India's infant mortality rate (IMR) may have seen a decline over the years, but the fact remains that a vast majority of people, particularly in rural India, still do not have access to proper information about infant and baby care.

Dabur Lal Tail has taken the initiative to make mothers in rural India more aware about the various healthcare issues concerning their little ones. Christened 'Samajdhar Maa, Swasth Bacha', this 60-day rural activation campaign was undertaken in Chhattisgarh and Madhya Pradesh targeting 1 lakh women in 5000 plus villages and towns. The basic aim of this campaign was to address and engage mothers of infants through a health check-up for the infant.

A mobile health camp was also organized, offering clinical examination of the infant health by doctors. We also roped in local influencers like rural medical practitioners to bring in more credibility to the campaign and build sustenance.

Machchar Mukti Abhiyan

The past few years have seen India emerge as the hotbed of several deadly mosquito-

borne diseases like Dengue and Chikungunya. The alarming spike in the number of mosquito-borne illnesses this year has already claimed thousands of lives across the country.

People in the hinterland are more affected by these diseases as they sleep in the open and are not aware about effective methods to prevent themselves from mosquito bites. Odomos has been working towards drowning the drone of mosquitoes in small towns across northern Indian with its ‘Macchar Mukti Abhiyan’ campaign.

Through a mix of audio-visuals, street plays and other awareness generation activities, we have been able to reach out to 1.2 lakh people in 232 villages of Uttar Pradesh. Almost 50 per cent of the programme component is concentrated on why mosquitoes are harmful and also educate people about the effective prevention methods.

Odomos also worked with Brihanmumbai Municipal Corporation to spread awareness about how to prevent breeding of mosquitoes and protect yourself from mosquito-borne diseases.

Dabur has always believed that businesses can and should have a positive impact on the communities they serve.

SUNDESH

Dabur firmly believes that an organization'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.

SUNDESH, an outcome of the vision of Dabur India Ltd. founder Dr. S. K. Burman, was formed to reach out to the weaker and more vulnerable sections - such as women and children, illiterate and unemployed - of our society.

Today, SUNDESH operates in Ghaziabad & Gautam Budh Nagar districts (Uttar Pradesh), Rudrapur district (Uttarakhand) and Baddi (Himachal Pradesh). The strength of SUNDESH lies in its infrastructure, skill in community mobilization, networking, accountability and transparency.

SUNDESH works towards sustainable development in 3 key areas - Environment, Economy and Community. SUNDESH has been involved in the social development sector for about 17 years, starting with health care services and slowly - but steadily - expanding the scope to cover various other activities related to rural development on a sustainable basis. Over the years, it has contributed to many worthy causes, addressing children's literacy, improving healthcare services, skill development, and environment.

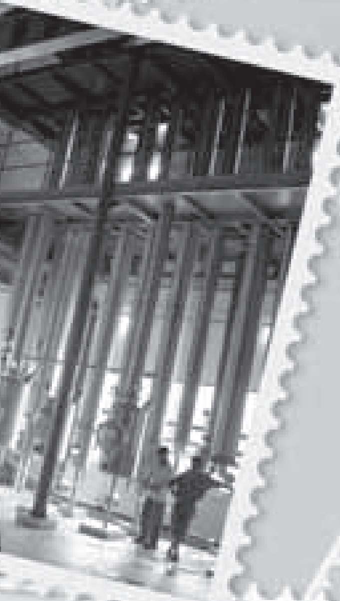
Over 2500 women have been offered skill development training and they are now supplementing their household income. It's highly encouraging to see that our small steps and efforts have helped many an illiterate child see a school from inside, helped unemployed youth set up small businesses, made healthcare accessible to many... in short, brought smiles on the faces of scores of families.

Sustainability Report

"Dehi Me Dadami Te"

(As you give me, I give you in return)

This ancient Sanskrit text aptly coveys Dabur's commitment towards sustainability.



At Dabur India Ltd., sustainability is not merely a buzz word. The concept of sustainability is incorporated into the core of our business and has been expanded to encompass our aspirations and responsibilities to the environment.

At Dabur, we strive to lead in sustainability by taking it into account in everything we do. Our business is committed not just towards profitable growth, but also towards leaving a deeper imprint on the society as a whole. All our actions are aimed towards this larger goal.

Some of the key initiatives undertaken by Dabur in this direction are:

Medicinal Plants Project - Banepa

Medicinal plants are the core of herbal remedies used in Ayurveda. Given the critical nature of medicinal plants, Dabur Nepal initiated the Medicinal Plants Project in the mountain regions of Nepal. Under this project, we provide modern scientific support for cultivation and processing of these plants by local farmers. They are provided saplings through local community development agencies and the harvested plants are bought by Dabur Nepal at prevailing market prices. This system of contract cultivation has been a great success in several areas of the Terai region. The project assures the community of a sustained source of income.

Dabur Nepal has also set up state-of-the-art greenhouse at Banepa to produce saplings under controlled conditions. To sustain the livelihood of mountain people, provide a source for raw materials and also conserve the natural resources of this fragile ecosystem.

Kelong Valley Project

Dabur has, this year, piloted a medicinal plant project in Kelong valley of Himachal Pradesh to not just revive endangered and rare Medicinal and Aromatic Plants (MAPs) but also to generate additional income for farmers in the region. Under this project, Dabur has identified over 350 plants that would be cultivated under a contract farming arrangement with around 135 farmers in the region. The farmers have formed a cooperative society, which buys the harvest from the farmers, reimburses them immediately and then sells the produce to Dabur. The farmers use their own planting material, but Dabur supplies them with technical intervention and support in nurturing the plants.

According to local estimates, the farmers have seen a 30% appreciation in the prices they got for such plants since Dabur started this initiative.

Wasteland To Farmland

In another one-of-its-kind green project, Dabur had adopted 140

acres of wasteland in Sandila, located about 70 km from Lucknow, the capital of U.P. The entire adopted wasteland has been brought under cultivation in this project and we are today growing three rare plants.The Company is now in the process of roping in mango orchard owners near Sandila to cultivate endangered crops like Salparni and thereby increase their yields. Dabur has established a demo unit in the vacant plots of land belonging to these farmers after paying them the land opportunity cost. At this demo unit, Dabur - along with National Medicinal Board - is today cultivating 5-6 MAPs to showcase the inter-cropping and income generation opportunities that growing such rare plants offer. This helps them get a deeper insight into the cost incurred and the profit potential that these crops offer.

North-East Greenhouse

A pilot project has been undertaken in Arunachal Pradesh to grow a rare medicinal plant Chirayita, which has anti-malarial properties and is used in several Dabur products. Dabur has tied up with 20 farmers in the region, under which they are provided high grade seeds and their harvest is bought back by the Company at competitive market rates.

Weeding Out Middlemen

Dabur has initiated steps to ensure that farmers get the best price for their produce by eliminating the middlemen and putting primary producers directly into our supply chain. As the first steps in this direction, Dabur has engaged Gujarat Forest Development Cooperation as a vendor besides roping in a farmer federation in Chhattisgarh and dovetailing with National Medicinal Plants Board projects. Such initiatives help in better reaching out to the farmer community by offering better returns to the cultivators and primary producers.

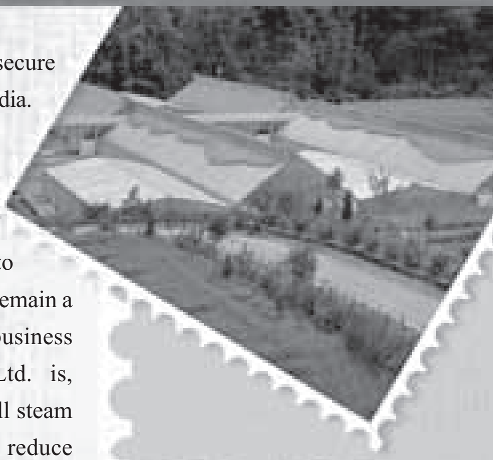
With our direct engagement programme, Dabur is educating the farmers about best practices in cultivating and collecting such rare herbs/MAPs - steps that would help them augment their income for years together.

Green Manufacturing

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

Within our units and the areas under our control, Dabur's efforts to maximize production are paralleled by minimizing consumption of natural resources and reducing waste & emissions in a sustainable manner. These initiatives will go a long way, in building a sustainable, secure and inclusive future for India.

Our business is committed not just towards profitable growth, but also towards leaving a deeper imprint on the society as a whole.



We have recognized the importance of taking leadership in this domain and activities to protect the environment remain a crucial element of our business model. Dabur India Ltd. is, in fact, 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.

Management Discussion and Analysis

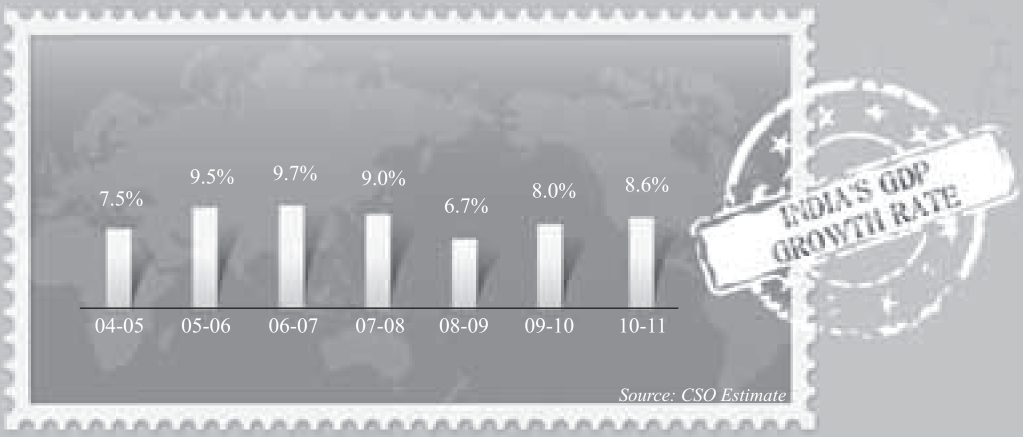
Fiscal 2010-11 witnessed the global economy largely shaking off the effects of the economic and financial crisis and starting on the road to recovery.

Nevertheless, economic growth in the industrialized nations was below average compared with the performance seen after previous economic slumps, with only Asia, particularly India and China seeing above-average momentum. The year FY 2010-11 faced headwinds such as the Euro-zone debt crisis, political upheaval in Middle East and the twin catastrophes of earthquakes and tsunami striking Japan.

The Indian economy continues to be on a strong growth trajectory with CSO (Central Statistics Office) estimating a growth of 8.6% in real GDP for the 2010-11 fiscal as compared to a 8.0% growth for 2009-10 fiscal. The agriculture, forestry and fishing sector witnessed a surge in fiscal 2010-11, with CSO estimating growth of 5.4% as compared to 0.4% for fiscal 2009-10. The manufacturing sector continued to post good growth with CSO estimates at 8.8% for both fiscal 2009-10 and 2010-11. The services sector was the outperformer with CSO estimating growth at 9.6% for fiscal 2010-11 although this was slightly less than 10.1% for fiscal 2009-10.

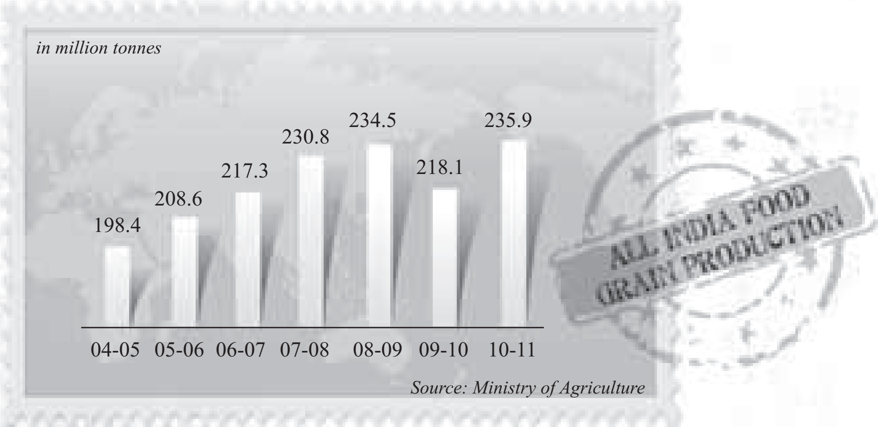
Per capita income in real terms (at 2004-05 prices) during fiscal 2010-11 witnessed an uptick, growing by 6.7% in fiscal 2010-11 as compared to 6.1% in fiscal 2009-10.

Indian economy is vitally linked with the monsoon because of its large agricultural sector and huge requirement of water resources. A large part of the country gets



Source: CSO Estimate

more than 75% of the annual rainfall during the four months, June to September (Monsoon season). The production of food-grains has a high correlation with the amount and distribution of monsoon rainfall over the country. Further, the generation of hydro-electric power from monsoon rain water is a clean energy source. The 2010-11 fiscal witnessed more than its fair share of rainfall, which was at 102% of the long term average for the season as compared to deficient monsoons last year. This augured well for foodgrains' production, which increased by 8.2% to 235.9 million tonnes in 2010-11 from 218.1 million tonnes in 2009-10 (advance estimates by Ministry of Agriculture). This will enable the rural economy to continue to grow well, apart from other factors which are contributing to rural growth.

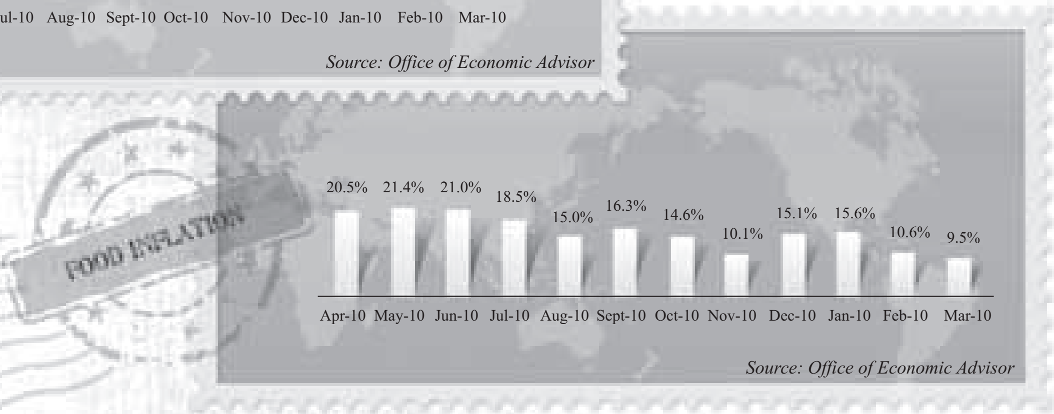


DABUR INDIA LTD. HAS REPORTED CONTINUED YEAR-ON-YEAR GROWTH IN SALES AND PROFITS FOR THE LAST 36 QUARTERS

Although GDP growth remained strong, high levels of inflation throughout the year played spoilsport, oscillating within a band of 11% to 8%. This led to several rounds of interest rate hikes by the RBI (Reserve Bank of India) to curb inflation and prevent overheating of the economy. In addition, inflation in food articles touched peak of 20-21% during the months of May-June 2010 and continued to remain in double digits throughout the year.

All round high inflation in commodities and manufactured products led to significant increase in input costs across the sectors. In addition, crude prices moved up, which also had an impact on transportation costs, hydro carbon linked inputs and packaging costs. Overall, FY 2010-11 was a very challenging year in terms of input cost inflation and managing material costs.

Source: Office of Economic Advisor



Source: Office of Economic Advisor

DABUR IS TODAY THE DOMINANT PLAYER IN SEVERAL KEY CATEGORIES LIKE HEALTH SUPPLEMENTS, HAIR OILS, PACKAGED FRUIT JUICES & FAIRNESS BLEACHES, AMONG OTHERS

FMCG Sector in India

Steady growth in the Indian economy is being driven by strong domestic consumption, economic reforms, private entrepreneurship and global linkages.

Domestic consumption is on the rise due to increasing disposable incomes, growing employment opportunities and favourable demographics, such as young population (median age of 26 years), growing middle class and changes in consumption and life style. As per a recent study conducted by Booz & Company, FMCG sector is expected to grow in the range of 12% to 17% upto 2020 and would touch a market size between of ₹4,000 to ₹6,200 billion i.e. US$ 90 billion to US$ 138 billion. Current market size is estimated at ₹1,463 billion i.e. US$33 billion (*A C Nielsen report on FMCG industry, March 2011*).

The billion plus Indian population, with 50% of population below 25 years and 65% below 35 years of age, offers substantial opportunity going ahead. Robust economic growth would translate into higher per capita incomes, which are expected to increase by around 3 times to $3,231 by 2020 from $1,017 in 2009. In addition, evolution in consumption patterns in rural India augur well for sustained growth in FMCG sector.

The following factors are driving consumption in both rural and urban markets:

- Upgradation of consumption from *unorganized to organized* and from unbranded to branded products
- Increasing per capita consumption, which is relatively very low as compared to some of the other emerging markets
- Improving penetration of consumer products, resulting in increased usage across population strata
- Change in consumption habits with consumers moving up the ladder and demanding products suiting their needs and evolving lifestyle

The urban theme would be played by rising share of nuclear households, increasing proportion of women in working population, growing size of the Indian middle class and changes in lifestyle and consumption patterns.

India's growing middle class is another important factor driving economic growth and consumption. Indian middle class, which constituted 5% of total population in 2007, is expected to grow to more than 40% of the population, increasing ten times from 50 million to 583 million by 2025 (*The 'Bird of Gold' : the Rise of India's Consumer Market by Mckinsey Global Institute*).

In fact, the growth of the Indian middle class and economic growth are inter dependant as shown in this circle : rising incomes leading to higher consumption levels, which in turn drive robust economic growth, translating into more employment opportunities and subsequently higher wages.

The modern trade channel is another factor contributing to growth of the FMCG industry as it is driving consumption by providing convenience, visibility, better shopping experience and variety. This is also an important channel for marketers to have direct consumer interaction and interface. Modern trade is growing at a fast clip and is expected to increase its share of revenues as it expands.

On the rural side, there has been visible evolution in rural consumption patterns, with increasing demand for quality and branded goods, though pricing and affordability continues to remain an important parameter. Increasing consumption is being witnessed in categories such as soaps, shampoos, oral care and laundry. Greater media penetration in rural areas is also acting as a key influencer on lifestyle and consumption patterns.

The very attractiveness of the Indian FMCG market is leading to aggressive competition among the key players. Fiscal 2010-11 saw a wave of disruptive competition happening in a few categories of the sector, with significant increase in advertising and promotional spends and attempts to win over consumers by offering greater value for every rupee spent.

For the 2010-11 fiscal, Indian FMCG sector continued on a strong growth trajectory, with the Non-Food and OTC segment of the industry growing by 15% (*AC Nielsen MAT Mar 2011*), driven by opening up of rural markets, increased income in rural areas, growing urbanization, along with evolving consumer lifestyles and buying behaviour.

An increasingly tougher input costs environment led to price increases across categories by various FMCG players. Last year, a benign input cost environment had resulted in expansion in

gross margins, which in turn led to various players increasing their advertisement and promotional spends. During fiscal 2010-11, the input costs spiraled while the advertisement and promotional spends did not witness any significant decline due to heightened competitive activity, and this put pressure on margins. At Dabur, we managed inflation in our commodity basket by effecting calibrated price increases, strategic stocking and prudent buying. On account of these, we managed to protect our margins and reported strong growth of 21% in our operating profits.

Dabur Performance Overview

Dabur completed another year of strong growth, both in revenue and profits. The highlights of the Company's performance in fiscal 2010-11 on a consolidated basis are:

- Consolidated Sales increased to ₹4,109.9 crores in fiscal 2010-11 from ₹3,415.8 crores in fiscal 2009-10 registering a growth of 20.3%
- Earnings before interest, taxes, depreciation and amortization (EBITDA) increased to ₹819.8 crores in 2010-11, from ₹677.3 crores in fiscal 2009-10, registering growth of 21.0%
- Consolidated profits after tax (PAT) went up to ₹568.6 crores in fiscal 2010-11 from ₹501.3 crores, going up by 13.4%

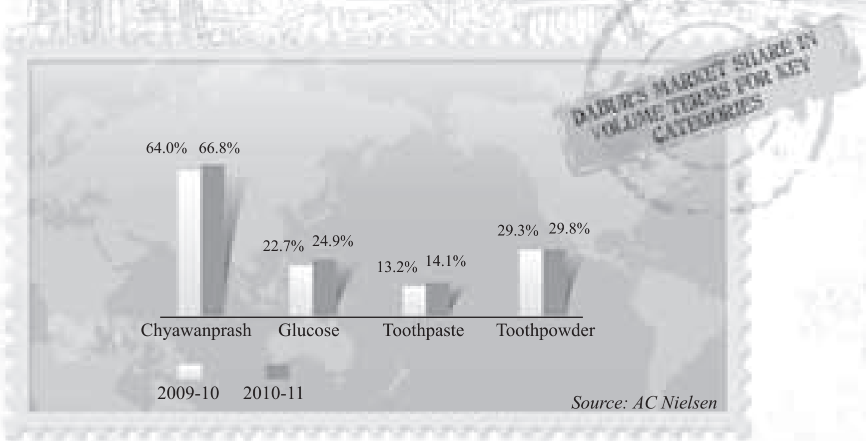
Earnings per share (EPS) went up to ₹3.25 in fiscal 2010-11 from ₹2.89 in fiscal 2009-10

The Company has maintained a strong and consistent growth trajectory in consolidated sales during the last 10 years, with growth accelerating in the last 5 years to CAGR of 18.5% (*See Chart below*). The Company's sales crossed the ₹4,000 crore mark during fiscal 2010-11.

Sales growth during 2010-11 continued to be significantly volume-driven, with volumes accounting for more than three fourths of the total revenue growth. The challenging input cost environment led to calibrated price increases across categories.

Note : Fiscal 2003-04 is not comparable as the Company's pharma business was de-merged into Dabur Pharma Ltd.

On the operational front, the Company managed to maintain EBITDA margins which were stable at 19.9% in 2010-11 as compared to 19.8% of sales in 2009-10. Aggressive marketing initiatives led to gain in market share in categories like Chyawanprash, Glucose, Toothpastes and Toothpowders.



Overseas Acquisitions

The year 2010-11 was a landmark year for Dabur as the Company embarked upon its first inorganic foray into international markets with two successive acquisitions.

DABUR'S INTERNATIONAL BUSINESS ACHIEVED A CAGR OF 28% DURING THE LAST 7 YEARS, ENTIRELY THROUGH ORGANIC GROWTH. IT MADE ITS FIRST OVERSEAS ACQUISITIONS IN THE FISCAL 2010-11

HOBI KOZMETIK GROUP

Dabur's first overseas acquisition - Hobi Kozmetik Group - is a leading personal care products Company in Turkey, which markets a wide range of hair care, skin care and body care products. The Company is a leader in the hair gel category with a 35% share and markets its products under the 'Hobby' and 'New Era' brands. Its products are sold across 35 countries, including the Middle East and North Africa. The Company had sales of around $30 million and has been acquired for a total consideration of $69 million. The acquisition was completed in October 2010.

Under the transaction, Dabur has acquired 100% stake in three Hobi Group firms - Hobi Kozmetik, Zeki Plastik and Ra Pazarlama. The acquisition provides Dabur entry into the fast growing Turkey market, in addition to a complimentary product portfolio which can be leveraged across MENA and Africa through Dabur's existing network. The acquisition is in line with Dabur's strategy to aggressively expand its scale of operations and strengthen its presence in the Middle East and North African region.

NAMASTÉ LABORATORIES LLC

In January 2011, Dabur acquired Namasté Laboratories LLC, a Company which markets a specialized range of hair care products to people of African descent. The Company is headquartered at Chicago, USA, and is a leading player in the ethnic hair care segment in USA, besides enjoying good brand equity in African markets. The Company had revenue of $94.7 million in 2010 and has been acquired at a cost of $100 million. In addition to the acquisition cost of $100 million, there may be further milestone payments upto a maximum of $40 million to the shareholders, pursuant to an earn out agreement, linked to achievement of sales and profit targets over the next 4 years. The acquisition of Namasté Laboratories provides Dabur access to a suite of products specifically suited to African population, giving your Company more ammunition to expand its presence in Sub-Saharan Africa.

Namasté, was founded in 1996 to fulfill the needs of the health-conscious consumers of African descent, and offers a range of products developed with natural ingredients which makes it a good strategic fit with the Dabur's portfolio. Namasté markets its products under the brand 'Organic Root Stimulator®' and is one of the leading marketers of hair and beauty products for women of colour. The Company controls a 13% market share in the USA and enjoys significant market positions in many countries in Africa, the Middle East, Europe and the Caribbean region of North America. It has a strong multi-channel distribution platform across the USA in mass, retail, beauty stores and salons.

DID YOU KNOW?

Dabur Herbal is the fastest growing Toothpaste brand in Nigeria

Besides offering Dabur an entry into attractive new markets like Turkey and Sub-Saharan Africa, these transactions add to your Company's existing portfolio, a host of popular international brands that enjoy pole position in their respective categories. The products from Hobi and Namasté complement Dabur's portfolio, offering us a strong platform to enter newer product categories and markets. Both acquisitions also provide management continuity, with senior personnel in both companies continuing to stay with their respective companies. These two acquisitions, we believe, would take the International Business into an altogether different trajectory of growth and open up huge potential opportunities for Dabur in the growth markets that it is targeting in the international arena.

The performance of the various Strategic Business Units (SBUs) of Dabur India Ltd. during the year under review is presented below.

Strategic Business Units

In a year that was marked by soaring inflation and disruptive competition in key categories, a judicious mix of strategies such as calibrated price hikes, efficient buying, prudent management of overheads and sustained consumer connect activities across key markets helped Dabur move ahead on the growth track during 2010-11.

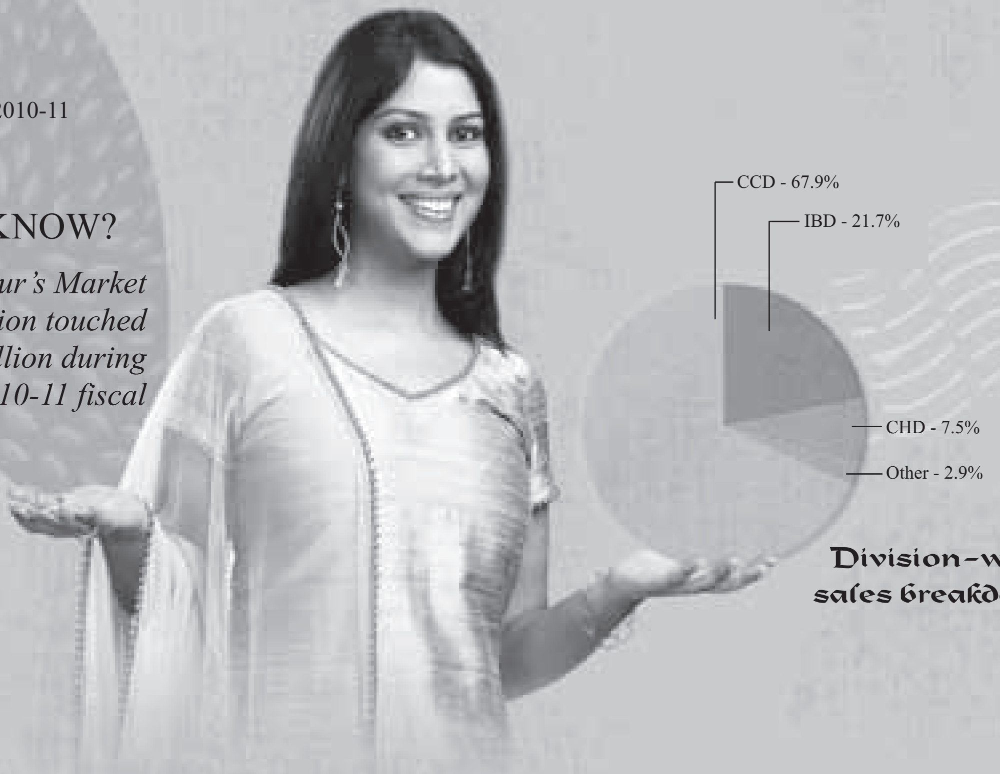
- Consumer Care Division (CCD), the largest business unit within Dabur capturing its core FMCG business, including foods, now accounts for 67.9% of the Company's consolidated revenues. This division has reported a 15.4% growth in revenues during 2010-11 fiscal

- International Business Division (IBD), the fastest growing and the second largest SBU for Dabur, accounts for 21.7% of Dabur's consolidated revenues. The division ended the year with a revenue growth of 46.3%, including sales of Hobi and Namasté for part of the year (consolidated from October 7, 2010 and January 1, 2011 respectively)

- Consumer Health Division (CHD), which leverages Dabur's core competence in Ayurveda offering a range of Ayurveda-based Over-The-Counter (OTC) products, branded ethical and classical products, reported a growth of

DID YOU KNOW?

Dabur's Market capitalization touched US$4 billion during the 2010-11 fiscal



Division-wise sales breakdown

13% and now accounts for 7.5% of consolidated sales

The division-wise contribution to Dabur's consolidated sales for the 2010-11 fiscal are shown in the chart above.

Consumer Care Division (CCD)

The 2010-11 fiscal began on a mixed note for the industry. Above average monsoons across large parts of the country boosted agricultural produce and sentiments in rural economy. The government's continued focus on Rural India with a plethora of schemes like job guarantees and loan waivers further ensured higher non-agri income in the villages and put more money in the pockets of consumers in the hinterland.

In addition, the great rural-urban divide is no longer as dramatic as it was a decade ago. With members of several rural households migrating to urban markets, the increasing prosperity of the urban markets has found its reflection on rural economy as well. Apart from increasing prosperity, media reaching deeper into rural markets has also impacted the consumption patterns. As a result, Rural India is witnessing strong demand growth and increasing consumption of FMCG products.

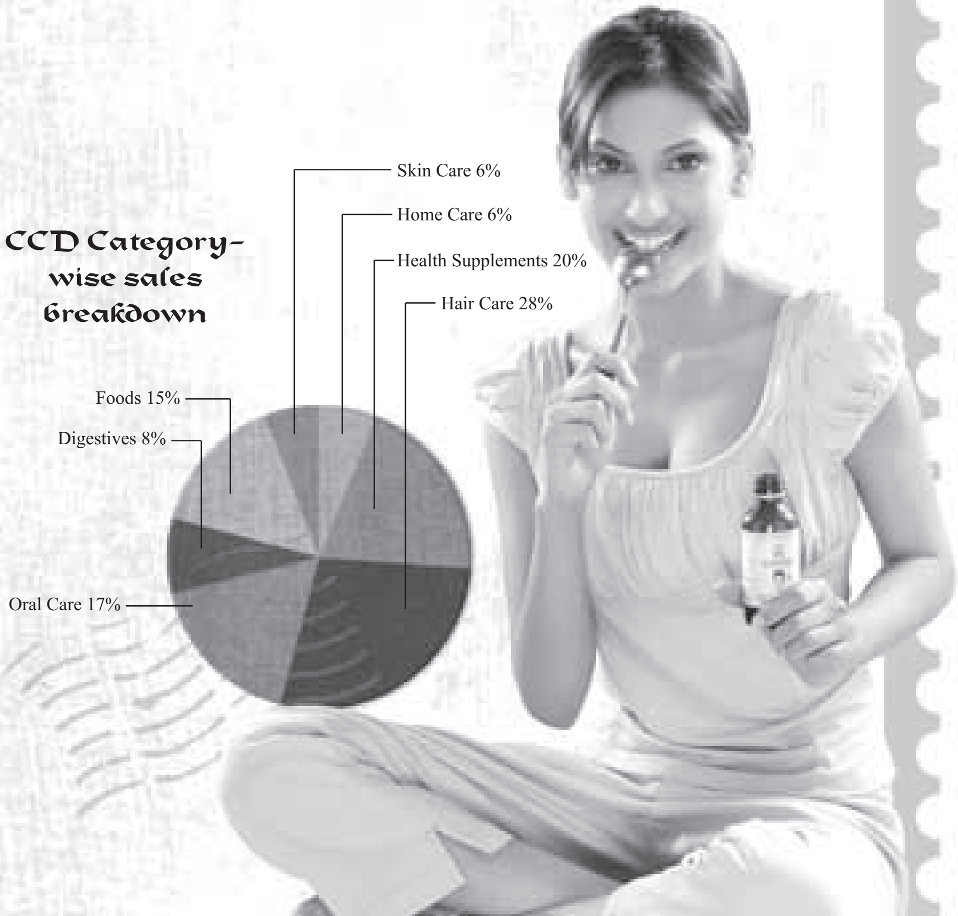
While these factors boosted overall positive sentiments, inflation spiraled to double digit levels and the deepening crises in West Asia pushed up oil prices, threatening to dampen consumer demand and force consumers into tightening their purse-strings. Even in face of such tough external conditions, Dabur India Ltd. continued to roll out new products and variants in its core FMCG business, stepping into newer categories while expanding its reach in the hinterland to end the full year with strong volume-led double digit growth.

Robust IT-enabled tools were also put in place to minimize sales loss and improve sales forecasting, besides special consumer connect initiatives, focused media activities and new product initiatives. This focus on the ever-changing consumer needs and aspirations helped the division end 2010-11 with a growth of 15.4%.

Your Company also extended its direct engagement programmes with the rural consumer through non-traditional media like Haat activities, fairs and festivals like 'Kumbh Mela' etc., giving the rural consumers an opportunity to experience Dabur products. Rural India continues to be a big growth driver with demand from the hinterland continuing to outpace urban markets in some key categories. However, urban India also witnessed good demand and Dabur has rolled out new products during the year to successfully tap this segment as well.

New product development continues to be a key focus area at Dabur, with your Company introducing a host of products and variants to keep up the excitement in the market. Some of the successful new launches during the year include fruit flavoured variants of the flagship health supplement brand Chyawanprash, a new range of health supplements under the brand NUTRiGO, specially formulated cough & cold tablets under the brand Honitus, a premium skin repair product under Dabur Uveda, Gold Bleach under the Fem range, India's first fruit fiber enriched juices called Real Activ Fiber+, Odomos mosquito repellent in an oil format for the rural markets and electric air fresheners under the Odonil brand, to name a few. All of these new launches have been very well accepted in the market and have gained share of both the market pie and the consumer mind space within just months of hitting the shelves.

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



HEALTH CARE

Dabur's Health Care vertical continued its strong run in the domestic market, led by continued marketing activities and launch of new products and variants. The Health Care category - which has the maximum number of brands in Dabur's Billion Rupee Brand portfolio - includes Health Supplements, Oral Care and Digestives, and ended the year with strong double-digit growth in sales of 16 % and gained market share across every product category.

Health care has, in fact, been identified as an important growth engine for the future, and Dabur has lined up a host of new initiatives for the category, going ahead. The coming year would see your Company enter a host of new emerging Healthcare categories with specially formulated products to address the needs of the modern day consumer. Women's health, gastroenteritis, heart health, cough & cold are among the new segments identified for expansion and new product rollouts in the future.

Health Supplements

'Health is Wealth', goes the age-old saying. This adage holds true even more today and the growing health consciousness among Indians, coupled with the rising incidence of flu and viruses across the country, is pushing consumers to increase their spends on Healthcare products, both as prevention as well as cure. Dabur - the most trusted brand in the Healthcare market in India - is well placed to ride this boom and has rolled out a plethora of initiatives to tap this growing health consciousness among Indians.

The first of the new Healthcare initiatives came in the form of two fruit-flavoured variants of Dabur Chyawanprash - Orange and Mango. The new variants are packed with the same 49 Ayurvedic ingredients like Amla, Ashwagandha and Guduchi which build immunity, and will provide the same immunity and health benefits as Dabur Chyawanprash, albeit in a tastier format.

Research suggested that a large number of youth, particularly kids, found the taste of Chyawanprash an entry barrier. This led to the introduction of these fruit flavored variants. People feel that products that are healthy can never be tasty. These new Chyawanprash Orange and Mango variants are expected to bridge the health & taste divide. The variants have met with a good response and your Company is confident that they would go a long way in expanding the consumer base for this age-old health tonic.

Another major initiative in Chyawanprash was the signing of popular Bhojpuri cine

DID YOU KNOW?

Dabur introduced the first branded Chyawanprash way back in 1949 and now controls 67% market share

star Ravi Kishan purely for consumer-connect and brand building initiatives. Ravi Kishan has been roped in to lead Dabur Chyawanprash's effort in spreading awareness about the need for immunity through its various on-ground mass activities, like consumer contact programmes, dealer meets etc, in Bihar and Uttar Pradesh.

The first of these activities was rolled out in the form of 'Dabur Chyawanprash Swasthya Chetna Abhiyan', a 45-day activity across 540 villages in rural Uttar Pradesh and Bihar that reached out to almost 20 lakh people. In the previous year, Dabur Chyawanprash had rolled out a mega immunity awareness drive in schools called 'Immune India', under which a sustained campaign was held to educate consumers about how building immunity would help them protect themselves from the various flus and viruses. 'Swasthya Chetna Abhiyan' was an extension of this school-contact programme to rural areas.

The activity incorporated five elements: free health check-up, engagement activities, movie screenings, spot sales and a meet-and-greet opportunity with brand ambassador, Ravi Kishan. The idea was to educate people regarding the importance of building immunity and how Dabur Chyawanprash can help in doing so.

At the end of the campaign, 30 citizens from the villages of Bihar and U.P. were selected to form Dabur Chyawanprash's Immunity Ambassadors to further spread awareness about building stronger immunity to fight the rising incidence of flu, viral attacks, infections in their respective villages and districts.

The Immunity concept was further taken forward this year to cover changing climate and Monsoon. The brand took forward this message to build immunity to fight the vagaries of changing climate on mass media with advertorials, print campaigns and a PR exercise. A special TVC was also released to further drive this message among consumers. Thereby driving relevance of DCP beyond winters.

Riding on these initiatives, Dabur Chyawanprash reported the best-ever growth in the past decade and even ended the peak consumption season (winters) with a record 70% market share (volume share as per AC Nielsen for Oct-Nov 2010).

Dabur Honey, the largest branded honey in India, also continued to grow. The quality and purity of Dabur Honey helped the Company meet the onslaught of heavy undercutting by private labels and competition in the market and emerge stronger. Besides, Dabur Honey was made available in a 20 gm pack priced at ₹10, 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.

Dabur Glucose was another strong performer in the health supplements basket. Dabur Glucose recorded a market share increase of 220 basis points (24.9% as compared to 22.7% previous year-volume share as per AC Nielsen for MAT March 2011 and 2010). The Company introduced a new campaign that revolved around the power packed in one glass of Dabur Glucose. It also capitalized on the emerging trend for taste in health with its flavoured variants.

The year also saw Dabur foray into the Vitamins, Minerals & Supplements category with the launch of Dabur NUTRiGO - Daily Health Supplement with offerings for Men and Women. The launch of Dabur NUTRiGO is part of Dabur's aggressive plan to augment its leadership position in the Healthcare market in India, where the Company currently operates with traditional Ayurvedic products like Dabur Chyawanprash.

The move into modern OTC healthcare with Dabur NUTRiGO comes as a logical next step for your Company, given the evolving consumer and market. The new brand offers two distinctive products - Dabur NUTRiGO Total (for Men) and Dabur NUTRiGO Woman. Dabur NUTRiGO Total comes with the promise of not only providing day-to-day stamina and strength to men, but also helps protect their long-term health. It is packed with an optimal mix of Multi-Vitamins, Multi-Minerals and Special Natural Extracts like Lycopene and Ginseng. Dabur NUTRiGO Woman is a specially formulated health supplement that helps maintain beauty and vitality for today's modern day women. It is specially formulated with an optimal mix of Multi-Vitamins, Multi-Minerals and Special Natural Extracts like Evening Primrose Oil and Green Tea. The Dabur NUTRiGO range is now also available online through a dedicated sales portal.

Oral Care

The year 2010-11 marked another year of strong growth for Dabur's Oral Care portfolio, a business that comprises two key product categories - Toothpaste and Toothpowder. While the toothpaste portfolio continued to outshine the industry, growing at near double the industry average, the toothpowder segment too reported moderate growth during the fiscal. The toothpaste portfolio of Dabur - yet again - was the fastest growing in the country, even in the face of stiff competition.

According to AC Nielsen Retail Audit (MAT Mar 2011), Dabur's toothpaste brands grew by a cumulative 18.1% as against an industry average of 10.8% and even reported a market share gain of 90 bps in one year. Dabur now enjoys market share of 14.1% of the total toothpaste category as per AC Nielsen Retail Audit (MAT Mar 2011).

Dabur Red Toothpaste delivered another good performance to end the year with a strong double-digit growth and emerged as an Ayurvedic alternative. Besides introducing two new SKUs of Dabur Red Toothpaste - an ₹10 pack and a 300 gm value pack - aimed at different consumer class and markets, Dabur also rolled out a mega Oral Hygiene awareness programme for children that reached out to about 21 lakh school kids across the country. Under this programme, these kids were educated about the need for oral hygiene and how Red toothpaste offers complete protection from all dental problems. Strong regional focus initiatives in South India, intensive media across India and other all-India ground-level activations helped the brand grow well and gain market share. The brand ended the year with a 42 bps gain in market share to end the year with 4.1% share of the pie (as per AC Nielsen Retail Audit MAT March 2011).

Backed by a strong value proposition to consumers and delivering on the key oral care benefits through natural ingredients, brand Babool continued its strong growth momentum and ended the fiscal with a market share of 8.9%. The brand was introduced in a new packaging propagating the benefits of its natural ingredients. Babool toothpaste contains extract of Babul plant. Babul bark contains natural Tannins at a level of 20-40% and is an excellent astringent. It offers effective oral care protection, mainly to inflated gums

DABUR HAS EMERGED AS THE FASTEST GROWING TOOTHPASTE COMPANY IN INDIA FOR FOUR YEARS IN RUNNING

and helps to provide and maintain clean, strong and white teeth. Clinical studies clearly substantiate that the use of Babul for oral care makes the roots of the teeth strong from within, mainly due to the presence of tannins in Babul extract.

Meswak, the third big pillar in Dabur's toothpaste market strategy, was also introduced in a new packaging to build a closer association with the Dabur umbrella brand. Meswak, today the largest brand in the premium toothpaste market, is scientifically proven to reduce tartar & plaque, fight germs & bacteria to keep gums healthy, prevent tooth decay, eliminate bad breath and ensure strong teeth. In short, Meswak provides complete Oral Care, which is core to fitness and well-being.

Dabur's toothpowder brand Dabur Lal Dant Manjan reported a 2.1% growth after years of remaining stagnant. The demand recovery was a result of an extensive rural activation programme that sought to convert non-dentifrice users to toothpowder across Uttar Pradesh. This initiative helped Dabur Lal Dant Manjan increase its consumer franchise at a time when growing affluence in rural India had resulted in an overall shift in consumer preference from toothpowders to toothpastes.

This programme covered village schools, local Haats and Melas in these states. These initiatives ensured that Dabur Lal Dant Manjan grew ahead of the category and gained 50 bps in market share (*AC Nielsen Volume Share for MAT March 2011*).

ABOUT 2.6 CRORE HAJMOLA TABLETS ARE CONSUMED IN INDIA EVERY DAY. BRAND HAJMOLA HAS NOW BEEN EXTENDED TO THE MINT CANDY MARKET THIS YEAR

Digestives & Baby Care

Dabur continued to dominate the digestive tablets space with its brand Hajmola expanding its reach and franchise to end the year with double digit growth. Introduction of new flavours and high-decibel activation programmes ensured that Hajmola continued to be the most preferred digestive tablets for Indians with nearly 2.6 crore Hajmola tablets being consumed daily across the country.

The entire Hajmola franchise, including tablets and candy, had undergone a major packaging revamp during the year, making this preferred digestive brand more modern, contemporary and in sync with the modern day consumer's tastes and aspirations.

The year also saw Dabur expand the Hajmola franchise with the introduction of a new flavoured variant – Hajmola Kachha Aam. Variants, in fact, continued to be the key growth driver for the franchise, inducing trials and bringing newer consumers into the fold. A new campaign for Hajmola Kachha Aam was also aired in April-May this year, coupled with an on-ground activation campaign reaching out to 17.5 lakh consumers. This campaign included tie-up with Dabbawalahs in Mumbai, tie-up with the fast food chain Nirula's in Delhi and NCR, wherein 35 of its outlets served samples of Hajmola Kachha Aam to consumers, and an arrangement with Indian Railways through which a free sampling exercise was carried out across all Shatabdi trains originating from Delhi.

The other new flavour - Hajmola Pudina - that was introduced about two years back, also registered handsome gains, led largely by a mega rural thrust with a special TVC being aired on Doordarshan and helped Hajmola Pudina's contribution to the overall value sales of Hajmola tablets.

To increase thrust in rural markets, the Company had launched an ₹20 SKU in 2009, which continues to be a key growth driver for Hajmola.

Dabur's flagship baby care product Dabur Lal Tail ended the 2010-11 fiscal with growth in mid-teens. The product was re-launched this fiscal in an all-new packaging with its "2 times faster physical growth" claim being placed on the pack for the first time. A new TVC was also aired to drive home the message on faster physical growth. Sustained consumer education programmes across the hinterland and a focused communication to propagate its benefits helped the brand expand its presence and scale.

The brand was supported by an effective on-ground programme involving Mobile Health Units, christened 'Samajhdaar Ma, Swastha Bacha', which helped establish the functional benefits and superiority of Dabur Lal Tail over ordinary oil. Dabur Lal Tail campaign has been designed to educate the primary target group i.e. the mother about the clinically proven benefits of massaging with Dabur Lal Tail.

The communication focuses on informing the consumer that massaging with Dabur Lal Tail helps in strengthening baby's bones and muscles and is proven safe and effective for better overall physical growth of babies, and these benefits are also shared with the influencers such as rural medical practitioners/doctors who can take this message into the villages and to the masses.

The response to this 60-day activity was highly encouraging. The programme covered more than 150 villages, reaching out to over 60,000 mothers and more than 900 chemists. Free health check-ups were also offered to these villagers, and the campaign has adopted an integrated design of addressing the issues of infant Healthcare like massaging, hygiene & immunization, in addition to educating the consumers about benefits of Dabur Lal Tail.

PERSONAL CARE

The year gone by has been tough for the personal care market with intense and disruptive competitive activities by larger rivals and hardening raw material prices squeezing margins. The shampoo business has been particularly impacted by increased competitive intensity during the year.

Dabur's Personal Care category, which accounts for 30% of CCD sales, today includes a range of herbal, ayurvedic and natural products for hair care and skin & body care.

Hair Care

Dabur's Hair Care business comprises hair oils and shampoos, with hair oils constituting major part of the catgeory. Despite heavy discounting by rivals and growing input cost pressures, Dabur's

DID YOU KNOW?

Dabur Amla is the largest hair oil brand in India with 35 million dedicated consumers

flagship hair oil brand Dabur Amla Hair Oil ended the year with strong double digit growth. Even though competition introduced mega price cuts and rolled out lower priced products aimed at the bottom end of the pyramid, Dabur took calibrated price hikes on some select SKUs of its hair oil brands to negate the input cost pressures.

Dabur Amla continued to withstand competition and has truly established itself as the largest and most preferred perfumed hair oil brand in the country with a consumer base of over 35 million users.

As part of a strategy to attack the coconut oil stronghold in South India, Dabur has introduced focused marketing initiatives specifically targeted at the south India consumers. In southern markets, the product has been christened as Dabur Amla Nelli Hair Oil to help the consumers relate in a better way to the product and understand the ingredient benefit story. The year also marked the achievement of another big milestone with Dabur Amla Nelli Hair Oil entering the Limca Book of Records 2011 for organizing the longest ever non-stop hair massage marathon in Chennai.

Dabur organized a series of seminars across key markets to educate consumers and parlour professionals regarding the benefits of Dabur Amla Hair Oil. At these seminars, Dabur also shared the results of an independent consumer research initiated to evaluate the superiority of Dabur Amla Hair Oil in comparison to ordinary coconut hair oil. As per this the consumer study in an expert discussion session titled “Discover The Mystique of Amla for Giving Women Rich, Black Hair”, it was proven that Dabur Amla Hair Oil makes hair visibly blacker v/s ordinary coconut hair oil.

Besides, its mega rural beauty pageant initiative continued for the fourth year in running, helping the brand convert a larger number of loose mustard oil users to Dabur Amla Hair Oil. Your Company expanded this consumer initiative, christened Dabur Amla ‘Banke Dikhao Rani’, which recognizes and rewards young girls for their beauty and talent. The contest was held across 52 districts in three states - Uttar Pradesh, Madhya Pradesh & Bihar - covering 2,000 villages.

Dabur’s Coconut Hair Oil brand Vatika Enriched Coconut Hair Oil also experienced sharp spike in raw material prices. These cost pressures were negated by a judicious mix of intelligent buying and calibrated price hikes. Besides, the brand continued to establish its superiority over plain coconut oil and performed well during the year.

The Vatika Enriched Almond Hair Oil brand too expanded its presence in the market and has been performing well in key geographies like East and West India.

It was a tough year for the Vatika shampoo range as it faced pressure from both ends - on the one hand from entry of new players, increasing disruptive competitive intensity in the form of price cuts and higher promotions by rivals and on the other hand from rising input costs. Dabur was quick to respond to the increased competitive intensity and re-launched the brand during the second half of the year with a new proposition, besides increasing consumer promotions to offer the largest shampoo quantity in a sachet. This helped the brand gain ground towards the end of the year and win back volume market share. A new pricing strategy has now been put in place as the Company is offering an enhanced value proposition for Vatika shampoo bottles, besides increasing focus on rural markets with a slew of consumer contact activities.

DABUR HAS NOW EMERGED AS THE SECOND LARGEST BEAUTY CARE COMPANY IN INDIA

Skin & Body Care

The Skin Care category, a relatively new business for Dabur, was a star performer, with your Company now emerging as the second largest Beauty Care company in India (according to Images Business Of Beauty April-May 2011 issue). All three key brands in this portfolio - Dabur Gulabari, Dabur Uveda and Fem - posted handsome gains.

The Gulabari franchise continued to improve its penetration, led by increased consumer activations like college-level beauty contests, focused campaigns around festivals like Durga Puja in East India and enhanced retail & trade visibility. Dabur Gulabari has been hosting beauty contests in Uttar Pradesh, Hyderabad and North East, and these initiatives have helped build good equity for the brand.

The recently launched Ayurvedic Skin Care brand Dabur Uveda has been well accepted in the market. After more than a year of its introduction, Dabur Uveda has carved a niche for itself in the Indian Skin Care market with its expertise in Ayurvedic Skin Care. Dabur Uveda Range of products is a unique combination of Ayurveda and science that offers products in a modern format for modern women.

The brand, which was hitherto available only in Delhi-NCR and key markets of Maharashtra, expanded its network to Punjab, Bangalore and Hyderabad. With Uveda, Dabur is focusing purely on cosmetic counters, which includes Modern Trade outlets, accessory stores and general Trade cosmetic counters, and is being sold through a network of Beauty Advisors. This concept has been very well accepted as the Beauty Advisors offer skin care advice and products based on the individual's skin type. Your Company already has a network of 250 Uveda Beauty Advisors across these markets and the Company is now looking at rapidly extending the range, besides enhancing its retail counter network.

The year also saw expansion of the Dabur Uveda range with the launch of Dabur Uveda Complete Repair Cream and a variety of Face Masks. As part of its effort to provide consumers superior quality products with convenience of time and place, Dabur launched its first-ever online shopping portal *www.daburuveda.com*. With this, Dabur has become the first Indian FMCG Company to launch a dedicated online shopping portal for its beauty products range. Brand Uveda has also become active in Facebook and Twitter and the online sales portal is integrated with these, providing consumers a complete digital experience of knowing and buying Dabur Uveda range of products.

The third key pillar of Dabur's Skin Care

FEM IS THE LARGEST SELLING FACIAL BLEACH IN INDIA WITH 1 OUT OF EVERY 2 BLEACHES SOLD IN INDIA BEING A FEM

strategy, Fem registered robust double-digit growth during the year. The core products under the Fem personal care portfolio - bleaches & hair removing cream performed well, while liquid soaps remained stagnant. Fem has been the pioneer in bleach category in India for more than two decades now and enjoys 49.3% share of the bleach market (*AC Nielsen value share for MAT Mar 2011*).

The entire Fem portfolio was re-launched during the year with a new logo and a complete packaging revamp, giving each bleach variant a role based on its special ingredients. The efforts made by Dabur to revitalize the brands and its focused approach saw Fem's bleach portfolio move ahead on the growth trajectory.

Dabur continued its focused media intervention, coupled with local consumer activations in Delhi-NCR, Maharashtra, Punjab and Uttar Pradesh by way of beauty pageants, improved retail presence and higher engagement with the beauty parlour community, which helped the core business of bleaches and hair removing creams register strong growth during the year.

Both Fem and Oxybleach organized mega model hunts across the country, a move that helped improve visibility for the brands. Fem launched 'Get Famous in 15 Minutes', a nationwide contest that gave participants a chance to represent India in the Elite Model Look 2010 contest to be held in Shanghai. Oxybleach, on the other hand, was associated with India's International Face 2010 (IIF), a countrywide search for two winners who get a chance to walk the ramp at Milan and Paris Fashion Week.

Dabur has now extended the Fem portfolio with the launch of all-new Fem Gold Crème Bleach that comes with real gold in it to provide a golden glow for special occasions. The product has a beautiful fragrance with special moisturizing ingredients which give a superior bleaching experience.

The year also saw Dabur enter the Professional Facial market with the launch of OxyLife Professional Facial Kit. Packed with the unique OxySphere Technology developed in Germany that helps to encapsulate pure oxygen in each product of kit and release on application, this kit has been created exclusively for professional use and works in a five-step process face cleanser, face scrub, face cream, face gel and face pack to give a visibly radiant look.

With OxyLife Professional Facial Kit, Dabur is tapping into professional space and the endeavor is to give superior result through a differentiated offering. This kit would be sold directly to parlors and salons through Dabur's large dedicated team for professional channel. This is the first professional product to be launched by Dabur and the plan is to augment this offering with more such products dedicated for the professional channel.

In the Body Care market, Dabur relaunced the Fem hair removing cream in a new packaging with a pH restoring lotion. The Fem liquid soap range was also re-launched during the year with an improved formulation to increase the germ-kill properties. The product now offers 40% more protection against germs as compared to normal soaps. This benefit is now depicted on the pack too.

The beginning of the 2011-12 fiscal will also mark Dabur's entry into the emerging Hand Sanitizer market with the launch of Fem Safe Handz instant hand sanitizer. Fem Safe Handz is being launched in two variants - Lemon & Blossom. This is an emerging category which is expected to grow fast with increasing focus on health and hygiene.

HOME CARE

The smallest part of the CCD business, Dabur's Home Care portfolio was the turnaround story of the year and ended the fiscal with a 33% surge in revenue, thanks to focused and continued media activity, relevant new products and high-decibel on-ground promotions and campaigns to develop this evolving yet under-penetrated category. The category emerged from moderate growth to high growth due to these key initiatives.

A surge in mosquito menace and the rising incidence of mosquito-borne diseases - particularly the Dengue scare in North and West India - resulted in a surge in demand for Dabur's personal application mosquito repellent Odomos. 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).

Moving ahead on its commitment to fight deadly mosquito-borne diseases like Dengue and Malaria and make cheaper protection available to rural consumers, Dabur launched Odomos Oil, a mosquito repellent for the masses. The launch of Odomos Oil is a move to provide rural consumers safety from mosquito-borne diseases at an affordable price.

The new Odomos Oil is a clinically tested and proven product that offers users 100% protection from mosquitoes and helps in prevention of diseases such as Dengue, Malaria & Chikungunya. Odomos Oil gives users full-night protection and is the only mosquito repellent oil that is completely safe to use on skin, unlike some of the cheap local oils. Odomos Oil has been competitively priced so that it becomes affordable for rural consumers, who are most affected by mosquito-borne diseases.

This summer, Dabur also rolled out an educational campaign called 'Machhar Mukti Abhiyan' in Uttar Pradesh, aimed at educating the rural population about the various mosquito-borne diseases. The campaign sought to reach more than 1.2 lakh people in 232 villages in two phases. The objective of this campaign was four-fold: first, to educate the rural population about the various diseases transmitted by mosquitoes and their prevention; secondly, to educate the audience about the danger caused by cheap products available in the category, thirdly, to establish Odomos Oil as the most trusted brand for the cause, and finally, to induce brand trial and purchase.

The Company also extended the range with the introduction of Odomos Rose, a new fragrant version of the popular mosquito repellant, in line with the consumer's need for skin care properties and better sensorials.

THREE OUT OF EVERY FOUR MOSQUITO REPELLENT CREAMS SOLD IN INDIA IS AN ODOMOS

In the Air Care category, the Company provides a range of products under the Odonil brand. The brand, which has been facing increased competition from other players and private labels, introduced several key innovations both in the product and in campaigns to end the fiscal with strong double digit growth. The new thematic communication that was rolled out this year has been highly effective in creating relevance and driving penetration.

The air freshener range was expanded with the launch of Odonil electric air freshener (pluggy). Available in four natural fragrances - Exotic Rose, Fresh Lavender, Mystic Jasmine and Floral Fusion - Odonil Pluggy is aimed at meeting the changing lifestyle and convenience needs of consumers. This new introduction from Odonil is meant for the living spaces of the house, such as drawing & living room, and is extremely simple to use. This product has been very well accepted in the market. Many more such innovations are in the pipeline.

SaniFresh, the toilet cleaner brand, continued its powerful performance and recorded strong growth during the year. The focus on winning consumer value equation through selective advertising, improved product and providing better value to the consumers boosted the brand's sales. SaniFresh also rolled out a unique community service programme across Punjab titled "Seva at Gurdwara". Under this mega community and CSR initiative, volunteers offered free cleaning services to the Gurdwaras in 6 cities of Punjab. During the period, the SaniFresh team cleaned up public toilets of 56 Gurdwaras.

FOODS

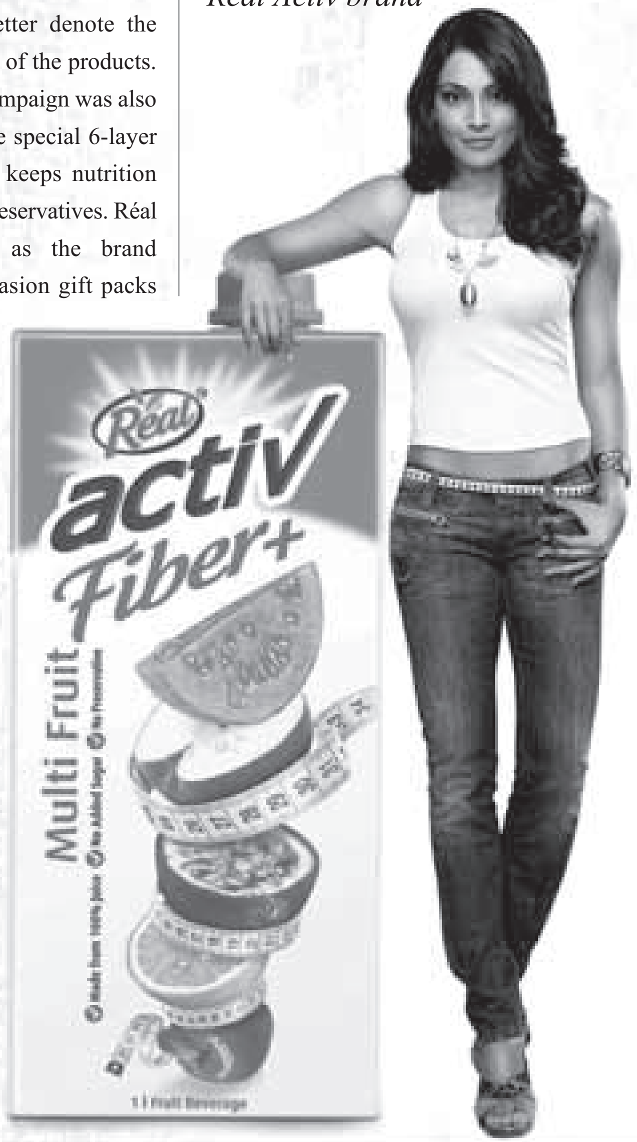
Dabur's Foods Business, which now accounts for 15% of CCD sales, delivered a strong performance during the year, ending the year with a 28% jump driven by growing demand for its range of packaged fruit juices and culinary pastes and purees.

Réal was revamped this year and introduced with a new logo and new pack design. The logo change has been introduced to make the brand more contemporary and to better denote the freshness and fruit power of the products. A new communication campaign was also rolled out to stress on the special 6-layer packaging for Réal that keeps nutrition intact even without any preservatives. Réal signed Sonali Bendre as the brand ambassador. Special occasion gift packs for Rakhi and Diwali festivals further added excitement around the brand, helping Réal post industry-best growths and market share gains despite the entry of newer players.

Dabur is now preparing to launch a new Apricot variant of Réal this summer. Réal is also joining hands with Disney for its hit movie franchise '*Cars*' to reach out to kids with the 200 ml packs. Under this tie-up, specially designed 200 ml packs of Réal will be introduced with *Cars*' popular characters on the front of the pack. Exciting gift options and merchandise are also being created to build greater excitement for kids and Réal, and the same would be launched parallel to the release of this new Hollywood movie.

DID YOU KNOW?

Dabur is the first Company in India to introduce fruit fiber-enriched beverages under the Réal Activ brand



ONE IN EVERY 2 HOUSEHOLDS USING HAIR OILS IN KINGDOM OF SAUDI ARABIA IS A DABUR HAIR OIL USER. ONE IN EVERY 3 HOUSEHOLDS USING HAIR CREAMS IN SAUDI ARABIA IS A VATIKA HAIR CREAM USER

Dabur's range of 100% juices with no added sugar under the Réal Activ brand also maintained the growth momentum during the fiscal, riding on the growing health consciousness among Indians. A new 'Snack Healthy' campaign was launched for the brand.

The 2010-11 fiscal also marked the launch of India's first fiber-enriched fruit beverage range - Réal Activ Fiber+. The new beverage range contains soluble dietary fiber that helps manage weight, keeps digestive system healthy and maintains heart health. Made from 100% fruit juice with no added sugar and no preservatives, Réal Activ Fiber+ is available in two exciting tasty variants - Multi Fruit, which is a blend of exotic fruits like Passion Fruit, Apricot, Guava, Orange & Apple; and Orange Citrus Punch, which is a blend of tropical citrus fruits like Orange, Mandarine, Tangarine, Pineapple & Lemon. One glass (200 ml) of Réal Activ Fiber+ is equivalent to fiber present in one whole Apple or Orange. Réal has always been at the forefront of innovation, pioneering the concept of packaged fruit juices in India and was being the first to introduce 100% fruit juices and fruit-vegetable juices. The launch of Réal Activ Fiber+ marks a step forward in this direction. This range was test marketed in Mumbai and Bangalore in December 2010 and will be rolled out nationally this summer.

The year gone by saw mega initiatives - from in-store sampling to higher 360° visibility - being introduced for the culinary range of products under the Hommade brand, which helped this portfolio report impressive growth of more than 50%. A sustained media campaign coupled with the sharp surge in prices of raw garlic and ginger in the market pushed demand for the Hommade culinary pastes range, which was relaunched last year in an all-new packaging.

Your Company will now be extending this portfolio with the launch of single-use Hommade sachets and Hommade pastes in glass bottles. Special TVCs are also being introduced to promote various products under the Hommade culinary range.

International Business Division (IBD)

Our International Business Division (including Hobi and Namaste acquisitions) recorded an impressive sales growth of 46.3% from ₹610 crores in 2009-10 fiscal to ₹892 crores in 2010-11 fiscal, contributing to 22% of consolidated sales. Excluding the acquisitions, the International Business Division recorded sales of ₹717 crores in 2010-11, growing by 17.6%. The operating margins of the business improved significantly during the first half of the year, reflecting the strength of the brands. However, in the second half of the year, the external conditions became challenging due to political turmoil and instability in key countries of Middle East and North Africa region, leading to demand contraction coupled with inflationary pressures due to commodity cost inflation. In spite of that, the business continued to grow and is expected to return to normalcy in the coming months.

In the international markets, your

Company has built strong and robust brand architecture with brands like Dabur Amla and Vatika across geographies. As per Nielsen Retail Audit in Saudi Arabia, Dabur Amla is the largest brand in the Hair Oil segment there. Dabur Amla franchise has been extended into Hair Creams and a number of variants have been launched in Hair Oils and Hair Serums. Vatika has also maintained its growth trajectory, with Vatika Hair Creams emerging as the biggest brand based on Nielsen Retail Audits in Saudi Arabia and Egypt. In fact, Vatika, with its offerings across hair creams, oils, conditioners and treatment products, has now emerged as Dabur's largest brand in the overseas markets.

Vatika DermoViva - the new brand launched for the Personal Wash and Skin Care segment has grown in strong double digits in soaps category and has managed to create consumer equity in a category dominated by strong MNC players. Vatika DermoViva was extended into Hand Wash category during the year.

Dabur Herbal Toothpaste is Dabur's key brand in the Nigerian market, where it has become the no. 2 player in terms of market share based on Nielsen Retail Audit. The brand was re-launched in MENA during the year to capture the herbal niche in this highly competitive but large category.

The key contributing markets to the International Business growth have been GCC, Egypt, Nigeria, Algeria, Morocco, Jordan, Syria and Kenya.

GCC, the largest region in the International Business Division and despite being a mature market, has grown by 21% over last year, fuelled by innovations and new product launches in the Hair Care, Personal Wash and Oral Care segments.

Dabur Egypt Limited witnessed growth of 34% despite the slowdown during the fourth quarter on account of political instability. The plant in Egypt had to be shut down for a couple of weeks; however the operations returned to normalcy as soon as the political situation improved.

African Consumer Care, Nigeria, has grown by 34%, aided by strong growth of Dabur Herbal Toothpaste and Dabur Herbal Gel in the Oral Care category.

Asian Consumer Care, Pakistan, has grown by 17%, with Hajmola and Dabur Amla emerging as the two strong brands for the region.

Asian Consumer Care, Bangladesh, has performed well with a growth of 47% during the fiscal 2010-11. The growth has been led by focus on five key brands - Amla Hair Oil, Vatika Hair Oil and Shampoos, Dabur Honey and Meswak. In addition, the Company's distribution network has been strengthened and media platforms were utilized extensively to promote the brands.

Dabur Nepal Pvt. Ltd., which manufactures fruit juices and also caters to local consumer market in Nepal, recorded growth of 26% in sales. There was some temporary disruption on account of local insurgency issues; however, our production and operations continued during most part of the year.

Overall, the International Business is on a strong growth trajectory. The business, which started as a small enterprise catering only to the Indian diaspora more than 15 years ago, is now a multi location, multi category operation catering to people of diverse backgrounds and ethnicities, and having local supply chains in most of the countries in which it operates. The focus on customization of the product portfolio,

DABUR RANKS AMONG THE TOP 50 OTC COMPANIES IN THE WORLD, AND IS THE LARGEST OTC COMPANY IN INDIA.

while adhering to the global Dabur brand architecture as enunciated by the adage "Think global, Act local", has enabled the business to grow exponentially.

After having grown to a size of ₹717 crore through organic expansion, the business has now acquired Hobi and Namaste (please refer to section on Overseas Acquisitions). These acquisitions are expected to make a good strategic fit and prove to be highly synergistic with the existing portfolio. Moreover, the companies provide good product capability with in-house R&D and strong pipeline of new products which can be leveraged across our other markets.

Consumer Health Division (CHD)

The more traditional part of Dabur's business, the Consumer Health Division (CHD), offers a range of Healthcare products based on the age-old principles of Ayurveda but offered in modern, contemporary and ready-to-use formats. This division is core to Dabur's new strategy to drive growth from over-the-counter (OTC) Healthcare products. The CHD portfolio, comprising both OTC products and classical range, registered a growth of 13% during the fiscal, aided by the launch of new initiatives and sustained media campaigns.

Honitus was a key growth driver during the year, reporting strong growth with increased media presence during the Monsoon season. Brand Honitus was extended this year to Cold Category with the introduction of Honitus Day & Night tablets in the last quarter of the year. This is a specially formulated product, offering separate tablets for day and night usage. The day tablet offers non-drowsy cold relief while the night tablet gives you a restful sleep. The product has received encouraging response in the market.

The Pudin Hara Franchise also registered strong double-digit growth with the launch of Pudin Hara Lemon Fizz variant. A new campaign for Pudin Hara, with the theme 'Jaante Ho Par Lete Kyo Nahin', was also rolled out which boosted the brand's earnings. The launch of the first-ever television commercial for the rejuvenator brand Shilajit Gold helped the brand post handsome gains during the year.

In the OTC portfolio, Dabur had last year revamped the women's health tonic brand Dashmularishta. The new pack, with brand ambassador Juhi Chawla on the front label, gave this age-old product a new, younger and more contemporary look. The Women's Health Portfolio - comprising Dashmularishta and Ashokarishta - performed well with the continuation of an educative campaign featuring Juhi Chawla.

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 healthy double-digit growth. Going forward, fresh initiatives like aggressive equity building activities and new product introduction in several high-growth OTC categories have been lined up.

Retail Business - New U

Dabur India Ltd. operates a chain of focused beauty retail outlets under the brand name New U. This business is operated under the wholly-owned subsidiary H&B Stores Ltd. by a team of retail experts who have experience in beauty/lifestyle retail and realty intricacies.

This business, which underwent a strategy and format tweak in the previous fiscal, is now being expanded in a calibrated manner with special focus on North India. The network today has 36 retail outlets and 15 more are in various stages of development and set to be launched by the end of the second quarter of 2011-12 fiscal. While a bulk of these stores are centered in North India - covering Delhi-NCR, Punjab, Uttar Pradesh, Rajasthan and Madhya Pradesh - the business has also established seeding presence in South India with outlets in Hyderabad and Bangalore.

The end of the 2010-11 fiscal saw Dabur take initial steps to venture into the franchise route for New U stores, by issuing an advertisement in leading dailies seeking applications. The first of the franchisee outlets - focussed on high-streets as against company-owned outlets in malls - is expected to be operational by July 2011.

The year saw New U expand its private label business at the stores with the introduction of New U branded cotton balls, nail enamels and nail enamel removers. This portfolio would be rapidly expanded with the launch of New U body showers, body lotions, lip balms and other personal care items in July this year. The formulations for all the New U private label products have been developed by our experts at New U.

The profile of New U stores has undergone a revamp and the outlets are now positioned as a lifestyle beauty store, offering a one-stop solution for all beauty needs. This beauty connect has been further strengthened by the presence of exclusive international beauty brands - like QVS, Homar, Divo etc - at New U stores. The Company is planning to build a pool of 8-10 international brands exclusive to the New U cache. Today, the New U private label brands and exclusive brands together account for about 12-15% of total volumes at New U and this is expected to grow going ahead with the expansion of the New U private label portfolio.

New U has entered into shop-in-shop tie-ups with three big retailers across India to operate and manage the beauty products portfolio at these mega stores. This tie-up also marked New U's entry into the Pune market through the shop-in-shop route and your Company is confident that it will prove to be a well-established retail destination. The Company has also ventured into establishing Express Stores, which would be highly focused tiny format stores that would stock only fast-selling items. The merchandise in these New U Express Stores would be localized according to consumer preference in each location.

The New U stores offer consumers a host of promotions and activations, which have emerged as a big consumer hook all through the year. New U has rolled out a host of consumer promotions and activations at its stores in association with vendors like Maybelline, L'Oreal Paris and Dabur Uveda. Some of the highly successful brand activations undertaken include 'Makeover Marathons', 'Festival of Beauty' and the 'Gals In The City' campaign with Maybelline. New U also has a consolidated annual promotions and marketing calendar targeted at seasonal promotions, theme-based campaigns and

category growth drivers. Ongoing promotions like free gift for every guest walking into the store has helped generate awareness and induce trials. The consumer loyalty programme - AdvantageU - has also been well accepted by consumers. The Company also revamped and relaunched its website - *www.newu.in*.

Sales & Distribution

Dabur 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. The growth strategy of Dabur envisages a key role for technology in improving efficiencies of the Sales & Distribution network. During the year, significant investments were made in Information Technology solutions in various aspects of Sales & Distribution.

Dabur enhanced the footprint of its Stockist transaction software 'Drishti' to cover almost 75% of business, gathering real-time market information. Real-time dash boards have been created in 'Drishti console', providing 'quick snapshots' of all dimensions of operational efficiencies in Sales & Distribution. This has enabled all levels of the Sales organization to direct their actions in a highly focused manner, improving field efficiencies while reducing costs.

To ensure consistent product availability in the marketplace, it is important to have a high level of forecast accuracy for manufacturing and supply chain to respond adequately. The CCD sales system implemented a Sales forecasting system in the APO module of SAP during the current year. The system evaluates historical sales trends, factors seasonality and sales promotions to generate a statistical forecast for the month. The tool has significantly enhanced the forecast accuracy in CCD and forecast errors have been reduced by 60% from previous levels. This has resulted in improved stock availability across the year and further improvement is expected in the coming days.

VATIKA HAIR CREAM HAS TODAY EMERGED AS THE NO. 1 BRAND IN HAIR CREAM CATEGORY IN THE KINGDOM OF SAUDI ARABIA

The sales IT project on Supply Chain optimization at Dabur has been nominated as one of the five winners for the 'Diamond edge' award by eminent jury of UBM & Information Week magazine. Close on the heels of this award Dabur bagged the Best run award in Supply Chain from SAP for this initiative.

The CCD Sales system at Dabur has taken another big step towards strengthening processes by improving efficiency of the ordering interface. This has been achieved by implementing a comprehensive IT enabled order capture system made available to all Stockists operating their transactions through 'Drishti'. The system proactively alerts the Stockists on SKU's likely to go below minimum threshold levels (basis average sales trends/factoring promotions etc.) and generates suggested orders at SKU level. The tool helps the Stockists manage their ordering process better, making the order processing task at CFAs faster and improving responsiveness in customer service.

Comprehensive enhancements were effected during the year in making the Stockist claims process more robust and efficient. To improve customer service for Stockists, the CCD Sales system rolled out a web-based claims submission system 'Nivesh'. 'Nivesh' claims processing system provides complete clarity on market activities, specifies requirements on supporting documentation for claims submission and provides real-time information on status and details of claims settlement.

MODERN RETAIL STRATEGY

The Modern Trade segment resurged in the 2010-11 fiscal, with key players reconfiguring their networks and scaling up operations. The Modern Trade landscape witnessed new formats emerging as potential winners over the medium term. A comprehensive strategy was developed to accelerate growth for Dabur in this backdrop, focusing on share gains in emerging formats & key categories.

The strategy focused on creating a distinct identity for Dabur brands (core being herbal expertise) that are relevant for shoppers. Building an effective servicing & activation system to service the requirements of Modern Trade are also a critical element of the approach. This helped Dabur improve growth rates in Modern Trade channel during the year & make significant market share gains across all key categories.

FEM PORTFOLIO

In order to leverage the Fem portfolio in beauty channels and have better focus, a dedicated Fem Sales force has been retained in the larger markets, while integrating the business with the larger CCD sales system in smaller towns to leverage scale. The Fem distribution network was fully integrated with the CCD across 700 towns & the rural markets to leverage synergies. This has enabled the Fem range to be available across larger number of Grocery stores, apart from the traditionally strong Cosmetics & Chemist channels. The Fem sales network was also fully integrated in Modern Trade channel. The strategy has helped Fem business grow in line with plans for the year.

The Beauty Parlour servicing network was extended to over 300 towns across the country. This network enables Dabur to demonstrate effectiveness and build franchise for the new range of products like Fem Gold Bleach and 'OxyLife Professional Facial kit'.

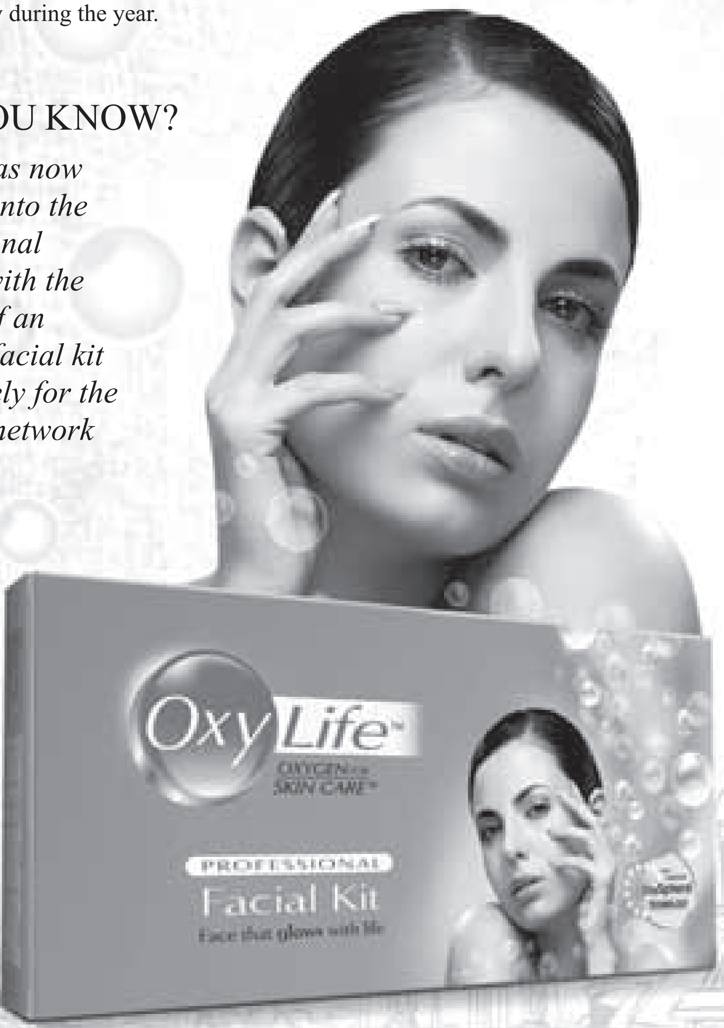
The 'Uveda' Beauty Advisor network, operated through the Fem sales system, was extended to 11 towns with over 300 counters. Significant investments were made in training and development of these resources and enhancing the range of products. This has resulted in sales output per Beauty Advisor moving up substantially during the year.

DID YOU KNOW?

Dabur has now forayed into the professional market with the launch of an Oxygen facial kit exclusively for the parlour network

TRADITIONAL TRADE

In the year 2010-11, Dabur continued to strengthen its market presence through programmes targeted at key urban channels and the rural markets. Point of purchase is the most critical dimension impacting the buying decision of the consumer and appropriate interventions are crucial to generate impact amidst the clutter. Apart from investments to strengthen shelf presence, the stores were also offered merchandising solutions to enhance the effectiveness of the brand communication. Overall, merchandising investments have been tripled to deliver required impact.



RURAL MARKETS

Rural & semi-urban India contributes to about half of the business for CCD and is also the largest source of growth. The recent years have seen a steady growth in income in rural India. Thanks to the spurt in commodity prices and the employment generation schemes and fiscal sops announced by the government, the rural consumers today have more money in their pockets. During the course of the year, Dabur initiated a detailed study to understand the rural landscape and identify emerging pockets of higher growth.

Comprehensive benchmarking was done on rural coverage across 8 key states - Uttar Pradesh, Uttaranchal, Rajasthan, Bihar, West Bengal, Maharashtra, Madhya Pradesh and Chhattisgarh. Markets were mapped integrating road networks and economic data to identify potential for coverage. The plan is to extend rural distribution reach by penetrating to villages with population of ~3000 in these states.

The strategy is to improve distribution reach, customize trade promotions and provide focused servicing through a dedicated sales team exclusive to these markets. Field resources are significantly increased in high potential districts of these states to increase contact frequencies and improve coverage.

Operations

At Dabur, we recognize operations as an important source of competitive advantage. A strong back-end support in Procurement, Manufacturing, Research & Development and Human Resource Management has been key to Dabur's sturdy performance through the 2010-11 fiscal. A large number of initiatives was 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.

MANUFACTURING

In India, Dabur has 13 production facilities organized around two main factories at Baddi Cluster (Himachal Pradesh) and Pantnagar (Uttaranchal); and nine factories which are located at Sahibabad (Uttar Pradesh), Jammu, Silvassa, Nasik, Alwar, Katni, Narendrapur and Pithampur. The Foods Business is catered to by manufacturing facilities in Newai (Rajasthan) and Siliguri (West Bengal).

During the 2010-11 fiscal, the Company increased capacities in toothpaste, shampoo, hair oils, Hajmola and Glucose. In addition, an increase in throughputs in our existing units enabled us to meet higher volumes with existing capacities without additional capital investment. Introduction of Automatic Tray feeding system to Poly shrink machine for Juices at our Newai unit is expected to not only enhance throughput, but also improve quality and reduce wastage. TPM initiatives at Baddi, Silvassa and Pantangar Units generated "Kaizens", which led to reduction in down time of machines.

Initiatives were taken in various manufacturing units to reduce cost, reduce impact on environment, new product/pack introduction, improve safety awareness and quality improvement.

The installation of new herbal extractors at Baddi, Pantnagar and Sahibabad, replacing the old extractors, has had a positive impact by reducing cost and impact on environment (energy efficiency), and has led to a safer working environment and better space utilisation.

10 LAKH HAJMOLA TABLETS ARE CONSUMED IN PAKISTAN DAILY, MAKING IT ONE OF THE MOST POPULAR INDIAN BRANDS THERE

Some new energy conservation and waste management initiatives were taken, such as herbal waste used as a fuel in boiler e.g.: 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 will be used as boiler fuel and using directly herbal waste as a fuel in the boiler. For more information on Dabur's

sustainability initiatives please refer to the section on Corporate Sustainability Initiatives. In our existing manufacturing units, we undertook various initiatives to conserve/ reduce environmental impact, by adapting to green manufacturing and concept of "Reduce, Reuse and Recycle". These include:

- Replacement of boiling pans with the herbal extractors to reduce steam consumption
- Replacing energy inefficient equipments with new technologies, which are energy efficient
- High-pressure jet pump is installed to reduce water consumption
- Efficient Maintenance of Capacitor Bank for improvement of Power Factor
- Effective utilization of ETP treated water used 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

We believe, quality improvements benefit by reducing risk to employees, customers and suppliers. In our constant endeavour to improve quality, we received the following certifications:

- Certification of 3 manufacturing locations with OHSAS 18001 and ISO 14001 integrated management system
- In the process of preparing 5 more manufacturing locations for the certification of OHSAS 18001 and ISO 14001 integrated management system
- Risk assessment of all manufacturing locations, done with a system of planned inspection product wise, resulted in the reduction of all injury rate (AIR) and Total Recordable Frequency rate (TRFR)

Dabur has a number of manufacturing facilities in International business as well. Our largest facility in GCC markets is at Ras Al Khaimah which caters to GCC as well as neighboring markets. We have a manufacturing facility in Egypt which caters to the large and fast growing personal care business in Egypt. In addition the facility at Nigeria caters to oral care products for Nigerian market.

Dabur's Food business is supported by two manufacturing units, the larger and older facility is in Nepal and another in Newai, Rajasthan. Fast growth of this business has led to addition in lines for augmenting capacity and the Company is considering additional capital expenditure for building fresh capacity in the future.

Dabur's Bangladesh facility was well utilized with good growth emerging from hair care and oral care categories in the country. The Company is planning to enhance its capacities in Bangladesh and a new manufacturing facility is being added which will be operational in a year's time.

Human Resources

Dabur's people are the Company's most important asset and source of competitive advantage. All employees of Dabur are considered leaders and encouraged to take responsibility to do their best that they can while meeting business needs. Our success depends entirely on the strength of our talent pool which we build by fostering an environment and continually investing in them to enable them to deliver superior performance. Our Human Resource strategy is aimed at talent acquisition,

DID YOU KNOW?

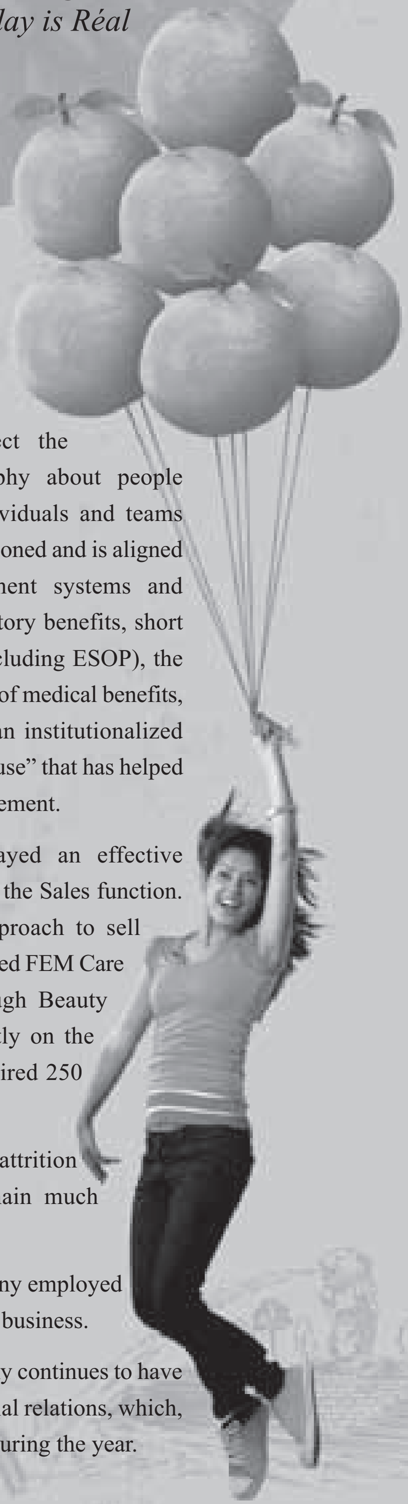
Réal is the most preferred packaged fruit juice brand in India. Every second packaged juice sold in India today is Réal

development, motivation and retention.

People always have been and shall 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 entities- Hobi Kozmetik and Namasté Laboratories LLC.

The belief "great people create great organizations" has been at the core of the Company's approach to its people. Hence the Company has made significant investments for training in the areas of marketing excellence, customer service and building higher skill sets. Recently Dabur embarked upon a Leadership development initiative called "LEAD - Leadership Excellence Achievement @ Dabur" in partnership with a renowned HR consultant. This initiative seeks to provide a Dabur Leadership Framework for analyzing and addressing individual and team performance development opportunities. LEAD program will focus on questions such as - What are the leadership competencies required to build the organization for the future, what process should Dabur follow for identifying these competencies and assess our leaders on the same; and to ascertain whether our leadership pipeline is robust enough to provide future leadership. Towards this end, a core group comprising top 55 managers at Dabur has been identified and assessed using a series of tools and a 360 degree assessment on the Dabur Leadership Framework. This group will be further taken through two four days off-site "Making Great Leaders" program where they will be helped with feedback and developmental inputs to hone their leadership style.

As an organization we have taken a lot of initiatives to ensure that ample career development opportunities are provided to our employees. In this regard, Dabur's HR team has been managing the "Career Development Centre (CDC)" process with the purpose of developing people with high potential for the next responsibility levels and taking up future leadership roles. As part of the CDC process we have completed over 600 in-house assessments of our employees to hone their abilities to be able to take up higher level roles. For senior level managers, we have partnered with a Global HR consultant to provide specialized role-wise tools and simulations for assessment.



Dabur's reward programs reflect the Company's values and philosophy about people management. It is linked to individuals and teams contribution, is competitively positioned and is aligned with company's other management systems and processes. Besides base pay, statutory benefits, short term and long term incentives (including ESOP), the Company offers its employees host of medical benefits, asset building opportunities and an institutionalized recognition program called "Applause" that has helped in sustaining high employee engagement.

The Human Resource team played an effective business partner role in supporting the Sales function. The business required a new approach to sell beauty products of the newly acquired FEM Care business and Uveda Brand through Beauty Advisor (BA) route. Acting swiftly on the new requirements, the HR team hired 250 BA's within 4 months.

Riding on these initiatives, the attrition levels at Dabur continue to remain much lower than industry levels.

As of 31st March 2011, the Company employed 5,300 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 congenial during the year.

Financial Review (on a consolidated basis)

During 2010-11 fiscal, the Consolidated sales of your Company increased by 20.3%, primarily driven by volume growth of 12.7% and acquisitions contributing to 5.1% of growth. While sales growth remained strong the Company faced headwinds with respect to inflation and cost pressures. The Company dealt with these challenges and was able to maintain its margins in a highly inflationary environment through calibrated price increases and efficient management of costs.

EBITDA margin of the Company was stable at 19.9% vis-à-vis 19.8% in FY2009-10. The increase in rate of Minimum Alternate Tax (MAT) led to the effective tax rate increasing from 16.7% to 19.6%.

The Profit After Tax of the Company increased by 13.4% during 2010-11 with the Profit After Tax (PAT) margin going down slightly mainly on account of increased taxation.

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

DIL'S ABRIDGED PROFIT AND LOSS STATEMENT, ON A CONSOLIDATED BASIS

In ₹Crores	2010-11	2009-10	YoY (%)
Gross Sales	4,109.9	3,415.8	20.3%
Other Operating Income	33.0	25.3	30.8%
Material Cost	1,905.3	1,550.8	22.9%
Employee Costs	322.2	284.7	13.2%
Advertising & Promotional Expenses	534.6	493.5	8.3%
Other Expenses	560.7	432.4	29.7%
Other Non Operating Income	32.1	23.0	39.9%
EBITDA	819.8	677.3	21.0%
Interest Expenses and Finance Charges	30.3	20.2	50.1%
Depreciation & Amortization	81.6	56.2	45.2%
Profit Before Tax (PBT)	707.9	600.9	17.8%
Tax Expenses	139.0	100.5	38.3%
Profit After Tax (PAT)	568.6	501.3	13.4%

KEY PROFITABILITY RATIOS

	2010-11	2009-10
EBITDA / Sales	19.9%	19.8%
EBIT / Sales	18.0%	18.2%
PBT / Sales	17.2%	17.6%
PAT / Sales	13.8%	14.7%
Diluted Earnings per Share (₹)	3.25	2.89

KEY BALANCE SHEET RATIOS

	2010-11	2009-10
Average ROCE	33.2%	47.3%
Average RONW	48.9%	57.3%

NET WORKING CAPITAL

In days sales	2010-11	2009-10
Net Working Capital* Days	10.9	-0.7
Days Sales Outstanding (DSO)	31.6	12.8
Days Inventory Outstanding (DIO)	62.9	45.5

**Excludes Cash and Bank Balances*

During the year, the Company acquired Turkey based Hobi Group and U.S. based Namasté Laboratories LLC. Hobi's financials have been consolidated w.e.f. October 7, 2010 and Namaste's financials have been consolidated w.e.f. January 1, 2011.

As these acquisitions were completed in the second half of fiscal 2010-11, major part of the additions to capital employed happened towards the end of the year. On account of this timing mismatch, the ROCE and RONW as shown are not comparable and the ratios for 2010-11 are not representative for the full year.

Net operating working capital of the Company increased as compared to last year due to three reasons. Firstly there was an increased stocking of raw and packing materials in the domestic business. Secondly the receivables from institutional trade were higher at the end of the year and thirdly the two overseas acquisitions added to the overall net working capital though their sales were consolidated only for part of the year.

The Company incurred Capital expenditure of ₹130.9 crores during the year which was invested in expansion of manufacturing capacities and regular maintenance expenditure. The cost of the two overseas acquisitions viz. $69 million for Hobi Group and $100 million for Namasté Laboratories LLC. was funded though foreign currency loans. As a result of these borrowings, the net debt to equity at a consolidated level went up to around 0.4 as on 31st March 2011.

The total dividend for the year has been at 115% of par value. This translates into a payout ratio of 43% of standalone net profit for 2010-11 fiscal.

Internal Control Systems

Dabur has a robust internal audit and control system managed by qualified and experienced people. Price Waterhouse 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 strategic risk mapping process at Dabur is a 3*3 risk matrix. The two variables - likelihood and business impact - are mapped on a 3 level scale ranging across Low, Moderate and High levels. The CRO then discusses the potential risks with SBU and functional heads. The occurrence of likelihood variable is quantified as low probability, if chance of happening is less than or equal to 30% and high if greater than or equal to 50%.

One of the key risks faced by the Company in today's scenario is the rising inflationary trend and high food prices which can lead to compression in demand for non food consumption activities. 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 commitment to values and ethics in business conduct which stems from the culture, policies, practices, traditions, voluntary adherence to ethical standards and mindset of an organisation. Strong governance standards focusing on fairness, transparency, accountability and responsibility are vital not only for the healthy and vibrant corporate sector but also inclusive growth of the economy. The global financial crisis during the recent past along with incidences of some of the large scale corporate failures and frauds have convincingly revealed the importance of good governance in more emphatic context.

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

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

CORPORATE GOVERNANCE PHILOSOPHY

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

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

BOARD OF DIRECTORS

Composition of the Board

As on March 31, 2011, Dabur's Board consists of 12 members. Besides the Chairman, who is a Non-Executive Promoter Director, the Board comprises of three Executive Directors (of whom one is Promoter Director), two Non-Executive Promoter Directors and six Non-Executive Independent Directors. The composition of the Board as on 31st March, 2011 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.

Number of Board Meetings

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

Directors' Attendance Record and Directorships held

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

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

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

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

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

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

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

Details of Other Board Directorships are separately mentioned in Annexure 1

Shareholding of Non-Executive Directors

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

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

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

Information Supplied to the Board

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

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

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

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

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

Role of Board Members

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

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

Board Membership Criteria

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

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

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

The constitution of the board will be as follows:

A Promoter Non Executive Chairman

Three Promoter's Family members

Two executive members

Six non executive independent Directors constituting 50% of the board

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

Key Skill Area	Essential	Desirable
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 2010-11

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

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

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

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

CODE OF CONDUCT

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

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

COMMITTEES OF THE BOARD

Dabur has four Board level committees:

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

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

a) Audit Committee

Composition

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

Meetings

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

Attendance Record

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

Table 3: Attendance record of Audit Committee

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

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

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

The functions of the Audit Committee include the following:

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

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

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

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

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

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

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

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

Audit Committee Report for the year ended March 31, 2011

To the Board of Directors of Dabur India Limited,

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

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

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

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

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

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

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

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

Signed
New Delhi — P N Vijay
27th April 2011 — Chairman, Audit Committee

b) Remuneration cum Compensation Committee

Composition

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

Meetings

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

Attendance Record

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

Table 4: Attendance details of Remuneration cum Compensation Committee

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

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

- Framing and implementing, on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of Executive Directors, including ESOP, pension rights and any compensation payment.
- Considering, approving and recommending to the Board changes in designation and increase in salary of the Executive Directors.
- Ensuring that the remuneration policy is good enough to attract, retain and motivate the Directors.
- Bringing about objectivity in determining the remuneration package, while striking a balance between the interests of the Company and the shareholders.
- Framing the 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, 2011

To the Board of Directors of Dabur India Limited,

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

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

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

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

Signed
P N Vijay
Chairman, Remuneration cum Compensation Committee

New Delhi
27th April, 2011

c) Nomination Committee

Composition

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

Meetings

The Nomination Committee did not meet during the year.

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

The functions of the Nomination Committee include:

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

d) Shareholders/Investor Grievance and Share Transfer Committee

Composition

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

Meetings

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

Attendance Record

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

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

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

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

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

The Committee performs the following functions:

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

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

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

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

To the Board of Directors of Dabur India Limited,

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

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

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

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

there were no complaints pending for redressal.

Signed
New Delhi — P N Vijay
27th April, 2011 — Chairman, Shareholders/Investor Grievance and Share Transfer Committee

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

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

MANAGEMENT COMMITTEES

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

SUBSIDIARY COMPANIES - MONITORING FRAMEWORK

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

i) The Audit Committee reviews Financial Statements of the subsidiary companies, along with investments made by them, on a quarterly basis.

ii) The Board of Directors reviews the Board meeting minutes and statements of all significant transactions and arrangements, if any, of the subsidiary companies.

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

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

MANAGEMENT

Management Discussion and Analysis

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

DISCLOSURES

Related Party Transactions

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

The Senior Management personnel make disclosures to the Board periodically regarding

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

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

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

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

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

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

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

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

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

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

Disclosure of accounting treatment in preparation of financial statements

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

Details of non-compliance by the Company

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

Code for prevention of insider-trading practices

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

Whistle-Blower Policy

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

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

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website www.dabur.com. 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 monthly Compliance Report, with provision for escalation to the higher-ups in the hierarchy. Any non-compliance is seriously taken up by the Board, with fixation of accountability and reporting of steps taken for rectification of non-compliance.

SHAREHOLDERS

Reappointment/Appointment of Directors

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

Act, 1956. Their brief CVs are given below:

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

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

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

Mr. Sunil Duggal: MBA (IIM, Kolkata) He served as General Manager - Sales & Marketing in Wimco Ltd, then moved to Pepsi Foods Ltd in 1994 as General Manager Sales & Marketing, before joining Dabur in1995. He played a key role in redefining Sales and Marketing functions at Dabur, making them more efficient. His current holding in the Company is 29,10,000 shares.

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

MEANS OF COMMUNICATION WITH SHAREHOLDERS

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

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

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

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

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

Description	Date
Unaudited Financial Results for the quarter ended June 30, 2010	July 28, 10
Audited Financial Results for the half year ended on September 30, 2010	October 29, 10
Unaudited Financial Results for the quarter / Nine months ended December 31, 2010	February 02, 11
Unaudited Financial Results for the Financial year ended on March 31, 2011	April 29, 11

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, Quarterly Corporate Governance Report and Shareholding Pattern are also available on the website. Annual Report of subsidiary companies is also posted on the website.

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

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

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

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

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

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

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

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

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

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

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

1. Disseminate authentic and correct information to the stakeholders and potential investors.
2. Manage Shareholder queries, feedback and opinions and inform the management regarding the same.
3. Develop and implement investor materials and events including presentations, releases, fact sheets, investor events, conferences, and web events.
4. Develop and distribute analyst materials including data, press clippings, fact sheets, and other relevant information.
5. Provide inputs on the FMCG market, performance of other players, economic environment, latest developments in industry and economy and general market intelligence.
6. Analysing and understanding the company's changing shareholder profile and underlying trends.
7. Track shareholder ownership and contacts with major/important shareholders.
8. Track and analyze analyst's reports, models, and projections.
9. Communicate important corporate developments such as mergers and acquisitions with appropriate details in order to give a complete perspective to investors.
10. Building Investor Confidence through regular, structured and accurate communications.

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

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

GENERAL BODY MEETINGS

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

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

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

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

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

July 10, 2008

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

July 15, 2009

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

August 31, 2010

- Appointment of Dr. Ajay Dua as Director of the Company.
- Revision in terms of remuneration and reappointment of Mr. Sunil Duggal as Whole-Time Director, designated as Chief Executive Officer of the Company.
- Revision in terms of remuneration of Mr. P D Narang, Whole-Time Director of the Company.
- Authority to the Board to mortgage and/or create charge over assets of the company for an aggregate amount of upto Rs.20,00,00,00,000/-.
- Authority to the Board to borrow money for the business purposes of the company, for an aggregate amount of upto Rs.20,00,00,00,000/-.
- Capitalization of a sum of Rs.87,01,29,834/- out of general reserves of the Company for allotment of fully paid up bonus shares to shareholders of the Company in the ratio of 1:1.
- Increasing of Authorised Share Capital of the Company from Rs.1,45,00,00,000/- divided into 1450000000 Equity shares of Re.1/- each to Rs.2,00,00,00,000/- divided into 2000000000 Equity shares of Re.1/- each
- Alteration in the Article 4 of the Articles of Association of the Company regarding the increase in Authorised Share Capital from Rs.1,45,00,00,000/- to Rs.2,00,00,00,000/-.

Postal Ballot

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

COMPLIANCE

Mandatory requirements

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

Table 9: Compliance Report

Particulars	Clause of listing agreement	Compliance status
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)	Not Applicable
(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 Remuneration cum Compensation Committee that comprises three members, two members being Independent Directors and one being Non-Executive Director. The Chairman of the Committee is an Independent Director.

d) **Half-Yearly Declaration**

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

e) **Audit Qualifications**

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

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

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

g) **Whistle-Blower Policy**

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

ADDITIONAL SHAREHOLDER INFORMATION

Annual General Meeting

Date: July 15, 2011

Time: 11:00 am

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

Financial Calendar

Financial year: April 1 to March 31

For the year ended March 31, 2011, results were announced on:
- July 26, 2010: First Quarter
- October 27, 2010: Half Yearly
- January 31, 2011: Third Quarter
- April 27, 2011: Fourth Quarter and Annual

For the year ending March 31, 2012, results will be announced by:
- July 27, 2011 (tentative): First Quarter
- October 31, 2011 (tentative): Half Yearly
- January 31, 2012: (tentative): Third Quarter
- April 30, 2012 (tentative): Fourth Quarter and Annual

Book Closure

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

Dividend Payment

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

Dates of Transfer of Unclaimed Dividend

Pursuant to section 205A of the Companies Act, 1956, unclaimed dividend for Financial Year(s) upto 2002-03 (Final) and 2003-04 (interim) have been transferred to the General Revenue Account of the Central Government/ Investor Education and Protection Fund (IEPF) established by the Central Government. The dividends for following years, which remain unclaimed for seven years, will be transferred to IEPF in accordance with the schedule given below. Shareholders who have not 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 10: Dividends declared in the past

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

Listing

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

Table 11: Dabur's Stock Exchange codes

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

Equity Evolution during the year

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

Table 12: Shares allotted during 2010-11

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

Stock Market Data

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

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

	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 2010	90.38	79.13	2405098	90.68	79.38	22947466
May 2010	94.30	88.70	1229710	94.33	88.58	20094380
June 2010	104.88	91.78	1696784	105.30	92.05	22507302
July 2010	106.68	98.18	5023056	107.05	98.23	59956394
August 2010	105.18	97.95	3069199	104.93	98.03	39385372
September 2010	111.30	104.10	4249397	111.30	103.95	39393799
October 2010	110.25	99.60	2934226	110.25	99.30	30671920
November 2010	102.15	92.45	5709830	102.00	92.60	40504425
December 2010	101.95	95.30	5239459	101.90	95.25	35161214
January 2011	103.05	91.10	3502839	103.15	90.80	46582406
February 2011	100.05	90.50	3649600	100.15	90.75	30523644
March 2011	172.80	158.60	2297274	173.00	158.80	15976589

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

Chart A: Dabur's Share Performance versus BSE Sensex

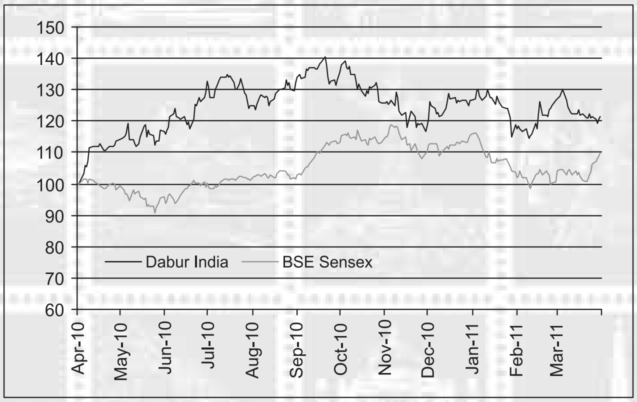
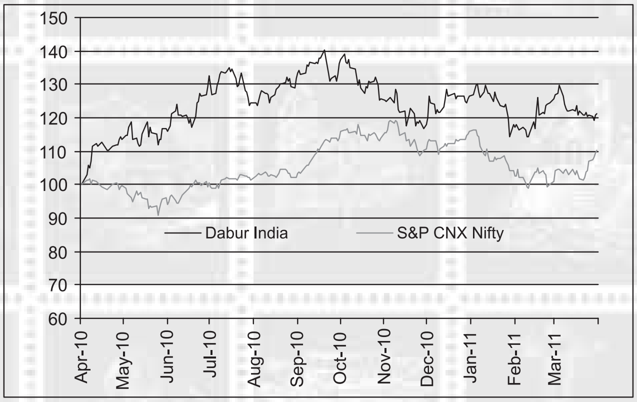


Chart B: Dabur's Share Performance versus Nifty



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

Distribution of Shareholding

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

Table 14: Shareholding pattern by size

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

Table 15: Shareholding Pattern by ownership

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

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

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

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

Dematerialization of Shares:

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

a) Demat Account should be opened with a Depository Participant (DP).

b) Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.

c) DP will process the DRF and will generate a Dematerialization Request Number (DRN).

d) DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Karvy Computershare Pvt. Ltd.

e) RTA will process the DRF and confirm or reject the request to DP/ Depositories.

f) Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his Demat Account maintained with the DP.

Consolidation of folios and avoidance of multiple mailing:

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

Unclaimed/ Undelivered share Certificates

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

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

Service of documents through Email

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

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

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

Outstanding GDRs/ADRs/Warrants/Options

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

Details of Public Funding Obtained in the last three years

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

Registrar and Transfer Agent

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

1. Karvy Computershare Private Limited
   Unit: Dabur India Limited
   305, New Delhi House, 27, Barakhamba Road,
   New Delhi-110001.
   Phone No.: 011- 43681700, Fax No. : 011-43681710
   Website: www.karvy.com, Email id: delhi@karvy.com

2. Karvy Computershare Private Limited
   Unit: Dabur India Limited
   Plot No. 17-24, Vithalrao Nagar
   Madhapur, Hyderabad- 500081
   Phone No.: 040- 44655000, Fax No. 040-23420814
   Email id: einward.ris@karvy.com

Share Transfer System

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

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

Reconciliation of Share Capital Audit

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

Compliance with Secretarial Standards

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

Company's Registered Office Address:
8/3, Asaf Ali Road, New Delhi-110002
Ph: 011-23253488.

PLANT LOCATIONS

- **Sahibabad**

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

- **Baddi**

  Hajmola Unit, 109, HPSIDC Industrial Area, Baddi, Distt Solan, H.P. - 173 205, Tel: 01795-244385, Fax : 01795-244090

  Chyawanprash Unit, 220-221, HPSIDC Industrial Area, Baddi, Distt Solan, H.P. - 173 205, Tel: 01795-244385, Fax : 01795-244090

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

  Glucose Unit, Plot No. 12, Industrial Area, Baddi, Distt Solan, H.P. - 173 205 Tel: 01795-244385, Fax : 01795-244090

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

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

  Honitus/Nature Care Unit, 109, HPSIDC Industrial Area, Baddi, Distt Solan, H.P. - 173 205, Tel: 01795-244385, Fax : 01795-244090

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

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

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

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

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

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

- **Pantnagar**

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

- **Jammu**

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

- **Katni**

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

- **Alwar**

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

- **Pithampur**

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

- **Narendrapur**

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

- **Silvassa**

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

- **Newai**

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

- **Jalpaiguri**

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

- **Nashik**

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

ADDRESS FOR CORRESPONDENCE

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

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

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

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

- For investors assistance :

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

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

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

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

New Delhi
27th April, 2011

Sd/-
Sunil Duggal
CEO, Dabur India Limited

Sd/-
S Raghunathan
CFO, Dabur India Limited

Certification by Chief Executive Officer of the Company

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

New Delhi
27th April, 2011

Sunil Duggal
CEO, Dabur India Limited

Annexure 1 - Details of other Directorships held

Name of the Director	Status	Directorships	Committee Membership	Committee Chairmanship
Dr Anand Burman	**CHAIRMAN/ PD/NED**	Aviva Life Insurance Co. India Ltd.		
		Fresenius Kabi Oncology Ltd.	Shareholders & Investors Grievance Committee	
		Dabur Pharmaceuticals Limited		
		H & B Stores Ltd., Hindustan Motors Limited		
		Althea Lifesciences Ltd., Hero Honda Motors Ltd		
		Dabur Research Foundation, Ester Industries Limited		
Amit Burman	**PD/NED**	H & B Stores Limited	Audit Committee	
		Q H Talbros Limited, Jetage Infrastructure Ltd.		
		Talbros Automative Components Ltd.		
		Micromax Informatics Ltd.		
Pradip Burman	**PD/ED**	Ayurvet Limited		
		Sanat Products Limited	Audit Committee	
		Dabur Research Foundation		
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
		Jetage Infrastructure Ltd.		
		Aviva Life Insurance Company India Ltd.		
		Dabur Research Foundation		
Sunil Duggal	**ED**	H& B Stores Ltd.	Audit committee	
P N Vijay	**ID**	Reed Relay & Electronics India Limited		
		India Mart Intermesh Ltd., One97 Communications Limited		
Dr. S Narayan	**ID**	Godrej Properties Limited		
		Apollo Tyres Ltd.	Audit Committee	
		Lakshmi Vilas Bank Ltd., Seshasayee Paper and Board Ltd.		
		Aviva Life Insurance Company India Ltd.		
		Teesta Urja Limited		
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 (India) Ltd.		Audit Committee
		UltraTech Cement Co. Ltd.	Shareholders Grievance Committee	Audit committee
		Aditya Birla Sunlife Asset Management Co. Limited		
		Taj Asia 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		
		Max Speciality Products 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 Lakshmi Cement Ltd.	Shareholders Grievance Committee	
		HSBC Invest Direct Ltd.	Audit Committee Shareholders Grievance Comm.	
		HSBC Invest Direct Securities Ltd.		Audit Committee
		HSBC Invest Direct Finance Ltd.	Audit Committee	

Directors' Report

To,
The Members,

Your Directors have pleasure in presenting the 36th Annual Report on the business and operations of the Company, together with the Audited Accounts for the financial year ended March 31, 2011.

FINANCIAL RESULTS

Financial results are presented in Table 1.

Table1: Financial Results

(Rs. in crore)

		2010-11	2009-10
Turnover (including other income)		**3313.83**	2897.60
Profits before Tax		**596.26**	527.03
Add:	Provisions of earlier years written back	**0.19**	0.02
		596.45	527.05
Less	– Provision for Taxation – Current	**119.40**	89.66
	– Provision for Taxation – Deferred	**5.45**	4.04
	– Provision for taxation for earlier year	**0.19**	0.21
Profit after Tax		**471.41**	433.14
Add:	– Balance in Profit & Loss Account brought forward from the previous year	**526.91**	428.94
Profit available for appropriation		**998.32**	862.08
Appropriation to:			
General Reserve		**50.00**	130.00
Capital Reserve		**1.34**	2.07
Interim Dividend – Paid		**87.04**	64.98
Final Dividend – Proposed		**113.15**	108.62
Final Dividend (for earlier year)		**0.15**	0.00
Corporate tax on Dividend		**32.82**	29.50
Excess Corporate Dividend tax provided in earlier year written back		**(0.40)**	0.00
Balance carried over to Balance Sheet		**714.22**	526.91
Total		**998.32**	862.08

DIVIDEND

The Company has paid an interim dividend of 50% (Re.0.50 per share of Rupee one each) on November 10, 2010. We are pleased to recommend a final dividend of 65% (Rs.0.65 per share of Rupee one each) for the financial year 2010-11. 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 115% (Rs.1.15 per share of Rupee one each) as against 200% (Rs.2.00 per share of Rupee one each) on pre bonus capital, declared last year. The dividend payout ratio for the current year, inclusive of corporate tax on dividend distribution, is at 49.43%.

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, final dividend for the year 2002-03 and interim dividend for the year 2003-04 which remained unpaid or unclaimed for a period of 7 years, amounting to Rs.924423/- and Rs.647640/- respectively 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 12 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, amalgamation of Fem Care Pharma Limited (FEM) with the Company was completed on 18th June, 2010 (being effective date) upon filing of the Order of Hon'ble Delhi and Mumbai High Courts with the respective offices of Registrar of Companies. The appointed date of merger was 1st April, 2009.

OVERSEAS ACQUISITION –HOBI GROUP (TURKEY) & NAMASTE GROUP (US)

During the year the Company has acquired Turkey's leading personal care products maker Hobi Kosmetik Group through Dabur International Limited, a wholly owned subsidiary of the Company. Hobi Kosmetic Group comprises of three companies namely- Hobi Kozmetik Imalat Sanayi Ve Ticaret Anonim Sirketi, Ra Pazarlama Limited Sirketi and Zeki Plastik Imalat Sanayi Ve Ticaret Limited Sirketi.

The second overseas acquisition of the year was of Namaste Group of US, a leading ethnic hair care group based in Chicago with operations in US, Europe and Africa, through Dermoviva Skin Essentials Inc, a wholly owned subsidiary of the Company. Namaste Group of US comprises of Namaste Laboratories LLc, US and its three subsidiaries namely - Hair Rejuvenation & Revitalization Nigeria Ltd, Healing Hair Lab International LLc, US and Urban Lab International LLc.

CORPORATE GOVERNANCE

Dabur is committed to focus on good corporate governance in line with emerging local and global standards. Dabur understands and respects its fiduciary role in the corporate world and besides adhering to the prescribed corporate practices, it voluntarily governs itself as per the highest national and international standards of corporate governance. Strong governance practices at Dabur has earned for it recognition and has strengthened its bond of trust not only with the stakeholders but with 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 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 attached in the corporate governance Report and forms part of this report.

CREDIT RATING

During the year under review the Company has sustained its long term credit rating of AAA. The highest credit rating of AAA awarded by CRISIL reflects the Company's financial discipline and prudence. The Company's short term credit was rated P1+ by CRISIL. This indicates a very strong degree of safety with regard to timely payment of interest & principal.

DIRECTORS

In terms of Article 103 and 104 of the Articles of Association of the Company, Mr Mohit Burman, Mr Sunil Duggal, Mr P N Vijay and Mr R C Bhargava 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;
  - 955240 equity shares allotted on April 22, 2010.
  - 204144 equity shares allotted on May 20, 2010.
  - 232065 equity shares allotted on August 23, 2010.
- Equity shares allotted pursuant to merger of Fem Care Pharma Limited with the company
  - 1384620 equity shares allotted on July 22, 2010.
- Equity shares allotted pursuant to Bonus issue in the ratio of 1:1.
  - 870361899 equity shares allotted on September 14, 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 2011-12. The Company has received a letter dated April 11, 2011 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 21.04.2011 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 2011-12.

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 2010-11. Consolidated Turnover grew by 20.47% to Rs.4142.60 crore as compared to Rs. 3438.69 crore in the previous year. Similarly, net profit after tax and after minority interest for the year at Rs.568.57 crore is higher by Rs.67.30 crore as compared to Rs. 501.27 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 and various transaction 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, 2011 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

During the year Fem Care Pharma Ltd. has ceased to be subsidiary of the Company due to its amalgamation with the Company.

Further Hobi Kozmetik Imalat Sanayi Ve Ticaret Anonim Sirketi, Ra Pazarlama Limited Sirketi, Zeki Plastik Imalat Sanayi Ve Ticaret Limited Sirketi, Namaste Laboratories LLc, US, Hair Rejuvenation & Revitalization Nigeria Ltd, Healing Hair Lab International LLc, US, Urban Lab International LLc, US and Dabur Egypt Trading Limited have become step down subsidiaries of the Companies.

In terms of general 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 and related detailed information upon request by any shareholder of the Company or subsidiary interested in obtaining the same.

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 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. 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 has been disclosed in the consolidated balance sheet (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.

A statement of the holding company's interest in the subsidiary companies is attached as 'Annexure 2' and form part of this report.

EMPLOYEES STOCK OPTION PLAN

During the year, 19300617 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, 1391449 options were exercised by the employees after vesting. Accordingly, the Company made the allotment of 955240 equity shares on April 22, 2010, 204144 equity shares on May 20, 2010 and 232065 equity shares on August 23, 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 3' and forms part of this report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the Annexure to the Directors Report. However having regard to the provisions of Section 219(1)(b)(iv) of the companies Act, 1956 the Annual Report excluding the aforesaid information is being sent to all the members of the company and others entitled thereto. Any member interested in obtaining a copy of such particulars may write to the Company Secretary at the Registered office of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of energy:

a) Energy conservation measures taken:-

Various energy conservation techniques were initiated at large scale and successfully implemented. Energy was used more efficiently (2.96 GigaJoules to 2.33 GigaJoules compared to LY). This was despite increase in tariff rates of Power & Fuel and absorbing cost of owned generated power for 5 new manufacturing facilities at Baddi, Pantnagar and Jammu commissioned in 2010 – 11.

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.

- Installation of Herbal Extractors across units by replacing boiling pans resulted in low consumption of steam and man days, better quality of extract in terms of TSS, fast process, etc.
- Installation & Commissioning of Briquette/Herbal waste fired boiler.
- Use of thermic fluid heating system in place of boiler in Fluid Bed Evaporator (FBE) of Hajmola manufacturing.
- Replacement of Old Air Compressors with new Screw Type efficient Compressors.
- Efficient Maintenance of Capacitor Bank for improvement of Power Factor.
- Replacing energy inefficient equipments with new technologies which are energy efficient.

Some new initiatives taken, where the projects are under implementation;

- Herbal waste used as a fuel in boiler in major units eg: Conversion of herbal waste into dry bio briquettes, Crushing herbal waste and using the same in the USAB reactor in ETP (Effluent Treatment Plant) 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:-

- Herbal Extractor have been ordered in place of Boiling pans in major units at Baddi, for saving energy and manpower.
- Replacement of power capacitor in units at Sahibabad, to improve power factor.

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 180 Lacs and thereby lowered the cost of production by the equivalent amount. 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 4

B. Technology Absorption:

Efforts made in technology absorption as per Form B is attached herewith as Annexure 5.

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 (including recently acquired Hobi and Namaste group companies) recorded an impressive sales growth of 43.3% from Rs. 631.4 crores in 2009-10 fiscal to Rs. 904.8 crores in 2010-11 fiscal, contributing to 22% of consolidated sales. Excluding the acquisitions, the International Business Division recorded sales of Rs. 731.6 crores in 2010-11, growing by 15.9%. 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 political turmoil and instability in key countries of Middle East and North Africa region leading to demand contraction coupled with inflationary pressures due to commodity cost inflation.

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 brands like Dabur Amla and Vatika across geographies. As per Nielsen Retail Audit in Saudi Arabia, Dabur Amla is the largest brand in the hair oil segment there. Dabur Amla franchise has been extended into Hair Creams and variants have been launched in hair oils and hair serums. Vatika has also maintained its growth trajectory with Vatika Hair Creams emerging as the biggest brand based on Nielsen Retail Audits in Saudi Arabia and Egypt. This was inspite of stiff competition from established brands through aggressive consumer promotions and price cuts.

Vatika Dermoviva – the new brand launched for the Personal Wash and Skin Care segment has grown in strong double digits in Soaps and has managed to create consumer equity in a category dominated by strong MNC players. Vatika Dermoviva was extended into Hand Wash category during the year.

Dabur Herbal Toothpaste posted a strong performance in Nigeria where it has become the no. 2 player in terms of market share basis Nielsen Retail Audit. The brand has been re-launched in MENA during the year and it has seen fast growth.

The key contributing markets to the International Business growth have been GCC, Egypt, Nigeria, Algeria, Morocco, Jordan, Syria and Kenya.

GCC, the largest region in the International Business Division and despite being a mature market, has grown by 21% 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 34% growth in sales in spite of disturbances in the region and temporary shut down during the fourth quarter of fiscal 2010-11. The plants in Egypt have however become operational as the political situation has improved.

African Consumer Care, Nigeria has grown by 34%, aided by strong growth of Dabur Herbal Toothpaste and Dabur Herbal Gel in the Oral Care category.

Asian Consumer Care, Pakistan has grown by 17%, with Hajmola and Dabur Amla emerging as the two strong brands for the region.

Markets of North Africa, Levant and Yemen have seen an impressive performance with 39% growth over previous year.

Asian Consumer Care, Bangladesh, has performed well with a growth of 47% during the fiscal 2010-11. The growth has been led by focus on five key brands – Amla Hair Oil, Vatika Hair Oil and shampoos, Dabur Honey and Meswak.

Dabur Nepal Pvt Limited which manufactures fruit juices and also caters to local consumer market in Nepal recorded growth of 4% in 2010-11 in its sales to the domestic market of Nepal.

Efficient operations of the manufacturing plant in Ras Al Khaimah ensured 22 new SKU launches in 2010-11 fiscal and augmentation in capacity with new warehouse and new manufacturing lines for Hamam Zaith and other hair care products. In Egypt, Hair Cream manufacturing capacity was doubled and new Toothpaste mixer was commissioned while new Lines for Hair Oil & Hair Cream packing are under installation. In Nigeria, ISO certificates were received for Green Gel and Promise Red Toothpaste.

Exports from India

The company also exports guar gum and private label oral care products from India. During 2010-11 the company recorded Guar gum exports to the tune of Rs.52.7 crores as compared to Rs.43.3 crore in 2009-10 fiscal. Sales have grown aided by recovery in global environment.

Sales in USA (Dabur Branded and Private label) grew impressively from Rs. 38 crores to Rs 45 crores. In Private label, key new markets were opened, such as Denmark, Switzerland, Canada and France. For the first time we could enter European Retail chains. New product categories of Mouthwash and Denture Adhesives were started. Dabur Branded Ethnic grew with the launch of new products such as Sesame Oil, Juices and a host of products from both the IBD platform as well as the India Domestic platform. Mainstream Retail penetration of Dabur Ethnic products took place in both USA (Stop n Shop) and in Canada (Loblaws network).

ii) Development of new markets for Products & Services:

New avenues for growth were opened up with expansion into the new markets of Congo, Armenia, Kazakhstan and Burkina Faso. The Sales & Distribution infrastructure has been augmented by appointing new distributors in Malaysia, Uganda, Mozambique and Ethiopia. Local resources have been deployed in key markets of Middle East & North Africa, Nigeria, Egypt and South East Asia 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 2010-11: Rs. 2460 lac.

Total Foreign Exchange earned during 2010-11: Rs. 13416 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 6 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 reaffirmed its commitment towards Health, Safety and Environment through its Policy. Health, Safety and Environment is integrated with the business processes, which focuses on People, Technology and Facilities, supported by Management Commitment as the prime driver. The Health, Safety and Environment Management Systems in all manufacturing units conform to the requirements of the International Standards based on OHSAS and ISO. With its health, Safety and Environment management system Dabur aims to effectively control risks and prevent people from being injured or harmed during the course of their work.

Dabur has the aim to certify all its operational locations with the Integrated Management system OHSAS (Occupational Health & Safety Advisory Services) 18001 and ISO 14001 — Occupational Health, Safety and Environment. With this aim, Dabur has got certified its three (3) manufacturing location by TUV NORD. This standard is the foundation of the overall health, safety and environment framework of Dabur.

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.

- Got certified its 3 manufacturing location with OHSAS 18001 and ISO 14001 integrated management system.
- In a process of preparing 5 more manufacturing location for the certification of OHSAS 18001 and ISO 14001 integrated management system.
- Risk assessment of all manufacturing location done with a system of planned inspection product wise, resulted in the reduction of all injury rate (AIR) and Total Recordable Frequency rate (TRFR)
- Legally Complied at unit level w.r.t to Safety and Environment Act and Rules.
- Environmental Monitoring was carried out at unit level to check the impact on the environment.
- Different Guidelines and Standard were rolled out for implementation at unit level and Focus on the training – on job and off job to minimize the TRFR.
- Installation of Fire Hydrant and Detector System as per the latest technologies available.
- Emergency Preparedness plan is in place and executed the plan through mock drill.
- Different test has been carried out at unit level to check the efficiency of PPE's used at work place.
- Health Check up for all employees carried out at unit level.

AWARDS & RECOGNITIONS:

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

For The Company-

- Ranked as the organisation that offers best return to investors by the 6th Social & Corporate Governance Awards, presented by the Bombay Stock Exchange.
- Listed among the enterprises that are 'Doing India Proud' in Limca Book of Records, 2010.
- Ranked as 7th Most Respected Company in the Fast Moving Consumer Goods space in India.
- Ranked 63 in the list of Top 100 Beauty Companies in the world.
- Ranked 182 in the ET-500 list of India Inc's Heroes.
- Ranked 62 in Business Today's BT 500 list of India's Most Valuable Companies.
- Dabur stock ranked 14th in Value 100 list, a ranking of attractively-priced stocks of firms with 'real' earnings.
- Ranked 200 in the Fortune India 500 list that ranks India's 500 largest corporations.
- Awarded the Best Run award in Supply Chain by SAP.
- Listed as a Top Green Company in Greenpeace Safe Food Guide

version 2.0 for its responsibility towards the GM food issue.

- Moved up to take the 78th spot in the Super-100 list, released by Business India.
- Ranked among Top 10 Best Companies To Work For in the Consumer Goods and Durables Sector.
- Ranked as India's Most Customer Responsive FMCG Company.
- The Burman family, promoters of Dabur, ranked 20th in Forbes 'The 100 Richest Indians' list.
- Dr. Anand Burman, chairman ranked amongst India's Most Powerful CEO'S. Have been placed at No. 41 in the list.

Its Brands

- Real fruit juices & Vatika Hair Oil bagged Reader's Digest Trusted Brand Gold Award 2010.
- Dabur Amla, Hajmola have been listed in 100 Most trusted Brands 2010 list. Babool and Real are also amongst the trusted brands.
- Dabur Chyawanprash Immune India Campaign and Dabur Glucose-D Ace of Pace bagged international Promotion Marketing Award of Asia 2010.
- Dabur Amla Hair Oil & Real voted as Most Loved FMCG Brands with highest top-of-the-mind recall.
- Meswak, Vatika Almond Hair Oil, Dabur Amla Flower Magic Hair Oil and Dabur Uveda bagged National Awards for Excellence in Packaging.
- Dabur ranked 27 in India's Most Valuable Brands 2010 list by Brand Finance.
- Chyawanprash, Hajmola, Real chosen by Indian consumers as 'Power Brands 2010-11'.
- Dabur Amla Hair Oil bagged India's Top 50 Marketers Award for successfully tapping the bottom of the pyramid.
- Dabur Amla Hair Oil entered Limca Book of Records for hosting longest–ever non-stop hair massage marathon.
- Dabur awarded bronze in respective categories of Glucose-D Ace of Pace and Vatika Kesh Sundari contest.
- Ranked 45 among Most Trusted Brands in India, according to Brand Trust Report, India Study, 2011.

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
27th April, 2011

(DR ANAND BURMAN)
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, 2011, 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
(FRN- 301174E)

New Delhi
27th April, 2011

(Anil Kumar)
Partner
Membership No. 9390

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) LLC*	African Consumer Care Ltd*	Asian Consumercare Pakistan P Ltd*	Naturelle LLC*
2 Holding Company's Interest	-	-	48,50,00,000 Equity Shares of Re 1 Each fully Paid Up	16,00,000 Equity Shares of Pens Sterling 1 Each fully Paid Up	–	–	–	–	–	–
3 Extent of Holding	–	–	100%	100%	–	–	–	–	–	–
4 Subsidiary Financial Year ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
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. 988,19,527)	Rs 56,40,05,365 AED 4,64,58,432	–	–	–	–	–	–
(ii) For the previous financial year of the subsidiaries since they become the holding company's subsidiaries.	-	-	(Rs. 35,00,99,340)	Rs 1,21,06,26,359 AED 9,75,47,690	–	–	–	–	–	–
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.	–	–	–	–	–	–	–	–	–	–

1 Name of the Subsidiary	Dermoviva Skin Essentials Inc*	Hobi Kozmetik Imalat Sanayi Ve Ticaret Anonim Sirketi*	Zeki Plastik Imalat Sanayi Ve Ticaret Limited Sirketi*	Ra Pazarlama Limited Sirketi*	Namaste Laboratories LLC*	Hair Rejuvenation & Revitalization Nigeria Ltd*	Healing Hair Lab International LLC*	Urban Lab International LLC*	Dabur Egypt Trading Ltd*
2 Holding Company's Interest	5,65,000 Equity Shares of US Dollar 1 each fully Paid Up	–	–	–	–	–	–	–	–
3 Extent of Holding	2.21%	–	–	–	–	–	–	–	–
4 Subsidiary Financial Year ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
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. 7,14,05,155) (USD 15,01,371)	–	–	–	–	–	–	–	–
(ii) For the previous financial year of the subsidiaries since they become the holding company's subsidiaries.	(Rs. 15,96,000) (USD 35,077)	–	–	–	–	–	–	–	–
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 Undersection 4(1)(c)**

Exchange Rate as on 31.03.2011
1 AED=Rs. 12.14
1 US $ = Rs. 44.59

Annexure '3'

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, 2011.

			For the Year	Cumulative
1.	Number of Options granted	:	**19300617**	32189017
2.	Pricing formula		Each option carries the right to the holder to apply for one equity share of the Company at par/discount to market value.	
3.	Options vested	:	**312455**	9527061
4.	Options exercised	:	**436209**	9500411
5.	Total number of shares arising as a result of exercise of option	:	**436209**	10002170
6.	Options lapsed/Cancelled	:	**27903**	3061376
7.	Variation in terms of options	:	**None**	None
8.	Money realized by exercise of options	:	**Rs.404959/-**	Rs.9970920/-
9.	Total number of options in force	:	**19627230**	19627230

10. Employee-wise details of options granted during the year to :

i. Senior managerial personnel :

Mr. P D Narang	Group Director – Corp. Affairs	4003394
Mr. Sunil Duggal	Chief Executive Officer	4003394
Mr. Jude Magima	Executive Director- Operations.	1578728
Mr. A Sudhakar	Executive Director– HR	310386
Mr. Devendra Garg	Executive Director–CHD	1307312
Mr. S Raghunathan	Chief Financial Officer	456110

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	4003394
Mr. Sunil Duggal	Chief Executive Officer	4003394
Mr. Devendra Garg	Executive Director–CHD	1307312
Mr. Jude Magima	Executive Director- Operations	1578728

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. 2.69

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

(Rs. in lacs)

Net profit after tax, as reported in audited accounts	47141
Add: Stock Option compensation expenses charged in above reported profit	3017
Deduct: Stock option compensation expenses determined under fair value method (black scholes model)	3147
Net profit after tax, as adjusted	47011
Impact on profit (i.e. profit would have been lower by)	130

Earning per share (Rs.)	Basic	Diluted
- As reported	2.71	2.69
- As adjusted	2.70	2.69
- Impact on EPS	0.01	0.00

13. Weighted average exercise price (per option) Rs.51.78
Weighted average fair value of per option:
(per intrinsic value method) Rs.117.07
(per black scholes model) Rs.124.65

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	6.83
- Expected life	1 to 5 years
- Expected volatility	28.47
- Expected Dividend yield	1.66%
- Price of underlying shares in the market at the time of option grant	Rs.163.80

Annexure '4'

FORM - A

(See Rule 2)

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

				2010-11	2009-10
A.	**Power & Fuel Consumption**				
	1	Electricity			
		a)	Purchased		
			Units	35191645.00	28303923.00
			Total Amount – (Rs.)	173942164.00	127836950.00
			Rate per Unit - (Rs.)	4.94	4.52
		b)	Own Generation		
			i) Through Diesel generator		
			Units	4149799.00	3882620.00
			Unit per Litre of Diesel Oil	3.02	3.22
			Cost per Unit - (Rs.)	11.29	9.41
			Total Cost – (Rs.)	46847951.02	36523995.71
			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)		9460.57	6413.15
		Total Cost – (Rs.)		60976480.80	32436767.34
		Average Rate per Tonne – (Rs.)		6445.33	5057.85
	3	Furnace Oil			
		Quantity (Tonnes / KL)		2828.86	3423.88
		Total Cost – (Rs.)		90798391.00	93817349.07
		Average Rate per Tonne – (Rs.)		32097.18	27400.86
	4	Others / Internal generation			
		HSD			
		Quantity (Kilo Ltr)		510.61	301.68
		Total Cost – (Rs.)		18084373.05	9140797.50
		Average Rate per Kilo Ltr – (Rs.)		35417.26	30299.25
		LDO			
		Quantity (Kilo Ltr)		193.19	203.56
		Total Cost – (Rs.)		8746957.00	7629860.22
		Average Rate per Kilo Ltr – (Rs.)		45276.45	37481.75

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 '5'

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, Home Care and Personal Care products.

***Ayurvedic*:**

Key areas of R&D were:

a) Formulation development including new product development and process validation:

Development of both OTC and classical Ayurvedic new products were carried out. OTC products span across Proprietary Ayurvedic products, health supplements and Pharmaceutical products. Besides the above, research was also carried out in process validation and technology transfer of Ayurvedic products.

b) Efficacy and safety evaluation of the products:

Latest scientific tools like *in-vitro* studies, cell based assays and *in-vivo* studies to generate claim support data were applied on both existing and new products. Clinical studies for both regulatory and marketing purposes were also conducted.

Although, in general, ayurvedic products are normally perceived to be safe, yet data was generated on safety using reliable scientific procedures in the larger interest of discerning consumers.

c) Development of quality standards of raw materials and finished products:

R&D centre was closely associated with Pharmacopoeia Commission of Indian Medicines and Indian Pharmacopoeia Commission for developing quality standards of classical Ayurvedic formulations as well as raw materials of herbal origin. This is a dynamic process. Upgrading the quality standards on continuous basis to ensure batch to batch consistency was also undertaken.

d) Bio Resources Development:

Bio Resources Development (BRD) group has been involved in designing, development and implementation of strategic initiatives to ensure material security for future business needs. These programmes are essentially centred on medicinal plant species-facing variable degrees of supply constraints.This group is involved in development of agronomy protocols besides the promotion of contract farming. Latest technologies like plant tissue culture are also used for the purpose. This group is actively associated with National Medicinal Plants Board and National Mission of the Medicinal Plants.

Food:

Focus of R&D efforts was on development of new products and cost reduction of existing products for the brands Real, Activ, Burrst, Hommade, Lemoneez and Dabur - Chyawan Junior, Glucose, Hajmola, Honey and other health foods.

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

- Two new fruit variants for Activ juices.
- New fruit variants with Apricot and five fruit blends for Real.
- New formulations for still lemon Drink, Fizz Lemon Drink, and Fizz Apple Drink in Burrst.
- New formulations for drinking yogurt.
- Development & commercialization of Fiber fortified beverages in active, Vitamin fortified beverages in Real.
- Cost reduction in Burrst, Real, Activ juices and nectars and other products through alternative RM development.
- Development of six variants of Bar syrups.
- Development of two variants of culinary pastes, Pasta sauces and other sauces.
- Redevelopment of Ketchup and sauces which are ready for launch in packaging format.
- Development of new flavor variants in Hajmola candy Mint Masti and Pudina Chutney, Glucose Powder Litchi and Rose.
- Development of New products like mouth fresheners and masala Mixes.

***Home Care*:**

R&D was carried out in categories of Air Care, Personal repellents, Hard surface cleaners & Fabric Care.

Personal Care:

R&D was carried out for enhancing the existing product range and introduction of new products in Hair Care, Oils, Skin care and Oral care in Indian and many overseas markets.

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

***Ayurvedic*:**

a) Company has been able to launch several new products, viz.

Proprietary Ayurvedic products

- Dabur Chyawanprash in two new flavors Orange & Mango.
- Pudin Hara Lemon Fizz. - a tasty effervescent formulation for gas and acidity.
- Nature Care Orange – A tasty formulation containing Isabgol and orange flavour for constipation.

Nutraceutical products

- Dabur Nutrigo Total - comprising vitamins, minerals and herbal supplements that provides all day energy with stamina & strength for active men
- Dabur Nutrigo Women - containing vitamins, minerals, herbal supplements to cater the specialty needs of women like all day stamina, emotional well-being, bone, skin and hair health with a healthy heart.

OTC Pharma products

- Honitus Day & Night - a combo pack containing two distinct tablets for day and night use to treat cold, a unique concept launched first time in India.

Classical Ayurvedic products

- Saptavinshati Guggulu - for Piles, fistula and wound healing
- Pushpadhanwa Ras - an aphrodisiac
- Gandhak Rasayan - for Skin ailments

Apart from the above improved Honitus lozenges through enrichment of herbal extracts.has also been developed.

b) Efficacy and safety evaluation of the products :

The R&D centre conducts required safety studies as well as proof-of-efficacy studies for products. A few studies conducted using modern scientific tools are:

- In-vitro assessment of Dabur Chyawanprash suggested that it possesses immuno-modulatory and antiallergic activities. These studies also proved that Dabur Chyawanprash has potent curative anti-allergic action also, other than its preventive potential.
- Dabur Hajmola tablet demonstrated digestive stimulant properties by increasing activities of enzymes which plays crucial role in digestion of fats, proteins and carbohydrates. Thus it was established scientifically that Dabur Hajmola is not just a tasty chew tablet, but also has digestive properties.
- The study on Dabur Mensta syrup indicated its estrogen stimulation activity governed by functional ovaries and its use for the management of dysmenorrhoea. Both these results suggested that Dabur Mensta syrup is useful in the treatment of Dysmennorrhoea, Metrorrhagia and mennorrhagia and also mechanism of action for the same was established.
- The *In vitro* assessment of Tuvarak (Chaulmogra) Tail suggested its melanogenesis stimulatory activity. The study proved scientifically the mechanism of action of Dabur Tuvarak Tail in vitiligo.

c) Development of quality standards of raw materials and finished products :

R&D centre has been co-ordinating with Ayurvedic pharmacopoeia committee to develop quality standards of five Bhasmas viz., Abhraka Bhasma, Mandura Bhasma, Kantalauha Bhasma, Swarna Makshika Bhasma and Tamra Bhasma. This is an ongoing process and the standards thus developed would become part of Ayurvedic Pharmacopoeia of India in a due course of time.

Indian Pharmacopoeia Edition 2010 has included several monographs of medicinal plants out of which significant contribution on the Neem and Lavang monographs have been made by R&D Division and same has been acknowledged in Indian Pharmacopoeia.

d) Bio Resources Development :

- As a result of well-conceived programmes of backward integration, self sufficiency have been achieved for three endangered, temperate medicinal plants -viz. Chirayata (*Swertia chirata*), Kuth (*Saussurea lappa*) and Pushkarmool (*Inula racemosa*). Contract farming projects in Himachal Pradesh and other states have been commissioned. Such projects have also been expanded to three more species during the year. Two of these projects put wastelands into use- for cultivation of Bhumi amalaki (*Phyllanthus amarus*) and Nagarmotha (*Cyperus scariosus*) deploying novel-agro technologies.
- Bio Resources development group has also been commissioned by National Medicinal Plants Board for development of plant parts substitution. A project has been initiated to replace the use of barks with renewal of plant parts in case of five species.
- Bio Resources group has embarked upon an ambitious project to develop and commission Green House and seed production complex which would provide us about five millions saplings in future. The complex shall be provided with latest environmental control systems.

Foods:

Broadly the benefits derived are as follows:

- Development of new products in beverage and Culinary category, new fruit juice and beverages, Pastes, Bar syrups variants will increase the product folio and sales.

- Fizz variants under Burrst brand will be lauched in Q1 2011. This will help to introduce new Fizz products in PET bottle formate.
- New product variants in Hajmola candies and Glucose is expected to be launched by Q2 2011 which will help in increasing the sales volume by introduction of differential variants.
- Introduction of post meal mouth freshener as a product extension in Hajmola will help to enter "Hajmola" brand in new category of products in near future.

Home care:

In Air Care segment the Company has entered the room freshener electrical segment by giving various fragrance options on continuous basis. Research has also been carried out on various long lasting fragrances in aerosol and the products have been launched successfully. In the Odonil blocks segment, technology has been worked out to double the fragrance levels & build aesthetic shapes. In the personal repellents category, varianting of odomos with different fragrances such as rose and jasmine have been developed. Optimisation of the active level in Oil has been successfully carried out to enhance the duration of efficacy. In Sanifresh, a technology to stabilize fragrance in Acid has been developed which will add value to the toilet cleaner. Fabric Softener improvements with respect to viscocity & fragrance lasting has been carried out.

Personal Care:

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

- Oxy Facial Kit
- Uveda Face Mask
- Uveda Complete Repair 5 Mask
- Hamam zeit conditioner for GCC & Egypt market
- Extension of Vatika Hair Oil and Shampoo range for GCC & Egypt market
- Establishment of Toothpaste and Personal Care manufacturing facility in Egypt.
- Gold Bleach
- Uveda Complete Repair 5 Cream
- Fem Hand Sanitizer
- Amla Anti Dandruff hair Cream for GCC market
- Vatika Coconut Enriched Hair oil for Egypt market
- Launch of Dermoviva range of Hand Wash & Lotion in GCC market
- Launch of Mouthwash (Auromere, Promise) in US & European market.

Denture Adhesive Cream has been developed for US Pvt Label market. A few value engineering projects have been initiated in the leading brands.

Rationalization of formulation has been carried out in the Fem range of products (Bleaches, Liquid Hand wash), Vatika Shampoos, Hair oils etc.

3. Future plan of action:

***Ayurvedic*:**

To continue to provide the benefits of Ayurvedic healthcare system to masses by continuing R & D efforts. The developmental endeavor shall be designed to address the consumer needs in the specific context of lifestyle ailments and such other niche areas.

Bio Resources Development programme would continue to receive adequate thrust in times to come. The programme shall be extended to other species while expanding the areas under cultivation and ensuring sustained deliveries from the existing projects.

Foods:

Future plans in this category are:

- Commercialization of new fruit beverages and milk based under Burrst, Real & Activ.
- Development of Coconut water, Sugar cane juice, Milk and fruit beverages, Fruit Ice teas, Smoothies, Gravy mixes and Bhuna masalas under Hommade.
- Tomato paste for institutional market.
- Commercialization of different variants in candy, Glucose powder and Dabur Honey.
- Develop digestive Hajmola jellies, chewing gums etc.

***Home Care*:**

Upgradation of current Aerosols into Malodor & Antibacterial solutions shall be worked out. New & novel methods of room freshening through Air conditioners, blowers, etc shall be explored. In personal application, development of a more trendy & convenient aerosol product is on cards. Concept of Toilet protection technology shall be taken up further to prototyping from the drawing board. In the Fabric care category light duty detergents & post wash applications shall be also explored.

Personal Care:

New technologies and products shall continue to be focused in all the major categories of Personal care for Indian and Overseas business.

Cost effectiveness will be pursued vigorously in vendor development, process engineering and all other key areas of product development to improve the Net contribution of brands.

4. Expenditure on R&D (2010-11)

a)	Capital	Rs. 333 lacs
b)	Recurring	Rs. 368 lacs
c)	Total	Rs. 701 lacs
d)	Total R&D expenditure as a percentage of Total Turnover	0.212 %

Technology Absorption, Adoption and Innovation

1. Efforts, in brief, made towards technology absorption, adoption and innovation

Energy Conservation and Efficiency improvement

- Use of energy efficient CFL lamps in all plants.
- Use of ETP (Effluent Treatment Plant) treated water in cooling tower for makeup purpose and for gardening.
- Installation of Bio Briquette fired boiler by replacing the Furnace oil fired boiler.
- Four number of tilting kettles provided for making amla pishti resulting in energy saving (steam consumption) and safer operation at Katni.

Upgradation in manufacturing

- Use of Ambiator system instead of Air conditioning for comfort conditions.
- Recycling of Vacuum pump cooling water for environment savings.
- Installation of herbal extractors by replacing old boiling pans.
- conventional sleeving machine for Dabur Chywanprash replaced with rotary pucks for better and even sleeving quality and increased productivity.
- FBE (Fluid Bed Evaporator) 1300 with Thermic fluid heater, Pneumatic conveying & shrink wrap machine implemented in the Hajmola project at Jammu.
- Successful installation of FFS (Form Fill Seal) machines of 4 ml & 70 ml Dabur Anmol Coconut Oil Pack at Pithampur
- Installation and commissioning of Vacuum Booster in concentration plant in order to improve the productivity & quality at Jalpaiguri
- Honey processing through Centi Therm (CT-6) machine installed.
- Usage of Earthen Pot in place of Crucibles in Bhasma manufacturing process at Sahibabad.

Waste Management

- In-house manufacturing of Bio Briquettes started from the Herbal Waste generated from Boiling Section at Sahibabad.
- ETP process modified – Gravimetric dosing of lime in place of power driven dosing at Sahibabad.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

- Reduction in power usage and thereby reducing cost of production.
- Improved efficiencies and productivity.
- Power Factor incentive of Rs. 104083/- received from State Electricity Board.
- Saving of LPG in canteen by using bio gas from ETP.
- Bio briquettes are environment friendly and involves low cost. Saving of substantial amount in Fuel cost due to change in Boiler fuel.

- Reduction in consumption of fuel
- Product improvement
- Resulted in cost saving
- Reduced Steam consumption
- Safe Working Condition
- Improved quality

- Cleaner environment.
- Better waste disposal.
- Improved hygiene conditions.
- Increased productivity

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 '6'

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 B R Bee Products Pvt Ltd.
41 B.A. Holdings Pvt Ltd
42 Burman Resorts Pvt Ltd.
43 Burmans Finvest Pvt.Limited
44 Chowdry Associates
45 CNS Infotech (I) Pvt Ltd.
46 Consortium Consumercare Pvt.Ltd.
47 Dabur Ayurvedic Specialities Ltd.
48 Dabur GI Invest Corp
49 Dabur Invest Corp
50 Dabur Investment Corporation
51 Dabur Pharmaceuticals Ltd.
52 Dabur Securities Pvt Ltd
53 Eastern Enterprises
54 Elephant India Advisors Pvt. Ltd.
55 Elephant India Finance Pvt Ltd.
56 Jetage Infrastructure Limited.
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 Investment & 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.
85 Milky Investment
86 Windy Investment
87 M.B. Investment
88 M. Burman Investment
89 Burman Brothers

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, 2011 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, 2011 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, 2011, 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
Date 27th April 2011

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 (1) (d) of the Companies Act, 1956 in respect of products of 'the company' covered under the rules under said section have been maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.

9. a. According to information and explanations given to us, 'the company' is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues to the extent applicable to it. 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, 2011 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:

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	62.39	1997-98	ST. appellate and Revisional Board
-do-	Classification of Hajmola Candy	9.58	2000-01	ST. appellate and Revisional Board
-do-	Classification of Hajmola Candy	11.66	2001-02	ST. appellate and Revisional Board
-do-	Sales tax on stock transfer	26.82	1991-02	Pending before High Court, Patna
-do-	Short collection of export certificates	2.31	2003-04	ST. appellate and Revisional Board
-do-	Dispute on Tax Rate	18.28	1999-00	Pending before Dy. Commissioner
-do-	Intt. on turnover tax & surcharge	2.84	2001-02	Pending before Tribunal
-do-	Intt. on turnover tax & surcharge	3.70	2002-03	Pending before Tribunal
-do-	Dispute on Tax Rate	30.12	2000-01	Pending before Dy. Commissioner
-do-	Tax Imposed on Hajmola Candy	27.77	1996-97	Pending before Kolkata High Court
-do-	Classification of Hajmola Candy	7.88	2004-05	ST. appellate and Revisional Board
-do-	Classification of gulabari	0.02	1999-00	Pending before Dy. Commissioner-Appeal
-do-	Entry tax matter	0.34	2003-04	Pending before asstt. Commisioner-Appeal
-do-	Entry tax matter	0.49	2004-05	Pending before asstt. Commisioner-Appeal
-do-	Turnover tax on CSD	0.47	2003-04	Pending before Tribunal
-do-	Form 18A dispute	0.45	1999-00	Pending before Dy. Commisioner-Appeal
-do-	Dispute on Tax Rate of Juice	96.44	2004-05	Pending before Dy. Commisioner-Appeal
-do-	Not filling of Form F	10.17	2004-05	Pending before Dy. Commisioner-Appeal
-do-	Classification of Hajmola Candy	24.47	2005-06	ST. appellate and Revisional Board
-do-	Non submission of Form F	0.33	2006-07	ST. appellate and Revisional Board
-do-	Non submission of custom certificate	6.79	2006-07	ST. appellate and Revisional Board
-do-	Classification of L.D.M.	15.07	1990-91	Pending before High court
-do-	Classification of L.D.M.	25.72	1991-92	Pending before High court
-do-	Classification of L.D.M.	25.35	1992-93	Pending before High court
-do-	Classification of Hajmola Candy	7.25	1993-94	Writt pettion filed with before High Court.
-do-	Classification of Hajmola Candy	7.03	1994-95	Writt pettion filed with before High Court.
-do-	Classification of Hajmola Candy	7.32	1997-98	Writt pettion filed with before High Court.
-do-	Classification of Hajmola Candy	13.15	1998-99	Writt pettion filed with before High Court.
-do-	Non submission of Form C	2.20	2006-07	Pending before Dy. Commissioner-Appeal
-do-	Non submission of Form F	7.61	2006-07	Pending before Dy. Commissioner-Appeal

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 on coconut oil	27.27	2008-09	Pending before Dy. Commissioner-Appeal
-do-	Dispute on coconut oil & Hajmola candy	1.97	2005-06	Pending before Dy. Commissioner-Appeal
-do-	Dispute on coconut oil & Hajmola candy	0.46	2005-06	Pending before Dy. Commissioner-Appeal
-do-	Dispute on coconut oil.	2.27	1998-99	Pending before Dy. Commissioner-Appeal
-do-	Transporter related issue.	2.95	2006-07	Pending before Dy. Commissioner-Appeal
-do-	Truck detained at check post.	0.10	2004-05	Pending before Dy. Commissioner-Appeal
-do-	Classification of Hajmola Candy	5.53	2003-04	ST. appellate and Revisional Board
-do-	Non submission of form C	0.85	2003-04	ST. appellate and Revisional Board
-do-	Classification of Hajmola Candy	28.89	1998-99	Pending before Tribunal- W.Bengal
-do-	Classification of Hajmola Candy	39.92	1999-00	Pending before Tribunal- W.Bengal
-do-	Disallowed of Export sales DIL	14.97	2007-08	Appeal pending before sales tax appellate authority
-do-	Disallowed of Export sales food	35.11	2007-08	Appeal pending before sales tax appellate authority
-do-	Demand of Fem products	49.91	2005-06	Appeal pending before asstt. Commissioner
-do-	Disallowance of Form C Fem	0.11	2005-06	Appeal pending before asstt. Commissioner
-do-	Disallowance of export certificate Fem	6.94	2006-07	Appeal pending before asstt. Commissioner
-do-	Sales enhance of Fem products	10.97	2007-08	Appeal pending before asstt. Commissioner
-do-	Rejection due to not filing statement of Fem	55.84	2007-08	Appeal pending before asstt. Commissioner
-do-	Short Recd. of form C Fem products	0.78	2002-03	Appeal pending before asstt. Commissioner
-do-	Short Recd. of form C Fem products	1.89	2003-04	Appeal pending before asstt. Commissioner
-do-	Short Recd. of form C Fem products	2.79	2004-05	Appeal pending before asstt. Commissioner
-do-	Dispute on entry tax	7.02	2007-08	Pending before Dy. Commisioner-Appeal
-do-	Dispute on Vat	6.90	2007-08	Pending before Dy. Commisioner-Appeal
-do-	Non submission of Form F	75.15	2007-08	Pending before Dy. Commisioner-Appeal
-do-	Dispute on Tax Invoices	12.99	2008-09	Pending before Addl. Commissioner Appeal
-do-	Dispute on coconut oil	3.63	2006-07	Pending before Dy. Commisioner-Appeal
-do-	Dispute on taxability on Chyawanprash	34.72	2006-07	Pending before Dy. Commisioner-Appeal
-do-	Dispute on entry Tax on purchases	115.83	2010-11	Pending before High court
-do-	Dispute on @1% Vat on Glucose	26.97	2006-11	Pending before Dy. Commisioner-Appeal
-do-	Dispute on taxability on odonil	2.21	2001-02	Pending before Dy. Commisioner-Appeal
-do-	Dispute on taxability on odonil	3.87	2000-01	Pending before Dy. Commisioner-Appeal
-do-	Dispute on taxability on odonil	0.90	2001-02	Pending before Dy. Commisioner-Appeal
-do-	Damage distruction disallowed & brand issue	0.48	2001-02	Pending before Dy. Commisioner-Appeal
-do-	Dispute on stock transfer	13.60	2001-02	Pending before Dy. Commisioner-Appeal
-do-	Dispute on stock transfer	0.58	2002-03	Pending before Dy. Commisioner-Appeal
-do-	Dispute on taxability on odonil	0.22	2002-03	Pending before Dy. Commisioner-Appeal
Income Tax	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) (C)	11.85	2003-04	-do-
-do-	Demand u/s 143 (3)	198.47	2006-07	CIT (A), Delhi
-do-	Demand u/s 201(1A)	455.83	2007-08	-do-
-do-	-do-	173.70	2008-09	-do-
-do-	-do-	81.08	2007-08	-do-
Excise Duty	Classification of Anmol Coconut Oil	514.60	1993-2001	Dy.Commissioner Appeals
-do-	Modvat on Capital goods	0.82	1996	Dy.Commissioner

Name of Statute	Nature of the dues	Amount (Rs in lacs)	Period to which the amount relates	Forum where the dispute is pending
Excise Duty	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
-do-	S Tax on Royalty	124.17	04/01-03/05	Tribunal
-do-	Service tax on ISD	176.77	05/05-06/06	Tribunal
-do-	Service tax on FO	73.47	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
-do-	Post Manufacturing Expenses	442.96	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	4.60	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
-do-	Chyawanprash Classification	2463.34	1988-2010	Tribunal
-do-	Gulabari/Keora Water/Shilajit	8.60	2006	Tribunal
-do-	PME	0.34	2006	Commissioner (Appeal)
-do-	Modvat on Capital Goods	0.33	1996	-do-

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
27th April, 2011

Balance Sheet as at March 31, 2011

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

	Schedule	As at March 31, 2011		As at March 31, 2010	
SOURCES OF FUNDS :					
Shareholders' Funds :					
Capital	A	17,407		8,690	
Reserves & Surplus	B	92,709	110,116	66,248	74,938
Loan Funds :					
Secured Loans	C	1,757		2,427	
Unsecured Loans	D	23,987	25,744	8,570	10,997
Deferred Tax Liability (Net) :	EB		1,740		1,195
Total			**137,600**		**87,130**
APPLICATION OF FUNDS :					
Fixed Assets :					
Gross Block	F	76,688		68,723	
Less : Depreciation		26,932		23,628	
Net Block		49,756		45,095	
Capital work in Progress (including capital advances)		1,192	50,948	2,331	47,426
Investments :	G		51,923		34,851
Current Assets, Loans and Advances :	H				
Inventories		46,058		29,844	
Sundry Debtors		20,246		13,048	
Cash & Bank Balances		19,241		16,391	
Loans & Advances		44,053		32,512	
		129,598		91,795	
Less: Current Liabilities and Provisions :	EA				
Liabilities		49,628		43,206	
Provisions		53,536		44,010	
		103,164		87,216	
Net Current Assets :			26,434		4,579
Miscellaneous Expenditure : (To the extent not written off or adjusted)	IA		8,295		274
Notes to Accounts	P				
Total			**137,600**		**87,130**

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

Anil Kumar
Partner
Membership Number: 9390

Place: New Delhi
Dated: 27th April, 2011

For **Dabur India Ltd.**

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

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

Profit & Loss Account for the year ended March 31, 2011

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

	Schedule	For the year ended March 31, 2011	For the year ended March 31, 2010
INCOME :	J		
Sales Less Returns		329,536	287,954
Less: Excise Duty		3,099	2,358
Net Sales		**326,437**	**285,596**
Other Income		4,946	4,164
Total Income		**331,383**	**289,760**
EXPENDITURE :			
Cost of Materials	K	165,065	137,393
Manufacturing Expenses	L	8,891	7,618
Payments to and provisions for Employees	M	23,084	21,234
Selling and Administrative expenses	N	67,991	65,706
Financial Expenses	O	1,293	1,349
Miscellaneous Expenditure Written off	IB	1,660	566
Depreciation		3,773	3,191
Total Expenditure		**271,757**	**237,057**
Balance being Operating Net Profit before Taxation		**59,626**	**52,703**
Provision for Taxation Current		11,940	8,966
Deferred		545	404
Net Profit After Taxation		**47,141**	**43,333**
Balance Brought Forward		52,691	42,894
Provision for Taxation of earlier years written back		(19)	-2
Provision for Taxation of earlier years		19	21
		99,832	**86,208**
APPROPRIATIONS :			
Interim Dividend		8,704	6,498
Proposed Final Dividend		11,315	10,862
Final Dividend (for earlier year)		15	0
Corporate Tax on Interim Dividend		1,446	1,104
Corporate Tax on Proposed Dividend		1,836	1,846
Excess Corporate Tax on dividend of earlier year provided written back		-40	0
Transferred to Capital Reserve		134	207
Transferred to General Reserve		5,000	13,000
Balance carried over to Balance sheet		**71,422**	**52,691**
		99,832	**86208**
EARNING PER SHARE (in Rs) after consideration of extraordinary items			
Basic		2.71	2.50
Diluted		2.69	2.49
EARNING PER SHARE (in Rs) without consideration of extraordinary items			
Basic		2.71	2.50
Diluted		2.69	2.49
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: 27th April, 2011

For **Dabur India Ltd.**

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

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

Statement of Cash Flow (Pursuant to AS-3) Indirect Method

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

Particulars	For the year ended March 31, 2011		For the year ended March 31, 2010	
A. Cash Flow from Operating Activities				
Net Profit Before Tax and Extraordinary Items		59,626		52,703
Add: Depreciation	3,773		3,191	
Loss on Sale of Fixed Assets	22		43	
Fixed Assets Discarded	2		159	
Miscellaneous Exp. Written off	262		594	
Miscellaneous Exp. Written off (Included in Director Remuneration)	3,017		353	
Interest	1,293		560	
Unrealised Loss / (Gain) in Foreign Exchange	72	8,441	(15)	4,885
		68,067		57,588
Less: Interest Received	1,493		789	
Profit on Sale of Investment	951		1,268	
Profit on Sale of Assets	172	2,616	244	2,301
Operating Profit Before Working Capital Changes		65,451		55,287
Working Capital Changes				
Increase/(Decrease) in Inventories	16,214		2,685	
Increase/(Decrease) in Debtors	8,738		(525)	
Decrease/(Increase) in Trade Payables	(6,116)		(6,696)	
Increase/(Decrease) in Working Capital		18,836		(4,536)
Cash generated from operating activities		46,615		59,823
Interest Paid	1,293		560	
Tax Paid	11,461	12,754	9,304	9,864
Cash Used(-)/(+)Generated For Operating Activities (A)		**33,861**		**49,959**
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets		(7,456)		(12,836)
Sale of Fixed Assets		310		1,774
Purchases of Investment including Investment in Subsidiaries		(476,299)		(532,837)
Interest Received		1,044		789
Sale of Investments		460,179		517,145
Cash Used(-)/(+)Generated For Investing Activities (B)		**(22,222)**		**(25,965)**
C. Cash Flow from Financing Activities				
Proceeds from Share Capital & Premium		14		25
Repayment(-)/Proceeds (+) of Long Term Secured Liabilities		(510)		(822)
Repayment(-)/Proceeds(+) from Short Term Loans		(276)		591
Repayment (-)/Proceeds(+) from Loan to Subsidiaries		(660)		-
Repayment(-)/Proceeds(+) from other Unsecured Loans		15,417		(4,811)
Payment of Dividend		(19,522)		(15,196)
Corporate Tax on Dividend		(3,252)		(2,574)
Cash Used(-)/+(Generated) in Financing Activities (C)		**(8,789)**		**(22,787)**
Net Increase(+)/Decrease (-) in Cash and Cash Equivalents (A+B+C)		**2,850**		**1,207**
Cash and Cash Equivalents Opening Balance		**16,391**		**15,184**
Cash and Cash Equivalents Closing Balance		**19,241**		**16,391**
Cash and Cash Equivalents (Year End)				
Cash in Hand		27		13
Cash at Bank : Current Accounts		2,575		4,820
Fixed Deposits		16,633		11,511
Remittance in Transit		6		47

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

Anil Kumar
Partner
Membership Number: 9390

Place: New Delhi
Dated: 27th April, 2011

For **Dabur India Ltd.**

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

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

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

		As at March 31, 2011	As at March 31, 2010
SCHEDULE-A Share Capital			
Authorised :			
2000000000	Equity Shares of Re. 1 each (Previous Year 1450000000 Equity Shares of Re. 1 each)	20,000	14,500
		20,000	**14,500**
Issued and Subscribed:			
1740723798	Equity Shares of Re.1 each fully called up (Previous Year-867585830 Equity Shares of Re. 1 each)	17,407	8,676
Share Capital Suspense Account		-	14
		17,407	**8,690**

NOTES :

1. Of the above shares, 46927956 shares have been allotted as fully paid up pursuant to scheme of amalgamation/merger without payment being received in cash which includes issue during the year 138462 number of shares of Re.1 each in favour of minority shareholders of erstwhile Fem care Pharma Ltd. on account of consideration of their merger in previous year.
2. During the year the authorized capital of the company has been increased by Rs.5500.
3. Of the above shares, issued & subscribed, 10002170 (previous year 8610721) shares have been allotted upto 31st March, 11 under Employees Stock Option Scheme.
4. Of the above shares 1391449 (previous year 2509581), shares have been allotted during the year and 19627230 (previous year 1745965) shares are outstanding under Employees Stock Option Scheme.
5. Of the above 1626079642 (previous year 755717743), shares have been allotted as fully paid bonus shares without consideration money being received in cash, which includes issue of Rs 870361899 (previous year NIL) shares during the year against capitalization of free reserve.

SCHEDULE-B Reserves and Surplus				
Capital Reserve :				
As per last account	2,544		2,337	
Add : Transferred from Profit & Loss A/c	134	2,678	207	2,544
Share Premium Account :	-		1,392	
Add: Premium on issue of Shares	1,074		1,660	
	1,074		3,052	
Less: Adjustment for merger	-	1,074	(3,052)	-
General Reserve :				
As per last account	9,558		15,786	
Add: Transferred from Profit & Loss A/c	5,000		13,000	
	14,558		28,786	
Less : Adjustment for merger	-		19,228	
Less : Issue of bonus shares	8,704	5,854	-	9,558
Profit and Loss Account :	71,422	71,422	52,691	52,691
Employee Stock Option Scheme Outstanding :				
As per last account	1,455		2,759	
Add: Addition during the year	11,511		484	
	12,966		3,243	
Less: Allotted during the year	1,074		1,660	
Less: Deletion during the year	211	11,681	128	1,455
Total		**92,709**		**66,248**

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	As at March 31, 2011	As at March 31, 2010
SCHEDULE-C Secured Loans		
A. Term Loans :		
I) **Foreign Currency Loan (from Banks)**	702	1039
Secured by:		
First charge on Land, Building, Plant and Machinery and Movable fixed assets of Nashik Unit and Fixed Assets of Research and Development Division		
II) **Deferred Payment Credit (other than Banks)**	133	190
Secured By : Hypothecation of Machines acquired under DPC		
B. Short Term Loans - from Banks :	922	1198
Secured by:		
Hypothecation of inventories and book debts ranking pari-passu among Punjab National Bank, Standard Chartered Bank Ltd, Hongkong & Shanghai Banking Corporation Ltd., Royal Bank of Scotland, IDBI Bank Ltd, Citi Bank NA and HDFC Bank Ltd.		
	1,757	**2,427**
SCHEDULE-D Unsecured Loans		
Short Term Loan from Bank	23,319	7,890
Security Deposit from Dealers and Others	409	390
Sales Tax Deferred	259	290
(Under Package Scheme of Incentives, 1988, repayable within one year: Rs. 47, previous year Rs. 31)		
Commercial Papers	-	-
TOTAL	**23,987**	**8,570**

NOTES:

Maximum amount of commercial papers outstanding during the year Rs. 20,000 (previous year Rs. 4,000)

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	As at March 31, 2011		As at March 31, 2010	
SCHEDULE-EA Current Liabilities and Provisions				
A. Current Liabilities :				
Acceptance	5,905		6,087	
Creditors for Goods				
SME Units (Principal)	172		654	
Others	19,179		9,233	
Creditors for Expenses and other Liabilities	23,634		25,015	
Advance from Customers	373		1,912	
Interest Accrued but not due	1		1	
Investor Education and Protection fund to be credited by :				
Unpaid Dividend	364	49,628	304	43,206
B. Provisions :				
For Dividend (Proposed) - Final	11,315		10,862	
For Corporate Tax on Proposed Dividend-Final	1,836		1,846	
For Liabilities Disputed	176		176	
For Gratuity	906		1,325	
For Leave Salary	199		389	
For Others	7,226		6,124	
For Taxation :				
Brought forward	23,288		15,884	
Inherited from Merged Company	-		1,147	
Provision for the year	11,940		8,557	
	35,228		25,588	
Adjusted during the year	3,350		2,300	
	31,878	53,536	23,288	44,010
		103,164		**87,216**

Note : SME units as above means small and micro enterprises registered under Micro, Small & Medium Enterprises Development Act, 2006, to the extent disclosed by such enterprises in their invoices.

	As at March 31, 2011		As at March 31, 2010	
SCHEDULE-EB Deferred Tax Liabilities (Net)				
Deferred Tax Liability :				
Depreciation		3,868		3,577
Less: Deferred Tax Assets				
Other disallowances under section 43B of Income Tax Act, 1961	53		57	
Provision for Disputed Liabilities	54		60	
Provision for Service Benefits	1,619		1,840	
Provision for Doubtful Advances	27		19	
Provision for Doubtful Debts	375	2,128	406	2,382
Net Deferred Tax Liability		**1,740**		**1,195**
(Decrease)/Accretion in Deferred Tax Liability		545		500
Less: Deferred Tax Liability inherited from Merged Entity		-		96
Deferred Tax Liability provided during the year		**545**		**404**

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

SCHEDULE-F Fixed Assets

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

	Gross Block					Depreciation					Net Block	
Name of the Asset	Opening	Tfr From Merged Entity	Addition	Deletion	Closing	Opening	Tfr From Merged Entity	Addition	Deletion	Closing	31.03.2011	31.03.2010
A) Tangibles												
Leasehold Land	970	-	-	-	970	85	-	10	-	95	875	885
Buildings, Roads & Culverts	25,287	-	2,559	25	27,821	5,002	-	727	16	5,713	22,108	20,285
Plant & Machinery	29,020	-	5,273	388	33,905	12,147	-	2,118	317	13,948	19,957	16,873
Computer	3,323	-	166	6	3,483	2,407	-	275	5	2,677	806	916
Vehicles	1,307	-	206	185	1,328	598	-	196	115	679	649	709
Furniture & Fixture	3,203	-	132	21	3,314	1,999	-	170	16	2,153	1,161	1,204
Freehold Land	3,439	-	258	-	3,697	-	-	-	-		3,697	3,439
B) Intangibles												
Computer Software	998	-	-	4	994	620	-	199	-	819	175	378
Trade Marks & Patent	1,176	-	-	-	1,176	770	-	78	-	848	328	406
Total	**68,723**	**-**	**8,594**	**629**	**76,688**	**23,628**	**-**	**3,773**	**469**	**26,932**	**49,756**	**45,095**
Capital Work In Progress	2,331	-	1,172	2,311	1,192	-	-	-	-	-	1,192	2,331
Total Assets	**71,054**	**-**	**9,766**	**2,940**	**77,880**	**23,628**	**-**	**3,773**	**469**	**26,932**	**50,948**	**47,426**
Previous Year	57,048	4,252	18,016	8,262	71,054	21,045	742	3,191	1,350	23,628	47,426	

Note :
Capital work in progress includes advance against capital goods Rs.755 (Previous Year Rs.1390)

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	Numbers (As on 31.03.2011)	As at March 31, 2011	As at March 31, 2010
SCHEDULE-G Investments			
A Current Investments (Other than trade)			
I) Mutual Funds (Quoted)			
1 Axis Mutual fund	-	-	-
(Purchase during the year) Units 10114965.61	(-)		
(Sold during the year) Units 10114965.61			
2 LIC Mutual Fund	-	-	-
(Purchase during the year) Units 2031199.21	(-)		
(Sold during the year) Units 2031199.21			
3 LIC Mutual Fund	-	-	734
(Purchase during the year) Units 98658823.43	(4,808,413.83)		
(Sold during the year) Units 103467237.26			
4 DWS Mutual Fund	9,266,765.00	964	-
(Purchase during the year) Units 103827311.937	(-)		
(Sold during the year) Units 94560546.937			
5 DWS Mutual Fund	-	-	400
(Purchase during the year) Units Nil	(3,646,031.25)		
(Sold during the year) Units 3646031.25			
6 Taurus Mutual Fund	-	-	4,657
(Purchase during the year) Units 1653134.28	(432,190.63)		
(Sold during the year) Units 2085324.91			
7 Birla Mutual Fund	-	-	500
(Purchase during the year) Units 87630277.05	(4,308,376.34)		
(Sold during the year) Units 91938653.39			
8 CHOLA Liquid Fund - Institutional Plus-Growth	-	-	1,500
(Purchase during the year) Units 42818479.98	(15,000,000.00)		
(Sold during the year) Units 57818479.98			
9 DSP Mutual Fund	-	-	-
(Purchase during the year) Units 452456.47	(-)		
(Sold during the year) Units 452456.47			
10 IDBI	-	-	-
(Purchase during the year) Units 119447557.6	(-)		
(Sold during the year) Units 119447557.6			
11 ABN Amro Mutual Fund	-	-	-
(Purchase during the year) Units 141304710.18	(-)		
(Sold during the year) Units 141304710.18			
12 Lotus Liquid Fund	-	-	-
(Purchase during the year) Units 19243323.26	(-)		
(Sold during the year) Units 19243323.26			
13 JPM Mutual Fund	10,000,000.00	1,000	-
(Purchase during the year) Units 240718475.68	(-)		
(Sold during the year) Units 230718475.68			
14 Kotak Mahindra Mutual Fund	-	-	4,000
(Purchase during the year) Units 137832710.75	(35,808,262.15)		
(Sold during the year) Units 173640972.90			

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	Numbers (As on 31.03.2011)	As at March 31, 2011	As at March 31, 2010
SCHEDULE-G (Contd.)			
15 Principal Mutual Fund	-	-	-
(Purchase during the year) Units 53205597.50	(-)		
(Sold during the year) Units 53205597.50			
16 Prudential Mutual Fund	-	-	1,000
(Purchase during the year) Units 44725601.34	(10,000,000.00)		
(Sold during the year) Units 54725601.34			
17 Reliance Liquid Fund	-	-	1,000
(Purchase during the year) Units 225037990.99	(8,051,659.53)		
(Sold during the year) Units 233089650.52			
18 HSBC Mutual Fund	-	-	-
(Purchase during the year) Units 42071769.4	(-)		
(Sold during the year) Units 42071769.4			
19 SCB Mutual Fund	2,000,000.00	202	2,491
(Purchase during the year) Units 48435735.43	(20,509,666.34)		
(Sold during the year) Units 66945401.77			
20 Sundram Mutual Fund	-	-	-
(Purchase during the year) Units 10777270.54	(-)		
(Sold during the year) Units 10777270.54			
21 TATA Mutual Fund	-	-	2,501
(Purchase during the year) Units 11896908.70	(24,993,345.22)		
(Sold during the year) Units 36890253.92			
22 UTI Mutual Fund	-	-	1,500
(Purchase during the year) Units 52907027.25	(14,106,426.16)		
(Sold during the year) Units 67013453.41			
23 HDFC Mutual Fund	-		
(Purchase during the year) Units 15130456.89	(5,001,947.96)	-	500
(Sold during the year) Units 20132404.85			
24 HDFC Mutual Fund	-	-	250
(Purchase during the year) Units Nil	(2,499,225.24)		
(Sold during the year) Units 2499225.24			
25 Templeton Mutual Fund	-	-	-
(Purchase during the year) Units 78104134.71	(-)		
(Sold during the year) Units 78104134.71			
26 Templeton Mutual Fund	-	-	1,375
(Purchase during the year) Units Nil	(10,906,784.99)		
(Sold during the year) Units 10906784.99			
27 JM Mutual Fund	10,811,278.33	1,500	-
(Purchase during the year) Units 140128693.15			
(Sold during the year) Units 129317414.82			
28 FIDELITY MUTUAL FUND	5,000,000.00	500	-
(Purchase during the year) Units 151673659.06	(-)		
(Sold during the year) Units 146673659.06			
29 CANARA Mutual Fund	-	-	1,500
(Purchase during the year) Units 38182087.01	(14,583,788.06)		
(Sold during the year) Units 52765875.07			

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	Numbers (As on 31.03.2011)	As at March 31, 2011	As at March 31, 2010
SCHEDULE-G (Contd.)			
30 Bank of Baroda	330,128.18	3,706	1,078
(Purchase during the year) Units 111959866.49	(10,318,551.02)		
(Sold during the year) Units 121948289.33			
31 Peerless	4,811,133.91	500	-
(Purchase during the year) Units 543913694.54	(-)		
(Sold during the year) Units 539102560.63			
32 PRAMERICA	-	-	-
(Purchase during the year) Units 44719625.85	(-)		
(Sold during the year) Units 44719625.85			
II) Certificate of Deposits (Quoted)			
1 ING Vyasa Bank	5,000.00	4,874	-
(Purchased during the year) Units 5000	(-)		
2 ICICI Bank	2,500.00	2,416	-
(Purchased during the year) Units 2500	(-)		
3 Punjab National Bank	2,500.00	2,397	-
(Purchased during the year) Units 2500	(-)		
4 AXIS Bank	2,500.00	2,337	-
(Purchased during the year) Units 2500	(-)		
5 Dena Bank	2,000.00	1,884	-
(Purchased during the year) Units 2500	(-)		
6 Dhanlaxmi Bank Limited	1,500.00	1,359	-
(Purchased during the year) Units 1500	(-)		
7 Reliance Capital Limited	100.00	1,000	-
(Purchased during the year) Units 100	(-)		
8 Corporation Bank	1,000.00	960	-
(Purchased during the year) Units 1000	(-)		
9 State Bank of Patiala	1,000.00	914	-
(Purchased during the year) Units 1000	(-)		
10 Dhanlaxmi Bank Limited	1,000.00	905	-
(Purchased during the year) Units 1000	(-)		
III) Commercial Papers (Quoted)			
1 Religare Finvest	500.00	2,431	-
(Purchased during the year) Units 500	(-)		
2 JM Financial Products Limited	500.00	2,413	-
(Purchased during the year) Units 500	(-)		
3 JM Financial Services Pvt. Ltd.	500.00	2,371	-
(Purchased during the year) Units 500	(-)		
4 Reliance Capital Limited	500.00	2,366	-
(Purchased during the year) Units 500	(-)		
5 Reliance Capital Limited	400.00	1,872	-
(Purchased during the year) Units 400	(-)		
6 Religare Finvest	200.00	972	-
(Purchased during the year) Units 200	(-)		

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	Numbers (As on 31.03.2011)	As at March 31, 2011	As at March 31, 2010
SCHEDULE-G (Contd.)			
7 Religare Finvest (Purchased during the year) Units 200	200.00 (-)	969	-
8 Religare Finvest (Purchased during the year) Units 200	200.00 (-)	926	-
B. Long Term Investment:			
I) Unquoted -Equity Shares - (Trade Investments)			
1 Sanat Products Ltd.	50,000 (50,000)	105	105
2 Dabon International Pvt Limited	2,700 (2,700)	27	27
3 Forum 1 Aviation Ltd.	4,550,000 (4,550,000)	456	456
II) Quoted -Equity Shares - Other than Trade Investments			
1 Colgate Palmolive India Ltd. (Sold during the year) 100 Shares	- (100)	0	0
2 Indusind Bank Ltd. (Sold during the year) 1600 Shares	- (1,600)	0	1
3 Trent Limited (Sold during the year) 200 Shares	- (200)	0	1
4 Proctor & Gamble (I) Ltd. (Sold during the year) 225 Shares	- (225)	0	1
5 Hindustan Unilever Ltd. (Sold during the year) 2500 Shares	- (2,500)	0	2
6 Godrej Consumer Products Ltd. (Sold during the year) 400 Shares	- (400)	0	0
7 Godrej Industries Ltd. (Sold during the year) 600 Shares	- (600)	-	0
8 Saraswat Co-Op Bank Ltd.	10,000 (10,000)	0	0
9 The NKGSB Co-Op Bank Ltd.	10,000 (10,000)	1	1
10 Rupee Co-Op Bank	100 (100)	0	0
III) Unquoted Equity Shares -in Subsidiaries			
1 Dabur International Limited	1,600,000 (1,600,000)	4,466	4,466
2 H & B Stores Ltd. (25000000 shares allotted during the year)	485,000,000 (460,000,000)	4,850	4,600
3 Dermoviva Skin Essentials Inc (Inherited from merged entity)	565,000 (65,000)	254	28

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	Numbers (As on 31.03.2011)	As at March 31, 2011	As at March 31, 2010
SCHEDULE-G (Contd.)			
IV) Unquoted Equity Shares - Other than Trade			
1 Commerce Centre Cooperative Housing Society Limited	15 (15)	0	0
2 Capexil (Agencies) Limited	3 (3)	0	0
3 Dabur Employees Consumers Co-op Stores Limited	250 (250)	0	0
4 Dabur Employees Cooperative Credit Society Ltd.	650 (650)	0	0
5 Co-operative Stores Limited, Super Bazar	500 (500)	0	0
6 Saraswat Co-op Bank Ltd.	1,000 (1,000)	0	0
7 Shivalik Solid Waste Management Ltd	18,000 (18,000)	2	2
V) Investment in Capital of Partnership Firm (trade)			
1 Balsara International		49	49
VI) Government Bonds/Securities (other than Trade)			
1 National Saving Certificates (inherited from merged entity Rs 0.53)	-	2	2
2 Kisan Vikas Patra	-	0	0
C. Share Application money in subsidiary Pending Allotment (paid during the last year)	**-**	**-**	**150**
Total		**51,950**	**34,878**
Less Provision for diminution in value of long term trade investment	-	27	27
Total		**51,923**	**34,851**
NOTES :			
Aggregate Book Value of Quoted Investments		8,373	24,991
Aggregate Book Value of Other Investments		43,550	9,860
Aggregate Market Value of Quoted Investments (Based on 31.03.2011)		42,102	25,052

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	2.21% held by Dabur India Limited (Balance stake held by Dabur International Limited)

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	As at March 31, 2011		As at March 31, 2010	
SCHEDULE-H Current Assets, Loans and Advances				
A. Current Assets :				
Inventories				
Raw material	13,589		8,778	
Packing Material, Stores and Spares	7,863		4,291	
Stock in Process	6,435		5,157	
Finished Goods	18,171	46,058	11,618	29,844
Sundry Debtors (Unsecured) :				
Debts Outstanding for a period exceeding six months :				
Considered Good	110		674	
Considered Doubtful	1,215		1,194	
	1,325		1,868	
Less : Provision for Doubtful Debts	1,215		1,194	
	110		674	
Other Debts (Considered Good)	20,136	20,246	12,374	13,048
Cash and Bank balances				
Cash in Hand	27		13	
Balances with Scheduled Banks :				
In Current accounts (includes Rs. 364 in Unpaid Dividend Account, Previous Year Rs. 304)	2,575		4,820	
In Fixed Deposits Accounts (pledged with Government authorities Rs. 10, previous Year Rs. 10)	16,633		11,511	
Remittance in transit & Cheques in hand	6	19,241	47	16,391
		85,545		**59,283**
B. Loans and Advances (Unsecured, Considered Good)				
Loans & Advances to Subsidiaries	1,050		390	
Security Deposit with various authorities(including Deposit with Govt. Authorities Rs. 900 Previous year Rs.467)	2,444		2,187	
Advance Payment of Tax	32,361		24,250	
Advances to Suppliers (Net of provision for doubtfuls Rs. 86, previous year Rs. 82)	4,095		2,006	
Advance to Employees (Net of provision for doubtfuls Rs.20, previous year Rs. 20)	201		223	
Balance with Excise Authorities	2,443		2,250	
Other Advances Recoverable in Cash or in kind or for value to be received	1,459	44,053	1,206	32,512
Total (A+B)		**129,598**		**91,795**

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. Additional Disclosure as per Clause 32 of Listing Agreement

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

		As at March 31, 2011		As at March 31, 2010	
SCHEDULE-H (Contd.)					
a)	Loans and Advances to Domestic Subsidiary (interest free and without stipulation of repayment)				
	H & B Stores Ltd				
	- Amount outstanding	1050		0	
	- Maximum amount Outstanding during the year	1050		0	
b)	Loans and Advances to Foreign Subsidiaries				
(i)	Dermoviva Skin Essentials Inc (USA)				
	- Amount outstanding	0		390	
	- Maximum amount Outstanding during the year	390		838	
	- Rate of interest	3% p.a. plus libor			
(ii)	Dabur International Ltd.				
	- Amount outstanding	0		0	
	- Maximum amount Outstanding during the year	26854		0	
	- Rate of interest	2.50% p.a. plus libor			
SCHEDULE-IA Miscellaneous Expenditure					
Deferred Employee Compensation under ESOP					
Opening balance		274		864	
Addition during the year		11,511		484	
Less : Cancelled during the year		211		128	
		11,574		1,220	
Less: Amortisation related to Subsidiary		262		27	
Less: Amortised during the year		3,017	8,295	919	274
Total			**8,295**		**274**

Schedule Annexed to and forming part of Profit & Loss Account for the year ended March 31, 2011

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

	For the year ended March 31, 2011		For the year ended March 31, 2010	
SCHEDULE - IB Miscellaneous Expenditure Written Off				
Deferred Employee Compensation under ESOP	3,017		919	
Less : Transferred to Director remuneration	1,357	1,660	353	566
Total		**1,660**		**566**
SCHEDULE - J Sales and Other Income				
A. Sales :				
Domestic Sales Less Returns		315,207		275,302
Export Sales		14,329		12,652
		329,536		**287,954**
B. Other Income :				
Interest Received (Tax Deducted at Source thereon Rs 84, Previous Year Rs. 64)		1,493		789
Export Subsidy		431		533
Rent Realised		595		142
Sale of Scrap		575		522
Miscellaneous Receipts		729		666
Profit on Sale of current investments other than trade		934		1,268
Profit on Sale of long term investments other than trade		17		-
Profit on Sale of Fixed Assets (Including Capital Profit of Rs.134; Previous Year Rs 207)		172		244
		4,946		**4,164**
SCHEDULE - K Cost of Materials				
Raw Materials Consumed :				
Opening Stock	8,778		7,127	
Add : Inherited through merger	-		385	
Add : Purchases	82,145		60,936	
	90,923		68,448	
Less : Closing Stock	13,589	77,334	8,778	59,670
Packing Material Consumed :				
Opening Stock	4,263		3,901	
Add : Inherited through merger			10	
Add : Purchases	53,626		39,492	
	57,889		43,403	
Less : Closing Stock	7,818	50,071	4,263	39,140
Purchase of Finished Products		45,491		39,551
Adjustment of Stocks in Process and Finished Goods				
Opening Stock :				
Stock in Process	5,157		5,311	
Finished Products	11,618		9,820	
Stock in Process inherited through merger	-		70	
Finished Goods inherited through merger	-		606	
	16,775		15,807	
Closing Stock :				
Stock in Process	6,435		5,157	
Finished Products	18,171		11,618	
	24,606		16,775	
Increase/(Decrease) in Stock in Process and Finished Goods		(7,831)		(968)
		165,065		**137,393**

Schedule Annexed to and forming part of Profit & Loss Account for the year ended March 31, 2011

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

	For the year ended March 31, 2011		For the year ended March 31, 2010	
SCHEDULE - L Manufacturing and Operating Expenses				
Power and Fuel		4239		3543
Stores and Spares Consumed		1172		1036
Repairs & Maintenance				
Building		281		221
Plant & Machinery		423		374
Others		678		544
Processing Charges		2098		1900
		8891		**7618**
SCHEDULE - M Payment to and Provisions for Employees				
Salaries, Wages and Bonus		18000		17001
Contribution to Provident and Other Funds		1642		1896
Workmen and Staff Welfare		1250		865
Directors' Remuneration (including perquisites Rs.1357 , previous year Rs. 353 under ESOP)		2192		1472
		23084		**21234**
SCHEDULE - N Selling and Administrative Expenses				
Rent		2132		1714
Rates and Taxes		348		286
Insurance		286		268
Sales Tax		289		167
Freight & Forwarding Charges		6287		5288
Commission, Discount and Rebate		3166		3021
Advertising and Publicity		39019		39003
Travel & Conveyance		3007		2724
Legal & Professional		2159		1807
Telephone, Fax Expenses		355		366
Security Expenses		446		377
General Expenses		9201		9627
Directors' Fees		13		14
Auditors' Remuneration :				
Audit Fee	43		47	
Reimbursement of Expenses	16		17	
Provident Fund and certificates	17	76	19	83
Donation		715		613
Contribution to Scientific Research Expenses		368		50
Provision for Doubtful Debts		96		96
Provision for Doubtful Advances		4		0
Loss on Sale of Fixed Assets		22		43
Fixed Assets written down		2		159
		67991		**65706**
SCHEDULE - O Financial Expenses				
Interest paid on :				
Fixed Period Loan	215		1013	
Others	852	1067	15	1028
Bank Charges		226		321
		1293		**1349**

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

Schedule Annexed to and forming part of the Accounts for the year ended March 31, 2011.

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 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 liabilities 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 has 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 has been provided for on written down value methods at the rates specified in the aforesaid Schedule.
- Patents and trademarks are being amortized over the period of ten years on straight line basis.
- Softwares are being amortized over the period of five years on straight line basis.
- For New Projects, all direct expenses and direct overheads (excluding services provided by employees in company's regular payroll) are capitalized.
- Capital Subsidy received against fixed capital outlay is deducted from gross value of individual fixed assets, forming part of subsidy scheme granted, by way of proportionate allocation of subsidy amount thereon. Depreciation is charged on net fixed assets after deduction of subsidy amount.
- During sale of fixed assets, any profit earned towards excess of sale value over gross block of assets, is transferred from profit &loss account to capital reserve.

3. Impairment /discarding of assets :-

The company identifies impairable fixed assets based on cash generating unit concept for tangible fixed assets and asset specific concept for intangible fixed assets at the year-end in term of clause 5 to 13 of AS –28 and clause 83 of AS- 26 respectively 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.

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

6. Inventories:

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

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

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:

- Transactions 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.

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

- 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 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.

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. Merger / Amalgamation:

Merger / Amalgamation (of the nature of merger) of other company / body corporate with the company are accounted for on the basis of purchase method, the assets / liabilities being incorporated in terms of values of assets and liabilities appearing in the books of transferor entity on the date of such merger / amalgamation for the purpose of arriving at the figure of goodwill or amalgamation reserve.

16. 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 its occurrence

B. NOTES TO ACCOUNTS

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

	As at 31st March 2011	As at 31st March 2010
Cost/Revalued	17832	17229
Written Down	14220	14007

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.

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

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 7.50% i.e the average interest rate of external borrowing plus risk factor @ 2.00 % per annum.

4. Contingent Liabilities /Capital Contracts :

a. Claims against the company not acknowledged as debts:

i. In respect of civil suits filed against the company Rs. 772 (previous year Rs. 755)

ii. In respect of claims by employees Rs. 30 (previous year Rs. 17)

iii. In respect of letters of credit Rs. 179 (previous year Rs. 53)

iv. In respect of Bank Guarantees executed Rs. 671 (previous year Rs. 673)

v. In respect of Sales Tax under appeal Rs. 1202 (previous year Rs. 1167)

vi. In respect of excise duty disputes pending with various judicial authorities Rs. 5035 (previous year Rs. 2321).

vii. In respect of Corporate Guarantees given by the Company Rs. 92501 (previous year Rs. 5311)

viii. In respect of Income tax under appeal Rs. 940 (previous year Rs. 77)

b. Bills discounted Rs. 4384 (previous year Rs. 3416).

c. Estimated Amount of contract remaining to be executed on capital Account Rs. 2725 (previous year Rs. 2462) – Net of advance Rs 755 (previous year Rs. 1390)

d. Information pursuant to AS 29:

Brief particulars of provisions on disputed liabilities :-

Nature of Liability	Particulars 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	42	0	0	42	IInd appeal filed
Sales Tax	Classification of Laldant Manjan	36	0	0	36	Filed review application with High Court
Sales Tax	Classification of Gulabari	1	0	0	1	Appeal filed before the 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 Appellate
Sales Tax	Tax Paid purchase	29	0	0	29	Pending before High Court
Sales Tax		10	0	0	10	
Excise	Capital Goods removal	30	0	0	30	DC appeal
		177	**0**	**0**	**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.

5a. Expenditure in Foreign Currency	**31-03-2011**	**31-03-2010**
- Professional, Consultation Fees & Others	403	1321
- Others (Travelling, Conveyance & Administration)	58	12
	461	**1333**

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

		31-03-2011	31-03-2010
5b.	**CIF Value of Imports**:	**31-03-2011**	**31-03-2010**
	- Raw Materials	1340	1882
	- Stores & Spares (Including packing material)	28	18
	- Capital Goods	631	413
		1999	**2313**
5c.	**Earning in Foreign Exchange:**		
	- Export sales at FOB	13169	12373
	- Interest Income	247	-

5d. Value of raw materials, stores and spare parts consumed :-

	Raw Material				Packing Material, Stores & Spares			
	31.03.2011		31.03.2010		31.03.2011		31.03.2010	
	Value	%	Value	%	Value	%	Value	%
Imported	724	0.94%	730	1.22%	38	0.07%	79	0.20%
Indigenious	76610	99.06%	58940	98.78%	51205	99.93%	40097	99.80%
	77334	100.00%	59670	100.00%	51243	100.00%	40176	100.00%

		2010-11	2009-10
5e.	**Net Dividend remitted in foreign currency**	2010-11	2009-10
	2008-09 Final Dividend	-	2
	2009-10 Interim Dividend	-	2
	2009-10 Final Dividend	3	-
	2010-11 Interim Dividend	2	-
		5	4

6a. Particulars of consumption of important raw materials

Class of Goods	Unit	Quantity	Value
Sugar And Molases	Tonnes	23895	6882
		(20045)	(5968)
Vegetables Oils	Tonnes	21572	13748
		(20078)	(11200)
Herbs, Jari Booti & Raw Madhu	Tonnes	30067	18899
		(32504)	(16437)
Chemicals & Perfumery Compounds	Tonnes	31724	20079
		(24177)	(14992)
Others Raw Materials	Assorted		17726
			(11073)
Total Raw Materials			77334
			(59670)

6b. Particulars of consumption of important packing materials

Glass Containers	Pcs.in Lacs.	1103	3496
		(1068)	(3182)
Plastic Containers/Caps/Jar	Pcs.in Lacs.	8439	13610
		(7010)	(11252)
Printed Packing Materials	Assorted		11787
			(7265)
Laminates & Lamitubes	Assorted		11735
			(8918)
Other Packing Materials	Assorted		9443
			(8523)
Total Packing Materials			50071
			(39140)

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

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		108419	31075	1527	1524	1625	1983	30977	65103
			(84644)	(28220)	(1066)	(1008)	(1527)	(1524)	(27759)	(56719)
Chyawanprash	Tonnes		59927	17804	373	332	889	758	17288	26379
			(32700)	(14898)	(674)	(443)	(373)	(332)	(15199)	(22058)
Honey	Tonnes		9341	6479	190	268	333	406	6335	15072
			(7121)	(5789)	(197)	(225)	(190)	(268)	(5796)	(13650)
Tooth Powder & Paste	Tonnes		52882	28276	1017	922	1889	2286	27405	46260
			(56320)	(23934)	(1234)	(1080)	(1017)	(922)	(24150)	(39700)
Hajmola	Tonnes		12239	5496	290	425	421	650	5365	12271
			(6154)	(4557)	(229)	(263)	(290)	(425)	(4497)	(10266)
Asava - Arishta	Kilo-ltrs		11403	8100	810	448	1030	655	7880	7138
			(14444)	(7910)	(572)	(287)	(810)	(448)	(7672)	(6477)
Fruits,Nector & Drinks	Kilo-ltrs		35700	22470	1629	564	1292	448	22807	12767
			(35700)	(18143)	(1043)	(365)	(1629)	(564)	(17558)	(9008)
Vegetable Pastes	Mt		4800	1258	142	148	53	36	1347	1445
			(4080)	(1023)	(122)	(122)	(142)	(148)	(1003)	(916)
Others						3981		7126		89190
						(3491)		(3981)		(79979)
Total						8614		14347		275626
						(7284)		(8614)		(238772)

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	341	277	10	12	154	186	197	420
		(33)	(502)	(28)	(32)	(10)	(12)	(51)	(119)
Tooth Powder & Paste	Tonnes	2226	4057	306	300	94	100	2438	4483
		(3553)	(5395)	(192)	(182)	(306)	(300)	(3439)	(5601)
Hajmola	Tonnes	2545	2543	339	388	359	303	2525	3573
		(3489)	(3570)	(308)	(250)	(339)	(388)	(3457)	(4395)
Fruits,Nector & Drinks	Kilo-ltrs	43721	16170	3361	1342	3280	1516	43802	26613
		(36861)	(13162)	(5858)	(1958)	(3361)	(1342)	(39358)	(22107)
Vegetable Pastes	MT	825	366	124	50	79	39	870	508
		(871)	(316)	(105)	(41)	(124)	(50)	(852)	(471)
Others			22077		912		1679		18313
			(16606)		(679)		(912)		(16581)
Total			45491		3004		3824		53910
			(39551)		(3142)		(3004)		(49273)

Note : (a) Production/purchase are net of stock written down, write down of inventory in monetory terms aggregate Rs. 1274 (previous year Rs. 1288)

(b) Figures in bracket relate to previous year.

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

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

	For the year ended on 31.03.2011	31.03.2010
Salary	278	239
Contribution to Provident Fund	33	29
Residential Accommodation	166	144
Medical & Leave Travel Benefit	2	2
Contribution to Superannuation Fund	42	36
Others (Including Rs. 1357 Previous year Rs. 353 under stock option Scheme)	1671	1022
	2192	1472

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

Profit for the year before tax as per Profit & Loss Account	59626	52703
Add: Managerial remuneration	2192	1472
Directors' fees	13	14
Provision for doubtful debts	96	96
Provision for doubtful advances	4	-
Less : Excess provision of debts written back	37	45
Capital Profit	134	207
Bad Debts adjusted against provision	19	153
Adjusted net profit	61741	53880
Maximum permissible remuneration	6792	5927

8. Particulars of Balances with Non-Scheduled Banks:

	Balance as on 31.03.2011	Maximum Balance during the year
Current Year	Nil	Nil
Previous Year	Nil	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.

10. Employee related Dues :

Particulars	Gratuity (funded)	Leave Salary (funded)	Post Separation benefits of director (funded)	Total
A. Defined Benefit Plan				
Expenses recognized during the period:				
A. Past Service Cost	0	0	0	0
B. Current Service Cost	273	185	122	580
	(292)	(190)	(115)	(597)
C. Interest Cost	208	68	278	553
	(177)	(56)	(271)	(504)
D. Expected return on Plan Assets	-130	-47	0	-177
	(-8)	(-26)	(0)	(-34)
E. Accumulated Loss/Gain	-210	-70	217	-63
	(-97)	(46)	(-173)	(-224)
F. Total expenses recognized during the year	141	137	616	893
(A+B+C+D+E)	(364)	(266)	(213)	(843)

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

Particulars	Gratuity (funded)	Leave Salary (funded)	Post Separation benefits of director (funded)	Total
B. Reconciliation of opening & closing balances of obligations :				
I. Obligation as on 01.04.2010	2767	910	3700	7377
	(2528)	(794)	(3617)	(6939)
II. Past service cost	0	0	0	0
	(0)	(0)	(0)	(0)
III. Current service cost	273	185	122	580
	(292)	(191)	(114)	(597)
IV. Interest cost	208	68	278	553
	(177)	(56)	(271)	(504)
V. Actuarial Gain/ (Loss)	-315	-61	217	-160
	(-97)	(19)	(-173)	(-251)
VI. Settlement	-157	-145	-182	-484
	(-133)	(-150)	(-129)	(-412)
VII. Obligation as on 31.03.2011	2776	957	4133	7866
	(2767)	(910)	(3700)	(7377)
C. Change in Plan Assets : (Reconciliation of opening and closing balances)				
I. Fair Value of Plan Assets as on 01.04.2010	1442	522	0	1964
	(1068)	(335)	0	(1403)
II. Expected Return on Plan Assets	130	47	0	177
	(86)	(26)	0	(112)
III. Actuarial Gain/ (Loss)	-105	8	0	-97
	(-78)	(-26)	0	(-104)
IV. Employer Contribution	560	326	0	886
	(498)	(312)	0	(810)
V. Settlement	-157	-145	0	-302
	(-132)	(-124)	0	(-256)
VI. Fair value of Plan Assets as on 31.03.2011	1870	758	0	2628
	(1442)	(523)	0	(1965)
D. Closing obligation vis-à-vis planned assets				
(i) Obligation as on 31.03.2011	2776	957	4133	7866
	(2767)	(910)	(3700)	(7377)
(ii) Fair value of planned assets as on 31.03.2011	1870	758	-	2628
	(1442)	(523)	(-)	(1965)
	906	199	4133	5238
	(1325)	(387)	(3700)	(5412)

E. Investment detail of plan assets as on 31.03.2011: 100% in reimbursement Insurance Company for fund managed by it

F. Actuarial Assumption :

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

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

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

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

I. Demographics assumptions take in to account mortality factor as per LIC (1994-96) ultimate criteria, employees and normal retirement age at 58.

J. Particulars on planned assets have been ascertained on the basis of last confirmation from Insurance Company.

K. Figures in bracket relate to previous year.

L. **Defined Contribution Plan :-**

Company's contribution to different defined contribution plans :-

Particulars	**2010-11**	**2009-10**
Provident Fund	753	712
Employees State Insurance	116	60
Employees Superannuation Fund	355	318

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) LLC	- (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)
Dabur Egypt Trading Ltd., Egypt	- (Foreign Wholly Owned Subsidiary)
Hobi Kozmetik	- (Foreign Wholly Owned Subsidiary)
Zeki Plastik	- (Foreign Wholly Owned Subsidiary)
Ra Pazarlama	- (Foreign Wholly Owned Subsidiary)
Namaste Laboratories	- (Foreign Wholly Owned Subsidiary)
Hair Rejuvenation & Revitalization Nigeria Ltd.	- (Foreign Wholly Owned Subsidiary)
Healing Hair Lab International LLC, USA	- (Foreign Wholly Owned Subsidiary)
Urban Lab International LLC, USA	- (Foreign Wholly Owned Subsidiary)

b) Other related parties in transaction with the company:

(i) Joint venture /Partnership

Forum 1 Aviation Limited.

Balsara International

(ii) Key management personnel (whole time directors)

1 Pradip Burman

2 P. D. Narang

3 Sunil Duggal

(iii) Relative of key management personnel

1 Asha Burman

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

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

1 Sanat Products Ltd

11. B. Related Party Transactions as on 31.03.2011

		Subsidiary	J V/ Partnership	Associates	Key Management Personnel	Entity Under Significant Influence	Total	Outstanding as on 31.03.2011
(A)	**Profit & Loss A/c**							
1.	Purchase of Goods	21960	0	-	0	264	22224	46
		(16797)	(-)	(-)	(-)	(202)	(16999)	(33)
2.	Sale of Goods	3610	0		0	-	3610	1147
		(2549)	(-)	(-)	(-)	(4)	(2553)	(256)
3.	Royalty Expense	9					9	9
		(-)	(-)	(-)	(-)	(-)	0	(-)
4.	General Expenses	0	452	-	-	-	452	37
		(-)	(394)	(-)	(-)	(-)	(394)	(17)
5.	Processing Charges	0	11	0	0	-	11	3
		(-)	(8)	(-)	(-)	(-)	(8)	(-)
6.	Rent Received	-	2	-	-	-	2	2
		(-)	(2)	(-)	(-)	(-)	(2)	(-)
7.	Interest Received on Loan	247	-	-	-	-	247	0
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
8.	Interest Received on Security	0	0	0	0	0	0	0
		(-)	(2)	(-)	(-)	(-)	(2)	(-)
9.	Rent Paid	0	0	0	60	0	60	0
		(-)	(-)	(-)	(68)	(-)	(68)	(-)
10.	Remuneration/Exg./Pension	0	0	0	746	0	746	0
		(-)	(-)	(-)	(1050)	(-)	(1050)	(-)
11.	Employee Stock Option Scheme	262	0	0	1357	0	1619	1619
		(27)	(-)	(-)	(353)	(-)	(380)	(381)
(B)	**Balance Sheet**							
12.	Loan Given	27904	-	-	-	-	27904	1050
		(838)	(-)	(-)	(-)	(-)	(838)	(390)
13.	Repayment of Loans given	27244	-	-	-	-	27244	0
		(453)	(-)	(-)	(-)	(-)	(453)	(-)
14.	Capital Contribution	-	-	-	-	-	-	49
		(-)	(49)	(-)	(-)	(-)	(49)	(49)
15.	Investment	326	0	0	-	-	326	9570
		(500)	(-)	(-)	(-)	(-)	(500)	(9243)
16.	Security Deposit	-	-	-	-	-	-	38
		(-)	(-)	(-)	(-)	(-)	(-)	(38)
(C)	**Off Balance Sheet Items**							
17.	Guarantees & Collaterals	87199	0	0	0	0	87199	92501
		(4588)	(714)	(-)	(-)	(-)	(5302)	(5302)

Notes:

A. Item referred to in 1 above includes Purchases from Dabur Nepal Pvt. Ltd. and Dabur International Ltd. Rs.21719 and Rs.241 (Rs. 16797 & Nil) respectively.

B. Item reffered to in 2 above includes Sales to Dabur International Ltd., Weikfieid International (UAE) LLC, Naturelle LLC, African Consumer Care Ltd., Asian Consumer Care Pakistan Pvt. Ltd. Rs.651, Rs.421, Rs.869, Rs.661, and Rs.384 respectively (Rs. 752, Rs. 402, Rs. 518, Rs.210 & Rs.93 respectively).

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

C. Items reffered to in 6 above includes Rent received from Balsara International Rs.2 (Rs.2)

D. Items reffered to in 7 above includes Interest received on loan given to Dermoviva Skin Essentials Inc. and Dabur International Limited, Rs. 1 and Rs. 246 respectively (Nil & Nil)

E. Item reffered to in 12 above relates to loan given to Dabur International Ltd. Rs.26854 (Nil) and H & B Stores Ltd. Rs.1050 (Nil)

F. Item reffered to in 13 above relates to loan repaid by Dabur International Ltd. Rs.26854 (Nil) and Dermoviva Skin Essentials Inc. Rs.390 (Rs.453)

G. Items reffered to in 14 above includes Capital Contribution to Balsara International Rs.Nil (Rs.49)

H. Items reffered to in 16 above includes Gaurantees & Collaterals to Dabur Egypt Ltd., Naturelle LLC, Asian Consumer Care Pakistan Pvt. Ltd., Asian Consumer Care Pvt. Ltd. , Dermoviva Skin Essentials Inc., Dabur International Ltd. and Forum I Aviation Ltd. Rs.1492, Nil, Nil,Nil,Rs.45259,Rs.45036 & Rs.714 respectively (Rs.1738, Rs.763,Rs.398,Rs.1690, Nil, Nil, Rs.714)

I. Figures in bracket relate to Previous year.

12. Exchange gain works out to Rs. 93 (Previous Year Rs. 1367) - net of exchange loss Rs. 2027 (Previous year Rs. 509) which has been credited to Profit & Loss Account under the head “Miscellaneous Receipts”.

13. Information pursuant to AS 19 issued by ICAI relating to 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	39	30	0
	(36)	(58)	(0)
Cars	46	66	0
	(44)	(69)	(0)

ii) Lease rent debited to Profit & Loss account of the year Rs. 58 (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.

14. Due to subsidiaries forming part of current liabilities:-

Included in:-	**2010-11**	**2009-10**
Sundry creditors for goods	46	33
Sundry creditor for expenses and other liabilities	9	105
Advance from customers	Nil	1429

15. Perquisites of retired director Rs. 29 (previous year Rs. 13) paid during the year.

16. (I) Investment in Joint Venture Information (pursuant to AS-27) :-

(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 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 affairs of the management of the JCE is through representation in the composition of Board of Directors as agreed in shareholder’s agreement.

(b) Share of the company in assets, outside liability, net worth, income and expenses not being accounted for herein works out to Rs. 1219 (Previous year Rs. 1240), Rs. 553 (Previous year Rs. 593), Rs. 173 (Previous year Rs. 154), Rs 422 (Previous year Rs. 399) and Rs. 357 (Previous year Rs. 303) 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.

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

(d) Company's commitment towards revenue expenditure of the JEC amounting to Rs.452 (Previous year Rs.394) 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. Nil (previous year Rs. 49) against capital contribution during the year (Previous year Nil) towards its 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 31.3.2011 amount to Rs. 80 (previous year Rs. 81) & Rs. 9 (previous year Rs. 9) respectively.

17. Debtors includes Rs. 1147 (Previous year Rs. 256) being due from subsidiaries.

18. (a) Movement of provision for doubtful debts

Particulars	For the year ended on 31.3.2011	For the year ended on 31.3.2010
Opening Provision	1194	1235
Inherited from Merger	-	61
Provision made during the year	96	96
	1290	1392
Excess provision withdrawn (Credited to Miscellaneous receipts)	56	45
Charged to Bad Debts (of the Balance Sheet)	19	153
Closing Provision	1215	1194
(b) Movement of provision against inventories (netted with the value of inventories)		
Opening provision	200	213
Provision made during the year	0	0
	200	213
Deletion during the year	0	13
Closing Provision	200	200

(c) Outstanding overseas exposure hedged by forward /option contract against adverse currency fluctuation

(i) Packing Credit USD 52 (USD 100)

(ii) Outstanding overseas exposure not being hedged against adverse currency fluctuation :-

1. **Export receivable :** EUR 4 (EUR 2)
   GBP 1 (GBP 1)
   USD 62 (USD 17)

2. **Overseas Creditors :** UAE Dhiram 23 (UAE Dhiram 98)
   AUD 1 (AUD 1)
   Swiss Franc Nil (Swiss Franc 1)
   EUR Nil (EUR 1)
   USD 3 (USD Nil)

3. **Foreign Currency Loan** JPY 1299 (JPY 2165)

Figures in bracket relates to previous year.

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

19. Earnings per Share :

		2010-11	2009-10
A.	Profit after Tax (after adjustment of tax for earlier years)	47141	43314
	Less/Add : Extraordinary Expenses / Income		
	Profit on sale of EOU	0	-190
	Loss on sale of SPC Chemicals	0	3
	Miscellaneous Expenditure for preponement of date of exercise right under ESOP	0	61
B.	Profit before consideration of Extraordinary items	47141	43188
	Weighted average no. of shares outstanding		
	Basic	1740375960	1734495558
	Diluted	1749664278	1741295067
	Earnings per share (of face value of Re 1/-)		
	Basic	2.71	2.50
	Diluted	2.69	2.49
C.	After consideration of Extraordinary items		
	Profit after tax (after adjustment of tax for earlier years)	47141	43314
	Weighted average no. of shares outstanding		
	Basic	1740375960	1734495558
	Diluted	1749664278	1741295067
	Earnings per share (of face value of Re 1/-)		
	Basic	2.71	2.49
	Diluted	2.69	2.48

20. Extra Ordinary Item Includes:-

a) Profit on sale of E.O.U at Nashik Nil (Previous year Rs. 190)

b) Loss on sale of specific chemical Nil (Previous Year Rs. 3)

c) Rs. Nil (previous year Rs. 61) on account of miscellaneous expenditure written off in consequence of preponment of the date of exercise of option right under ESOP with corresponding decline in vesting period for a part of options, unlike earlier years.

21. Information pursuant to AS - 17 issued by ICAI . (refer page no. 115)

22. 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: 27th April, 2011

For **Dabur India Ltd.**

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

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

21. Information Pursuant to AS - 17 issued By ICAI .

For the year ended March 31, 2011

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

	Consumer Care Business		Consumer Health Business		Foods		Others		Unallocated		Total	
	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	246,395	216,494	31,521	27,955	43,808	35,232	7,811	8,274	-	-	**329,535**	**287,955**
Inter-segment sales												
Total Revenue	**246,395**	**216,494**	**31,521**	**27,955**	**43,808**	**35,232**	**7,811**	**8,274**	**-**	**-**	**329,535**	**287,955**
RESULT												
Segment result	69,235	63,813	7,785	7,362	7,902	6,245	471	440	-	-	**85,393**	**77,860**
Unallocated corporate expenses									24,485	23,808	**24,485**	**23,808**
Operating Profit	**69,235**	**63,813**	**7,785**	**7,362**	**7,902**	**6,245**	**471**	**440**	**-24,485**	**-23,808**	**60,908**	**54,052**
Interest expense	-	-	-	-	-	-	-	-	1,293	1,349	**1,293**	**1,349**
Income Tax(Current + Deferred)	-	-	-	-	-	-	-	-	12,485	9,370	**12,485**	**9,370**
Profit from Ordinary Activities	**69,235**	**63,813**	**7,785**	**7,362**	**7,902**	**6,245**	**471**	**440**	**-38,263**	**-34,527**	**47,130**	**43,333**
Exceptional item												
Net Profit	**69,235**	**63,813**	**7,785**	**7,362**	**7,902**	**6,245**	**471**	**440**	**-38,263**	**-34,527**	**47,130**	**43,333**
OTHER INFORMATION	As on 31/03/11	As on 31/03/10	As on 31/03/11	As on 31/03/10	As on 31/03/11	As on 31/03/10	As on 31/03/11	As on 31/03/10	As on 31/03/11	As on 31/03/10	**As on 31/03/11**	**As on 31/03/10**
Segment assets	57,899	50,815	11,893	9,438	11,587	11,532	2,489	3,267	-	-	**83,868**	**75,052**
Unallocated corporate assets	-	-	-	-	-	-	-	-	148,601	99,020	**148,601**	**99,020**
Total Assets	**57,899**	**50,815**	**11,893**	**9,438**	**11,587**	**11,532**	**2,489**	**3,267**	**148,601**	**99,020**	**232,469**	**174,072**
Segment liabilities	9,121	6,953	3,349	2,552	466	355	84	64	-	-	**13,020**	**9,924**
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	117,628	89,484	**117,628**	**89,484**
Total Liabilities	**9,121**	**6,953**	**3,349**	**2,552**	**466**	**355**	**84**	**64**	**117,628**	**89,484**	**130,648**	**99,408**
Capiltal Expenditure	**4,026**	**6,931**	**224**	**385**	**671**	**1,155**	**149**	**257**	**2,386**	**4,108**	**7,456**	**12,836**
Depreciation	1,791	1,515	214	181	389	329	247	209	1,132	957	**3,773**	**3,191**
Non-cash expenses other than depreciation	-	-	-	-	-	-	-	-	1,660	566	**1,660**	**566**

SECONDARY SEGMENT

As the company also exports, the secondary segment for the company is based on the location of customers. Out of the total sales of Rs. 329535 (287955), the export sales is of Rs 14329 (12652) and Domestic Sale is Rs. 315206 (275303)

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

I Registration Details

Registration No	L24230DL1975PLC07908	State Code :	55

Balance Sheet Date:

Date	Month	Year
31	03	2011

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

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
870362	Nil
Employee Stock Option	Share Capital Suspense
1391	Nil

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

Total Liabilities	Total Assets
13760066	13760066

Sources of Funds

Paid up capital	Reserve & Surplus
1740724	9270861
Secured Loans	Unsecured Loans
175723	2398741
Deferred Tax Liaiblity (Net)	
174018	

Application of Funds

Net Fixed Assets	Investments
5094831	5192299
Net Current Assets	Misc Expenditure
2643437	829499

IV Performance of Company (Amount in Rs. Thousand)

Turnover	Total Expenditure
33138310	27175741
Profit/(Loss) Before Tax	Profit/(Loss) After Tax
5962569	4714140
Earning per share in Rs.	Dividend Rate %
2.71	115%

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: 27th April, 2011

For **Dabur India Ltd.**

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

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

Consolidated 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, 2011 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 Ltd.'s management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Also consolidated herein on proportionate basis in application of AS-27 is the unaudited accounts of Forum I Aviation Limited, a domestic jointly controlled corporate entity, the parent company being one of the joint venturers therein. Proportionate total net assets, profit and net cash inflow amounting to Rs.666 lacs, Rs.65 lacs and Rs.24 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 Ltd.'s management in accordance with the requirements of AS-21 on consolidated financial statement issued by the Institute of Chartered Accountants of India.

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

a) In the case of the consolidated balance sheet, of the state of affairs of Dabur India Ltd. group as at 31st March, 2011.

b) In the case of the consolidated profit and loss account, of the profit of Dabur India Limited group for the year ended on that date; and

c) In the case of the consolidated cash flow statement, of the cash flows of Dabur India Ltd. group for the year ended on that date.

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

ANIL KUMAR
Partner
Membership No.9390

Place: New Delhi
Date : 27th April 2011

Balance Sheet as at March 31, 2011

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

	SCHEDULE	As at March 31, 2011		As at March 31, 2010	
SOURCES OF FUNDS :					
Shareholders' Funds :					
Capital	A	17,407		8,690	
Reserves & Surplus	B	121,704	139,111	84,849	93,539
Minority Interest	B2		408		376
Loan Funds:					
Secured Loans	C	7,031		7,023	
Unsecured Loans	D	98,069	105,100	10,907	17,930
Deferred Tax Liability (Net)	EB		1,894		1,067
Total			**246,513**		**112,912**
APPLICATION OF FUNDS :					
Fixed Assets :					
Gross Block	F	193,375		98,571	
Less : Depreciation		43,505		33,907	
Net Block		149,870		64,664	
Capital work in Progess (including capital advances)		4,301	154,171	3,009	67,673
Investments :	G		42,744		26,411
Current Assets, Loans and Advances:	H				
Inventories		70,853		42,622	
Sundry Debtors		35,547		11,984	
Cash & Bank Balances		27,242		19,231	
Loans & Advances		51,610		36,739	
		185,252		**110,576**	
Less: Current Liabilities and Provisions	EA				
Liabilities		71,407		46,693	
Provisions		74,350		45,329	
		145,757		**92,022**	
Net Current Assets :			39,497		18,554
Miscellaneous Expenditure :	IA		10,102		274
(To the extent not written off or adjusted)					
Notes to Accounts	P				
Total			**246,514**		**112,912**

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

Anil Kumar
Partner
Membership Number: 9390

Place: New Delhi
Dated: 27th April, 2011

For **Dabur India Ltd.**

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

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

Profit & Loss Account for the year ended March 31, 2011

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

	SCHEDULE	For the year ended March 31, 2011	For the year ended March 31, 2010
INCOME :			
Sales Less Returns	J	410,985	341,577
Less: Excise Duty		3,242	2,530
Net Sales		**407,743**	**339,047**
Other Income		6,517	4,822
Total Income		**414,260**	**343,869**
EXPENDITURE :			
Cost of Materials	K	190,527	155,074
Manufacturing Expenses	L	15,471	10,366
Payments to and provisions for Employees	M	32,222	28,474
Selling and Administrative expenses	N	94,056	82,220
Financial Expenses	O	3,034	2,021
Miscellaneous Expenditure Written off	IB	1,922	594
Depreciation		6,241	5,027
Total Expenditure		**343,473**	**283,776**
Balance being Operating Net Profit before Taxation		**70,787**	**60,093**
Provision for Taxation Current		13,297	9,556
Deferred		601	491
Net Profit After Taxation		**56,889**	**50,046**
Minority Interest		32	-81
Net Profit After Minority Interest		**56,857**	**50,127**
Balance Brought Forward		72,520	55,713
Deferred Tax Liabilties for Earlier Years		0	(216)
Provision for Taxation of Earlier Years Written Back		(19)	(2)
Provision for Taxation of Earlier Years		19	21
		129,377	**106,037**
APPROPRIATIONS			
Proposed Final Dividend		11,315	10,862
Corporate Tax on Proposed Dividend		1,836	1,846
Interim Dividend		8,704	6,498
Final Dividend (for earlier year)		15	0
Corporate Tax on Interim Dividend		1,446	1,104
Excess Corporate Dividend Tax Provided in Earlier Year Written Back		(40)	0
Transferred to Capital Reserve		134	207
Transferred to General Reserve		5,000	13,000
Balance carried over to Balance sheet		100,967	72,520
		129,377	**106,037**
EARNING PER SHARE (in Rs.) after consideration of extraordinary items			
Basic		3.27	2.89
Diluted		3.25	2.88
EARNING PER SHARE (in Rs.) without consideration of extraordinary items			
Basic		3.27	2.89
Diluted		3.25	2.88
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: 27th April, 2011

For **Dabur India Ltd.**

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

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

Statement of Cash Flow (Pursuant to AS-3) - Indirect Method

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

Particulars	For the year ended March 31, 2011		For the year ended March 31, 2010	
A. Cash Flow from Operating Activities				
Net Profit Before Tax and Extraordinary Items		70,787		60,093
Add:				
Depreciation	6,241		5,027	
Loss on Sale of Fixed Assets	88		204	
Fixed Assets Discared	2		159	
Miscellaneous Exp. Written off	1,922		594	
Miscellaneous Exp. Written off (Included in Director Remun.)	1,357		353	
Interest	3,034		1,232	
Unrealised Loss / (Gain) in Foreign Exchange	(1,147)	11,497	154	7,723
		82,284		67,816
Less:				
Interest Received	2,033		789	
Profit on Sale of Investment	953		1,268	
Profit on Sale of Assets	229	3,215	240	2,297
Operating Profit Before Working Capital Changes		79,069		65,519
Working Capital Changes				
Increase/(Decrease) in Inventories	28,231		4,087	
Increase/(Decrease) in Debtors	22,271		(4,989)	
Decrease/(Increase) in Trade Payables	(37,040)		4,841	
Increase/(Decrease) in Working Capital		13,462		3,939
		65,607		61,580
Cash Generated from Operating Activities				
Interest Paid	2,999		1,243	
Tax Paid	12,496	15,495	10,447	11,690
Cash Used(-)/(+)Generated For Operating Activities (A)		**50,112**		**49,890**
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets		(93,127)		(16,038)
Sale of Fixed Assets		528		2,638
Purchases of Investment including Investment in Subsidiaries		(475,823)		(527,552)
Interest Received		1,583		789
Sale of Investments		460,444		517,145
Dividend Received		-		
Cash Used(-)/(+)Generated For Investing Activities (B)		**(106,395)**		**(23,018)**

Statement of Cash Flow (contd.)

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

Particulars	For the year ended March 31, 2011		For the year ended March 31, 2010	
C. Cash Flow from Financing Activities				
Proceeds from Share Capital & Premium		14		25
Repayment(-)/Proceeds (+) of Long Term Secured Liabilities		(323)		836
Repayment(-)/Proceeds(+) from Short Term Loans		215		(3,802)
Repayment(-)/Proceeds(+) from other Unsecured Loans		87,162		(2,598)
Payment of Dividend		(19,522)		(15,196)
Corporate Tax on Dividend		(3,252)		(2,574)
Cash Used(-)/+(Generated) In Financing Activities (C)		**64,294**		**(23,309)**
Net Increase(+)/Decrease (-) In Cash and Cash Equivalents (A+B+C)		8,011		3,563
Cash and Cash Equivalents Opening Balance		19,231		15,668
Cash and Cash Equivalents Closing Balance		27,242		19,231
Cash and Cash Equivalents Year end				
Cash in Hand		50		25
Cash at Bank : Current Accounts		10,176		5,358
: Fixed Deposits		16,867		13,791
Remittance in Transit		149		57

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

Anil Kumar
Partner
Membership Number: 9390

Place: New Delhi
Dated: 27th April, 2011

For **Dabur India Ltd.**

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

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

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	As at March 31, 2011	As at March 31, 2010
SCHEDULE-A Share Capital		
Authorised :		
2000000000 Equity Shares of Re. 1 each (Previous Year 1450000000 Equity Shares of Re. 1 each)	20,000	14,500
	20,000	**14,500**
Issued and Subscribed:		
1740723798 Equity Shares of Re.1 each fully called up (Previous Year 867585830 Equity Shares of Re. 1 each)	17,407	8,676
Share Capital Suspense Account	-	14
	17,407	**8,690**
SCHEDULE-B Reserves and Surplus		
Capital Reserve	2,074	1,938
Share Premium Account	1,074	-
Exchange Fluctuation Reserve	(1,187)	32
Employees Housing Reserve Fund	683	586
General Reserve	4,540	8,253
Profit and Loss Account	100,967	72,520
Legal Reserve	1,558	65
Special Fund	314	-
Employee Stock Option Scheme Outstanding	11,681	1,455
Total	**121,704**	**84,849**
Note : Rs 1493 out of legal reserve and entire special reserve represents statutory reserve inherited from three subsidiaries (incorporated in Turkey) having joined the group during the year which have been retained as above against corresponding debit in Amalgamation Adjustment account		
SCHEDULE-B2 Minority Interest		
Share Capital	203	203
Share Premium	9	9
Capital Reserve	127	127
General Reserve	11	11
Profit & Loss	58	26
Total	**408**	**376**
SCHEDULE-C Secured Loans		
I) Term Loans :		
from Banks	889	1,039
II) Deferred Payment Credit (other than Banks)	133	190
III) Short Term Loans - from Banks	6,009	5,794
	7,031	**7,023**
SCHEDULE-D Unsecured Loans		
Term Loan from Banks	71,457	-
Short Term Loan from Bank	25,834	10,158
Security Deposit from Dealers and Others	519	459
Sales Tax Deferred	259	290
Total	**98,069**	**10,907**

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	As at March 31, 2011		As at March 31, 2010	
SCHEDULE-EA Current Liabilities and Provisions				
A. Current Liabilities :				
Acceptance	6,042		6,080	
Creditors for Goods	27,863		6,921	
Creditors for Expenses and other Liabilities	35,622		33,199	
Advance from Customers	1,456		164	
Interest Accrued but not due	60		25	
Investor Education and Protection fund to be credited by :				
Unpaid Dividend	364	71,407	304	46,693
B. Provisions :				
For Dividend (Proposed) - Final	11,315		10,862	
For Corporate Tax on Proposed Dividend Final	1,836		1,846	
For Liabilities Disputed	229		176	
For Gratuity	932		1,561	
For Leave Salary	308		570	
For Others	25,614		6,124	
For Taxation	34,116	74,350	24,190	45,329
		145,757		**92,022**
SCHEDULE-EB Deferred Tax Liabilities (Net)				
Deferred Tax Liability :				
Depreciation		4,022		3,700
Less: Deferred Tax Assets				
Other disallowances under section 43B of Income Tax Act 1961	53		57	
Provision for Contingent Liabilty	54		60	
Provision for Service Benefits	1,619		2,091	
Provision for Doubtful Advances	27		19	
Provision for Doubtful Debts	375	2,128	406	2,633
Net Deferred Tax Liability		**1,894**		**1,067**
(Decrease)/Accretion in Deferred Tax Liability		827		372
Less: Deferred Tax Liabiity inherited from new entrant		226		96
Deferred Tax Liability provided during year		**601**		**275**
Add Deferred Tax Liabilty of earlier year written back		0		216
Less : Deferred Tax Assets Trf to General Reserve		0		0
Deferred Tax Liability Provided during the Year		**601**		**491**

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

SCHEDULE-F Fixed Assets

Name of Asset	Gross Block				Depreciation				Net Block	
	Opening 01.04.2010	Additions during the year	Sale/Transfer/ Adjustment	Closing 31.03.2011	Opening 01.04.2010	For the year	Sale/Transfer/ Adjustment	Closing 31.03.2011	As on 31.03.2011	As on 31.03.2010
Leasehold Land	1,151	527	-	1,678	88	15	-	103	1,575	1,063
Buildings	333,809	5,595	54	39,710	6,996	1,074	9	8,079	31,631	26,813
Plant & Machinery	44,434	10,240	554	54,120	19,165	7,742	355	26,552	27,568	25,269
Computer	3,936	275	27	4,184	2,737	351	15	3,073	1,111	1,199
Vehicles	1,949	343	262	2,030	988	266	163	1,091	939	961
Furniture & Fixture	4,242	923	35	5,130	2,261	282	27	2,516	2,614	1,981
Trade Marks & Patent	1,176	529	-	1,705	770	82	-	852	853	406
Live Stock	-	-	0	-	-	-	-	-	-	-
Freehold Land	3,889	664	-	4,553	-	-	-	-	4,553	3,889
Goodwill	2,318	76,177	-	78,495	5	-	-	5	78,490	2,313
Computer Software	1,667	107	4	1,770	897	333	4	1,234	536	770
	98,571	95,740	936	193,375	33,907	10,145	547	43,505	149,870	64,664
Capital Work In Progress	3,009	3,740	2,448	4,301	-	-	-	-	4,301	3,009
Total Fixed Assets	**101,580**	**99,480**	**3,384**	**197,676**	**33,907**	**10,145**	**547**	**43,505**	**154,171**	**67,673**
Previous Year	90,108	24,409	12,937	101,580	30,682	5,027	1,802	33,907	67,673	

Capital work in progess includes advance against capital goods Rs. 1063 (previous year Rs. 2187)

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	Numbers (As on 31.03.2011)	As at March 31, 2011	As at March 31, 2010
SCHEDULE-G Investments			
A Current Investments			
I) Quoted-Other than trade			
1 Axis Mutual fund	-	-	-
(Purchase during the year) Units 10114965.61	(-)		
(Sold during the year) Units 10114965.61			
2 LIC Mutual Fund	-	-	-
(Purchase during the year) Units 2031199.21	(-)		
(Sold during the year) Units 2031199.21			
3 LIC Mutual Fund	-	-	734
(Purchase during the year) Units 98658823.43	(4,808,413.83)		
(Sold during the year) Units 103467237.26			
4 DWS Mutual Fund	9,266,765.00	964	-
(Purchase during the year) Units 103827311.937	(-)		
(Sold during the year) Units 94560546.937			
5 DWS Mutual Fund	-	-	400
(Purchase during the year) Units Nil	(3,646,031.25)		
(Sold during the year) Units 3646031.25			
6 Taurus Mutual Fund	-	-	4,657
(Purchase during the year) Units 1653134.28	(432,190.63)		
(Sold during the year) Units 2085324.91			
7 Birla Mutual Fund	-	-	500
(Purchase during the year) Units 87630277.05	(4,308,376.34)		
(Sold during the year) Units 91938653.39			
8 CHOLA Liquid Fund - Institutional Plus-Growth	-	-	1,500
(Purchase during the year) Units 42818479.98	(15,000,000.00)		
(Sold during the year) Units 57818479.98			
9 DSP Mutual Fund	-	-	-
(Purchase during the year) Units 452456.47	(-)		
(Sold during the year) Units 452456.47			
10 IDBI	-	-	-
(Purchase during the year) Units 119447557.6	(-)		
(Sold during the year) Units 119447557.6			
11 ABN Amro Mutual Fund	-	-	-
(Purchase during the year) Units 141304710.18	(-)		
(Sold during the year) Units 141304710.18			
12 Lotus Liquid Fund	-	-	-
(Purchase during the year) Units 19243323.26	(-)		
(Sold during the year) Units 19243323.26			
13 JPM Mutual Fund	10,000,000.00	1,000	-
(Purchase during the year) Units 240718475.68	(-)		
(Sold during the year) Units 230718475.68			
14 Kotak Mahindra Mutual Fund	-	-	4,000
(Purchase during the year) Units 137832710.75	(35,808,262.15)		
(Sold during the year) Units 173640972.90			

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	Numbers (As on 31.03.2011)	As at March 31, 2011	As at March 31, 2010
SCHEDULE-G (Contd.)			
15 Principal Mutual Fund	-	-	-
(Purchase during the year) Units 53205597.50	(-)		
(Sold during the year) Units 53205597.50			
16 Prudential Mutual Fund	-	-	1,000
(Purchase during the year) Units 44725601.34	(10,000,000.00)		
(Sold during the year) Units 54725601.34			
17 Prudential Mutual Fund(forum)			
(Purchase during the year by JCE)	-	43	79
(Sold during the year by JCE)	(310,850.69)		
18 Reliance Liquid Fund	-	-	1,000
(Purchase during the year) Units 225037990.99	(8,051,659.53)		
(Sold during the year) Units 233089650.52			
19 HSBC Mutual Fund	-	-	
(Purchase during the year) Units 42071769.4	(-)		
(Sold during the year) Units 42071769.4			
20 SCB Mutual Fund	2,000,000.00	202	2,491
(Purchase during the year) Units 48435735.43	(20,509,666.34)		
(Sold during the year) Units 66945401.77			
21 Sundram Mutual Fund	-	-	
(Purchase during the year) Units 10777270.54	(-)		
(Sold during the year) Units 10777270.54			
22 TATA Mutual Fund	-	-	2,501
(Purchase during the year) Units 11896908.70	(24,993,345.22)		
(Sold during the year) Units 36890253.92			
23 UTI Mutual Fund	-	-	1,500
(Purchase during the year) Units 52907027.25	(14,106,426.16)		
(Sold during the year) Units 67013453.41			
24 HDFC Mutual Fund	-		
(Purchase during the year) Units 15130456.89	(5,001,947.96)	-	500
(Sold during the year) Units 20132404.85			
25 HDFC Mutual Fund	-	-	250
(Purchase during the year) Units Nil	(2,499,225.24)		
(Sold during the year) Units 2499225.24			
26 Templeton Mutual Fund	-	-	-
(Purchase during the year) Units 78104134.71	(-)		
(Sold during the year) Units 78104134.71			
27 Templeton Mutual Fund	-	-	1,375
(Purchase during the year) Units Nil	(10,906,784.99)		
(Sold during the year) Units 10906784.99			
28 JM Mutual Fund	10,811,278.33	1,500	-
(Purchase during the year) Units 140128693.15			
(Sold during the year) Units 129317414.82			
29 Fidelity Mutual Fund	5,000,000.00	500	-
(Purchase during the year) Units 151673659.06	(-)		
(Sold during the year) Units 146673659.06			

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	Numbers (As on 31.03.2011)	As at March 31, 2011	As at March 31, 2010
SCHEDULE-G (Contd.)			
30 CANARA Mutual Fund	-	-	1,500
(Purchase during the year) Units 38182087.01	(14,583,788.06)		
(Sold during the year) Units 52765875.07			
31 Bank of Baroda	330,128.18	3,706	1,078
(Purchase during the year) Units 111959866.49	(10,318,551.02)		
(Sold during the year) Units 121948289.33			
32 Peerless	4,811,133.91	500	-
(Purchase during the year) Units 543913694.54	(-)		
(Sold during the year) Units 539102560.63			
33 PRAMERICA	-	-	-
(Purchase during the year) Units 44719625.85	(-)		
(Sold during the year) Units 44719625.85			
II) Certificate of Deposits & Commercial Papers			
(Purchased during the year)		**-**	-
a) Certificate of Deposits			
1 ING Vyasa Bank	5,000.00	4,874	-
(Purchased during the year) Units 5000	(-)		
2 ICICI Bank	2,500.00	2,416	-
(Purchased during the year) Units 2500	(-)		
3 Punjab National Bank	2,500.00	2,397	-
(Purchased during the year) Units 2500	(-)		
4 AXIS Bank	2,500.00	2,337	-
(Purchased during the year) Units 2500	(-)		
5 Dena Bank	2,000.00	1,884	-
(Purchased during the year) Units 2500	(-)		
6 Dhanlaxmi Bank Limited	1,500.00	1,359	-
(Purchased during the year) Units 1500	(-)		
7 Reliance Capital Limited	100.00	1,000	-
(Purchased during the year) Units 100	(-)		
8 Corporation Bank	1,000.00	960	-
(Purchased during the year) Units 1000	(-)		
9 State Bank of Patiala	1,000.00	914	-
(Purchased during the year) Units 1000	(-)		
10 Dhanlaxmi Bank Limited	1,000.00	905	-
(Purchased during the year) Units 1000	(-)		
b) Commercial Papers			
11 Religare Finvest	500.00	2,431	-
(Purchased during the year) Units 500	(-)		
12 JM Financial Products Limited	500.00	2,413	-
(Purchased during the year) Units 500	(-)		
13 JM Financial Services Pvt. Ltd.	500.00	2,371	-
(Purchased during the year) Units 500	(-)		

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	Numbers (As on 31.03.2011)	As at March 31, 2011	As at March 31, 2010
SCHEDULE-G (Contd.)			
14 Reliance Capital Limited (Purchased during the year) Units 500	500.00 (-)	2,366	-
15 Reliance Capital Limited (Purchased during the year) Units 400	400.00 (-)	1,872	-
16 Religare Finvest (Purchased during the year) Units 200	200.00 (-)	972	-
17 Religare Finvest (Purchased during the year) Units 200	200.00 (-)	969	-
18 Religare Finvest (Purchased during the year) Units 200	200.00 (-)	926	-
B. Long Term Investment:			
I) Unquoted -Equity Shares - (Other than Trade Investments)			
1 Sanat Products Ltd	50,000 (50,000)	105	105
2 Dabon International Pvt Limited	2,700 (2,700)	27	27
II) Quoted -Equity Shares - Other than Trade Investments			
1 Colgate Palmolive India Ltd (Sold during the year) 100 Shares	- (100)	-	0
2 Indusind Bank Ltd (Sold during the year) 1600 Shares	- (1,600)	-	1
3 Trent Limited (Sold during the year) 200 Shares	- (200)	-	1
4 Proctor & Gamble (I) Ltd (Sold during the year) 225 Shares	- (225)	-	1
5 Hindustan Unilever Ltd (Sold during the year) 2500 Shares	- (2,500)	-	2
6 Godrej Consumer Products Ltd (Sold during the year) 400 Shares	- (400)	-	0
7 Godrej Industries Ltd (Sold during the year) 600 Shares	- (600)	-	0
8 Saraswat Co-Op Bank Ltd	10,000 (10,000)	0	0
9 The NKGSB Co-Op Bank Ltd	10,000 (10,000)	1	1
10 Rupee Co-Op Bank	100 (100)	0	0
III) Unquoted Equity Shares - Other than Trade			
1 Commerce Centre Cooperative Housing Society Limited	15 (15)	0	0
2 Capexil (Agencies) Limited	3 (3)	0	0
3 Dabur Employees Consumers Co-op Stores Limited	250 (250)	0	0

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	Numbers (As on 31.03.2011)	As at March 31, 2011	As at March 31, 2010
SCHEDULE-G (Contd.)			
4 Dabur Employees Cooperative Credit Society Ltd	650 (650)	0	0
5 Co-operative Stores Limited, Super Bazar	500 (500)	0	0
6 Saraswat Co-op Bank Ltd	1,000 (1,000)	0	0
7 Shivalik Solid Waste Management Ltd	18,000 (18,000)	2	2
IV) Investment in Capital of Parnership Firm			
1 Balsara International		49	49
V) Government Bonds/Securities other than Trade			
1 National Saving Certificates (inherited from merged entity Rs 0.53)	-	2	2
2 Kisan Vikas Patra	-	0	0
3 Egyptian Govt. Treasury Bill	-	804	1,181
C. Share Application money in subsidiary Pending Allotment (paid during the last year)	-	-	
Total		**42,771**	**26,438**
Less Provision for diminution in value of long term trade investment	-	27	27
Total		**42,744**	**26,411**

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.

	As at March 31, 2011		As at March 31, 2010	
SCHEDULE-H Current Assets, Loans and Advances				
A. **Current Assets :**				
Inventories				
Raw material	22,883		14,494	
Packing Material, Stores and Spares	12,189		6,845	
Stock in Process	7,811		5,667	
Finished Goods	27,970	**70,853**	15,616	**42,622**
Sundry Debtors (Unsecured) :				
Debts Outstanding for a period exceeding six months :				
Considered Good	110		674	
Considered Doubtful	1,662		1,467	
	1,772		2,141	
Less : Provision for Doubtful Debts	1,662		1,467	
	110		674	
Other Debts (Considered Good)	35,437	**35,547**	11,310	**11,984**

Schedule Annexed to and forming part of the Balance Sheet as at March 31, 2011

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

	As at March 31, 2011		As at March 31, 2010	
SCHEDULE-H (Contd.)				
Cash and Bank balances				
Cash in Hand	50		25	
Balances with Banks :				
In Current accounts (includes Rs. 364 in Unpaid Dividend Account, Previous Year Rs. 304)	10,176		5,358	
In Fixed Deposits Accounts	16,867		13,791	
(pledged with Government authoroties Rs. 10, Previous Year Rs. 10)				
Balances with Non Scheduled Banks	0			
Remittance in transit & Cheques in hand	149	27,242	57	19,231
		133,642		**73,837**
B. **Loans and Advances (Unsecured, Considered Good)**				
Security Deposit with various authorities(including Deposit with Govt. Authorities Rs.900 Previous year Rs. 467)	4,737		3,580	
Advance Payment of Tax	33,991		24,845	
Advances to Suppliers				
(Net of provision for doubtfuls Rs. 86, previous year Rs. 82)	6,888		3,516	
Advance to Employees				
(Net of provision for doubtfuls Rs. 20, previous year Rs. 20)	602		470	
Balance with Excise Authorities	2,443		2,250	
Other Advances Recoverable in Cash or in kind or for value to be received	2,949	51,610	2,078	36,739
Total (A+B)		**185,252**		**110,576**

	As at March 31, 2011		As at March 31, 2010	
SCHEDULE-IA Miscellaneous Expenditure				
(To the extent not written off or adjusted)				
Deferred Employee Compensation under ESOP				
Opening balance	274		864	
Addition during the year	11,511		484	
Less : Cancelled during the year	211		127	
	11,574		1,221	
Less: Amortised during the year	3,279	8,295	947	274
Amalgamation Adjustment Account		1,807		
Total		**10,102**	-	**274**

Note : Amalgamation adjustment account refer to adjustment necessitated on account of retention of statutory/compulsory reserve of entities merged in the group under purchase method subsequent to their take over by the group.

Schedule Annexed to and forming part of the Profit & Loss Account for the year ended March 31, 2011

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

	For the year ended March 31, 2011		For the year ended March 31, 2010	
SCHEDULE-IB Miscellaneous Expenditure Written Off				
Deferred Employee Compensation under ESOP	3,279		947	
Less : Transferred to Director remuneration	1,357	1,922	353	594
Total		**1,922**		594
SCHEDULE-J Sales and Other Income				
A. **Sales :**				
Domestic Sales Less Returns		370,940		308,467
Export Sales		40,045		33,110
		410,985		**341,577**
B. **Other Income :**				
Interest Received		2,033		789
Export Subsidy		431		533
Rent Realised		595		142
Sale of Scrap		846		745
Miscellaneous Receipts		1,430		1,105
Profit on Sale of current investments other than trade		936		1,268
Profit on Sale of long term investments other than trade		17		0
Profit on Sale of Fixed Assets		229		240
		6,517		**4,822**
SCHEDULE-K Cost of Materials				
Raw Materials Consumed :				
Opening Stock		14,506		12,171
Inherited from new Entrants		489		-
Add : Purchases		121,750		83,433
		136,745		95,604
Less : Closing Stock		22,883		14,506
		113,862		**81,098**
Packing Material Consumed :				
Opening Stock		6,804		6,056
Add : Inherited through merger		859		
Add : Purchases		71,161		52,775
		78,824		58,831
Less : Closing Stock		12,002		6,804
		66,822		**52,027**
Purchase of Finished Products		**21,999**		**22,977**
Adjustment of Stocks in Process and Finished Goods				
Opening Stock :				
Stock in Process		5,667		6,182
Inherited from new Entrants		900		-
Finished Products		15,616		14,073
Inherited from new Entrants		1,442		
		23,625		**20,255**
Closing Stock :				
Stock in Process		7,811		5,667
Finished Products		27,970		15,616
		35,781		**21,283**
Increase/(Decrease) in Stock in Process and Finished Goods		**(12,156)**		**(1,028)**
		190,527		**155,074**

Schedule Annexed to and forming part of the Profit & Loss Account for the year ended March 31, 2011

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

	For the year ended March 31, 2011		For the year ended March 31, 2010	
SCHEDULE-L Manufacturing and Operating Expenses				
Power and Fuel		5,677		4,681
Stores and Spares Consumed		1,591		1,369
Repairs & Maintenance				
Building		486		331
Plant & Machinery		689		655
Others		1,172		963
Processing Charges		5,856		2,367
		15,471		**10,366**
SCHEDULE-M Payment to and Provisions for Employees				
Salaries, Wages and Bonus		25,594		23,031
Contribution to Provident and Other Funds		2,239		2,286
Workmen and Staff Welfare		2,026		1,506
Directors' Remuneration		2,363		1,651
		32,222		**28,474**
SCHEDULE-N Selling and Administrative Expenses				
Rent		3,220		2,451
Rates and Taxes		560		566
Insurance		658		531
Sales Tax		830		308
Freight & Forwarding Charges		9,804		6,228
Commission, Discount and Rebate		4,567		3,675
Advertising and Publicity		53,456		49,348
Travel & Conveyance		4,002		3,514
Legal & Professional		2,992		2,277
Telephone, Fax Expenses		612		586
Security Expenses		640		547
General Expenses		11,206		10,905
Directors' Fees		13		14
Auditors' Remuneration		146		152
Donation		718		613
Contribution to Scientific Research Expenses		368		50
Provision for Doubtful Debts		170		92
Provision for Doubtful Advances		4		0
Loss on Sale of Fixed Assets		88		204
Fixed Assets written down		2		159
		94,056		**82,220**
SCHEDULE-O Financial Expenses				
Interest paid on :				
Fixed Period Loan	697		345	
Others	1,773	2,470	1,106	1,451
Bank Charges		564		571
		3,034		**2,022**

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

Schedule Annexed to and forming part of the Accounts for the year ended March 31, 2011

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, 2.21% stake wherein is held by Dabur India Ltd. & 97.79% stake wherein is held by Dabur International Ltd.), 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) LLc (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 subsidiary body corporate incorporated in Pakistan, 99.99% stake where in is held by Dabur International Ltd), Naturelle LLC (a wholly owned subsidiary body corporate incorporated in Emirate of Ras Al Khaimah, 100% stake wherein is held by Dabur International Ltd), Dabur Egypt Trading Ltd. (a wholly owned subsidiary body corporate, incorporated in Egypt, 99% and 1% of stake wherein are held by Dabur International Ltd. and Dabur Egypt Ltd., respectively) Namaste Laboratories LLC (a wholly owned subsidiary body corporate, incorporated in USA, 100% right shares wherein is exercised by Dermoviva Skin Essentials Inc), Urban Laboratories International LLC (a wholly owned subsidiary, 100% right shares wherein is exercised by Namaste Laboratories LLc), Healing Hair Laboratories International LLC (a body corporate incorporated in USA, 100% rights shares wherein is exercised by Namaste Laboratories LLC), Hair Rejuvenation and Revitalization Nigeria Ltd.(a body corporate incorporated in Nigeria, 100% stake wherein is held by Urban Laboratories International LLC) and three wholly owned overseas body corporates incorporated in Turkey named Hobi Kozmetik, Zeki Plastik and Ra Pazarlama (100% stake in each is held by Dabur International Ltd., UAE).

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

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

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.

3. Translation of overseas subsidiaries from foreign 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 ruling at the point of capitalization of such assets or takeover of the subsidiary whichever is later.

4. (a) Fixed Assets and Depreciation:

- Fixed assets are stated at cost subject to deduction of accumulated depreciation.
- Fixed assets inherited from entry of new entity in business combination pursuant to its acquisition by the group are carried at price corresponding assets were held in the books of newly acquired entity at the point of its acquisition.
- Cost includes inward freight, duties, taxes and expenses incidental to acquisition and installation.
- Depreciation has been provided at rates provided in schedule XIV of Companies Act.
- In respect of fixed assets of new entrants in the group having followed different basis of charging depreciation, prior to the date of their takeover, written down value of their assets are subjected to depreciation charge under straight line method at rate which enables respective assets to be amortized within their respective life span assessed under Schedule XIV of the Companies Act, 1956.
- 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 ten years.
- Softwares are amortized over the period of five years on straight line basis.
- Stores and fixtures in H & B Stores Limited are amortized over a period of eight years.
- 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) Impairment of Fixed Assets:

Tangible fixed assets under cash generating unit concept and intangible fixed assets under assets specific context are identified at the year-end in terms of AS 28 and 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 issued by ICAI, individual tangible fixed assets of various CGU's are identified for written down on the ground of obsolescence, damage, redundancies & 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.

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

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 :-

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 employees 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, payroll taxes and 40IK, match, on the basis of actual liability accrued and paid to trust / authority.
- Other employee's benefits as per actual liability accrued.

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:**

(a) 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.

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

(b) 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.

(c) 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.
- Employee's 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. Business Combination:

(a) Merger/Amalgamation:

Merger / Amalgamation (of the nature of merger) of other company / body corporate with the group is accounted for on the basis of purchase method, the assets / liabilities being accounted for in terms of book values of assets, liabilities appearing in transferor entity on the date of such merger / amalgamation for the purpose of arriving at the figure of goodwill or amalgamation reserve.

(b) Acquisition:

Any new entity joining business combination consequent upon acquisition of its shares/rights by any of the entities in group is accounted for under purchase method, assets and liabilities of the new entrant been accounted for as per book value of assets, liabilities appearing in books of new entrant on the date of its take over for the purpose of arising at the figure of goodwill/capital reserve.

(c) During the course of merger/amalgamation/acquisition under purchase method excess/shortfall of consideration money over vis-à-vis net assets (gross assets less outside liabilities) inherited under such deal is accounted for as goodwill/amalgamation or capital reserve.

If balance sheet of transferor/acquired entity has any compulsory/statutory reserve at point of its transfer/acquisition, said reserves are retained subsequently under the Reserve & Surpluses against creation of new head called "Amalgamation Adjustment Account" accounted for under the head of Miscellaneous Expenditure in assets side of the balance sheet.

16. 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 sustained/earned on open contract is recognized in accounts.

17. Miscellaneous Expenditure:

- 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.
- Statutory/compulsory reserves inherited from merger/amalgamation/acquisition of new entities are shown under this head as "Amalgamation Adjustment Account" for the purpose of their retention under "Reserve and Surpluses" head in liability side.

  Amalgamation Adjustment Account is reversed only after withdrawal of relevant statutory/compulsory reserve following expiry of fulfillment of statutory period/objective.

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, 2011	As at March 31, 2010
Cost/Revalued	17832	17229
Written Down	14220	14007

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

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 decided against the parent company. Pursuant to the indemnity bond executed by Sharda Laboratories Limited in favour of the company and as per terms and conditions of the contract executed with them, the recovery proceedings have been initiated by the parent company against Sharda 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(4)(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 confirmed 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 normal rate of borrowing plus risk factor at a rate of 2.00% per annum.

4. Contingent Liabilities / Capital Contracts:

a. i. Claims not acknowledged as debts:
- a) In respect of civil suits filed by third parties Rs. 826 (previous year Rs. 755)
- b) In respect of claims by employees Rs. 30 (previous year Rs. 17)
- c) In respect of letters of credit Rs. 718 (previous year Rs. 2206)

ii. In respect of Bank Guarantees executed Rs. 1073 (previous year Rs. 2744)
iii. In respect of Sales Tax under appeal Rs. 1202 (previous year Rs. 1336)
iv. In respect of excise duty disputes pending with various judicial authorities Rs. 5035 (previous year Rs. 2321)
v. In respect of Corporate Guarantees given by the Company Rs.NIL (previous year Rs. 9)
vi. In respect of Income tax under appeal Rs. 982 (previous year Rs. 118)

b. In respect of Bill Discounting Rs. 4384 (previous year Rs. 3416)

c. Estimated Amount of contract remaining to be executed on Capital Account Rs. 7011 (previous year Rs. 3192) net of advance Rs. 757 (previous year Rs. 2187)

d. Information pursuant to AS 29:

(i) Brief particulars of provisions on disputed liabilities:-

Nature of Liability	Particulars of dispute	Opening Liability	Provision made during the year	Inherited from new entrant	Provision adjusted during the year	Closing Provision	Forum where the dispute is pending
VATS	Short payment of VAT	42	0	0	0	42	IInd appeal filed
Sales Tax	Classification of Laldant Manjan	36	0	0	0	36	Filed review application with High Court
Sales Tax	Classification of Gulabari	1	0	0	0	1	Appeal filed before the D.C.Appeal
Entry Tax	Entry tax on car	1	0	0	0	1	Appeal pending before D.C.
Sales Tax	Classification of hajmola Candy	28	0	0	0	28	Appeal pending before S T Appellate
Sales Tax	Tax Paid purchase	29	0	0	0	29	Pending before High Court
Sales Tax		10	0	0	0	10	
Excise	Capital Goods removal	30	0	0	0	30	DC appeal
General Expense	Product claim lodged by third party	0	0	33	0	33	Management
Income Tax	Ex promoter USA Liability	0	0	20	0	20	Management
Total						**229**	

ii) Resulting outflows against above liabilities pending before Sales Tax DC/Tribunal/CCT's, if mature, are expected to be in succeeding financial year.

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

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 (revised) 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 (funded)	Total
A.	Expenses recognized during the period:				
	a. Past Service Cost	34	0	0	34
	b. Current Service Cost	350	228	122	699
		(394)	(252)	(115)	(761)
	c. Interest Cost	227	79	278	583
		(180)	(57)	(271)	(508)
	d. Expected return on Plan Assets	-153	-48	0	-201
		(-14)	(-28)	(0)	(-42)
	e. Accumulated Loss/Gain	-193	-59	217	-36
		(-70)	(72)	(-173)	(-171)
	f. Total expenses recognized during the year (a+b+c+d+e)	265	199	616	1080
		(490)	(353)	(213)	(1056)
B.	Reconciliation of opening & closing balances of obligations :				
	I. Obligation as on 01.04.2010	3032	1047	3700	7779
		(2799)	(922)	(3617)	(7338)
	II. Past service cost	34	0	0	34
		(0)	(0)	(0)	(0)
	III. Current service cost	350	228	122	699
		(536)	(318)	(114)	(968)
	IV. Interest cost	227	79	278	583
		(180)	(57)	(271)	(508)
	V. Acturial Gain/ (Loss)	-306	-51	217	-140
		(-71)	(44)	(-173)	(-200)
	VI. Settlement	-292	-220	-182	-695
		(-316)	(-253)	(-129)	(-698)
	VII. Obligation as on 31.03.2011	3045	1083	4133	8261
		(3128)	(1088)	(3700)	(7916)
C.	Change in Plan Assets : (Reconciliation of opening and closing balances)				
	I. Fair Value of Plan Assets as on 01.04.2010	1658	539	0	2197
		(1120)	(355)	(0)	(1475)
	II. Expected Return on Plan Assets	153	48	0	201
		(92)	(28)	(0)	(120)
	III. Acturial Gain/ (Loss)	-112	8	0	-104
		(-78)	(-28)	(0)	(-106)
	IV. Employer Contribution	588	326	0	914
		(498)	(312)	(0)	(810)
	V. Settlement	-173	-147	0	-320
		(-65)	(-149)	(0)	(-214)
	VI. Fair value of Plan Assets as on 31.03.2011	2113	775	0	2888
		(1567)	(518)	(0)	(2085)

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

	Particulars	Gratuity (funded)	Leave Salary (funded)	Post Separation benefits of director (funded)	Total
D.	Obligation vis-a-vis Planned Assets :				
	Obligation as on 31.3.2011	3045	1083	4133	8261.008
		(3128)	(1088)	(3700)	(7916.000)
	Planned Assets as on 31.3.2011	2113	775	0	2888.000
		(1567)	(518)	(0)	(2085.000)
		932	308	4133	5373.008
		(1561)	(570)	(3700)	(5831.000)

(Figures in bracket relate to previous year)

E.	Investment detail of plan assets as on 31.03.2011	100% in reimbursement right from insurance company for fund managed by it
F.	Actuarial Assumption :	
	Discount rate (%)	7.50%
	Estimated rate of return on plan assets (%)	9.00%
	Salary escalation ratio inflation (%)	10.00%
	Method	Projected unit credit method

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

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

I. 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.

II) Defined Contribution Plan :-

Company's contribution to different defined contribution plans :-

Particulars	2010-11	2009-10
Provident Fund	768	712
Employees State Insurance	119	60
Employees Superannuation Fund	355	318
Payroll Taxes	56	0
401K Match	22	0

6A. Related party Disclosures (Pursuant to AS 18)

(a) Related party where control exists: None

(b) Other related parties in transaction with the group:

(i) Joint Venture / Partnership
Balsara International
Forum I Aviation Ltd

(ii) Key management personnel (KMP) **(Whole time directors)**	Relatives of Key Management Personnel
Anup Sharma	
Mohit Burman	V C Burman
P D Narang	
Sunil Duggal	
Rukma Rana	
Sikandar T Tiwana	
Mete Buyurgan (Effective from 14th February 2011)	
Gary Gardner	Kyle Gardner
Clyde Burks	

(iii) Entity under significant influence (owned by a KMP):
Sanat Products Ltd

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

6B. Related Parties Transactions as on 31.03.2011

	Joint Ventures/ Partnership	Associates	Key Management Personnel	Relatives of Key Management Personnel	Entity Under Significant Influence	Total	Outstanding as on 31.03.2011
(A) Profit & Loss a/c							
1. Purchases of Goods	-	-	-	-	264	264	46
	(-)	(-)	(-)	(-)	(202)	(202)	(33)
2. Sale of Goods	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(4)	(4)	(3)
3. General Expenses	452	-	-	-	-	452	37
	(394)	(-)	(-)	(-)	(-)	(394)	(17)
4. Processing Charges	11	-	-	-	-	11	3
	(8)	(-)	(-)	(-)	(-)	(8)	(-)
5. Rent Received	2	-	-	-	-	2	2
	(2)	(-)	(-)	(-)	(-)	(2)	(-)
6. Interest Received on Security	-	-	-	-	-	-	-
	(2)	(-)	(-)	(-)	(-)	(2)	(-)
7. Interest Paid	-	-	-	-	-	-	-
	(-)	(-)	(3)	(-)	(-)	(3)	(-)
8. Rent Paid	-	6	60	-	-	66	-
	(-)	(7)	(68)	(-)	(-)	(75)	(-)
9. Remuneration/Exg./Pension	0	0	972	0	0	972	0
	(-)	(-)	(1323)	0	(-)	(1323)	(-)
10. Employee Stock Option Scheme	0	0	1357	0	0	1357	1357
	(-)	(-)	(353)	0	(-)	(353)	(353)
11. Staff Welfare	0	0	0	2	0	2	0
	(-)	(-)	(-)	(1)	(-)	(1)	(-)
(B) Balance Sheet							
12. Capital Contribution	-	-	-	0	-	-	49
	(49)	(-)	(-)	0	(-)	(49)	(49)
13. Security Deposit	-	-	-	-	-	-	38
	(-)	(-)	(-)	(-)	(-)	(-)	(38)
(C) Off Balance Sheet Item							
14. Guarantees & Collaterals	0	0	0	0	0	0	714
	(714)	(-)	(-)	0	(-)	(714)	(714)

Notes

1 Item no. 3 refers to Joint Venture Expenses to JCE (Forum I Aviation Ltd).

2 Item no. 4 refers to Processing Charges to Balsara International.

3 Item no. 5 refers to Rent received from Balsara International.

4 Item no. 14 refers to JCE (Forum I Aviation Ltd).

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

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

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

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	914	1992	400
	(261)	(499)	(59)
Cars	46	66	0
	(45)	(69)	0

ii) Lease rent debited to Profit & Loss account of the year Rs. 595 (previous year Rs. 278).

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.

9. Exchange Gain works out to Rs. 142 (Previous Year Rs.1367) - net of exchange loss Rs.2048 (Previous year Rs. 1876) which has been debited to Profit & Loss Account.

10. (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.452 (Previous year Rs.394) 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 31.03.2011 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 31.03.2011 as incorporated herein:-

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

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

Income and Expenses for the year ended as on 31st March, 2011 incorporated herein :

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

(d) Parent company has furnished guarantee bond for Rs. 714 to banks of the JCE against its 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. Nil (previous year Rs. 49) against capital contribution during the year (Previous year Rs. 49) 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 31.3.2011 amount to Rs.80 & Rs. 9 (Previous year Rs. 81, Rs. 9) respectively.

11. 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 profits to adjust deferred tax asset, if provided thereon.

12. **Extra-ordinary items :**

a) Profit on sale of E.O.U at Nashik Rs. Nil (Previous year Rs. 190)

b) Loss on sale of specific chemical Rs. Nil (Previous Year Rs. 3)

c) Rs. Nil (previous year Rs. 61) on account of miscellaneous expenditure written off in consequence of preponment of the date of exercise of option right under ESOP with corresponding decline in vesting period for a part of options, unlike earlier years.

13. (a) During the year

(I) pursuant to take over by Dermoviva Skin Essentials Inc, one of the subsidiaries under consolidation, Namaste Laboratories LLC., Urban Laboratories International LLC., Healing Hair Laboratories International LLC. all incorporated in USA and Hair Rejuvenation and Revitalization Nigeria, incorporated in Nigeria, joined the group on 01.01.2011, respective last two being wholly owned subsidiaries of respective first two.

The last two entities have no asset or liability.

(II) Pursuant to takeover by Dabur International Ltd. one of the subsidiaries under consideration, three body corporate incorporated in Turkey named Hobi Kozmetik, Zeki Plastik Ra Pazarlama joined the group on 07.10.2010.

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

(b) Assets and Liabilities inherited under the deal of acquisition, consideration money paid vis-à-vis goodwill generated thereon are given below:

	Particulars	1 Namaste Lab	2 Urban Lab	3 (1+2) Total	4 Hobi	5 Zeki	6 Ra Pazarlama	7 (3+4+5+6) Total
A	Assets							
	Fixed Assets	348	0	348	4572	601	5	5526
	Investment	0	0	0	0	0	0	0
	Current Assets, Loans & Advances	10237	886	11123	6750	627	5025	23526
	Sub Total A	10585	886	11471	11322	1228	5030	29052
B	Liabilities							
	Secured Loan	0	0	0	0	0	0	0
	Unsecured Loan	618	0	618	686	171	101	1576
	Current Liabilties & Provisions	3805	122	3927	2455	219	4340	10941
	Sub Total B	4423	121	4545	3141	390	4441	12517
C	Net Assets (A-B)	6161	765	6926	8181	838	589	16535
D	Consideration Money Paid	61479	0	61479	29205	1017	1011	92712
E	Goodwill (D-C)			54553	21024	179	422	76177

(c) Consideration money, towards acquisition of USA based entities, include Rs 18011 may be payable by the group over a period of four years to the erstwhile promoters subject to achievement of year-wise target as per earn-out agreement. Considering confidence of the group on the ability of erstwhile promoters to achieve targets laid down in reasonable terms, provisioning against said liability becomes imperative within the meaning of AS-29.

(d) To above extent figures of previous year are not comparable with those of current financial year.

14. Except for Dermoviva Skin Essential INC remaining three body corporates incorporated in USA have zero capital base, 100% right there in accruing in favour of their immediate holding company as per law of country of their incorporation. As such entire assets of relevant entities have been reckoned against the equity of the group leaving nothing against minority interest.

15. Information on Subsidiaries pursuant to Clause (iv) of General Circular No.- 2/2011 dated 8th February 2011 issued by MCA.

Name of Subsidiaries	Capital	Reserves	Total Assets	Total Liabilities	Investment (excl. investment in subsidiary)	Turnover	Profit before Taxation	Provision for Taxation	Profit after Tax	Proposed Dividend
Domestic:										
H & B Stores Ltd.	4,850	(4,481)	2,209	2,209	0	2,050	(988)	0	(988)	0
Overseas:										
Dabur Nepal Pvt Ltd.	499	9,352	28,502	28,502	0	32,710	1,429	216	1,213	0
Dabur International Ltd.	1,217	21,198	66,230	66,230	0	36,058	5,640	0	5,640	0
Weikfied International (UAE) LLC	200	174	804	804	0	2,310	(44)	0	(44)	0
Asian Conumer Care Pvt. Ltd.	665	(545)	1,008	1,008	0	3,186	12	8	4	0
African Consumer Care Ltd.	1,378	589	3,592	3,592	0	3,494	387	112	274	0
Dabur Egypt Ltd.	253	4,033	7,054	7,054	804	10,993	2,257	450	1,807	0
Dabur (UK) Ltd.	244	(34)	215	215	0	0	(4)	0	(4)	0
Asian Consumer Care Pakistan Pvt. Ltd.	540	(513)	809	809	0	9	(988)	0	(988)	0
Naturelle LLC	393	(169)	8,950	8,950	0	14,779	285	0	285	0
Dermovia Skin Essentials INC	11,489	(1,467)	62,881	62,881	0	36,058	5,640	0	5,640	0
Dabur Egypt Trading Ltd.	4	(1)	4	4	0	0	0	0	0	0
Hobi Kozmetik	3,720	6,262	13,075	13,075	0	4,555	525	100	425	0
Zeki Plastic	171	758	1,431	1,431	0	607	51	10	41	0
RA Pazarlama	248	264	4,210	4,210	0	4,946	(117)	(12)	(105)	0
Namaste Laboratories LLC	0	8,738	14,961	14,961	0	11,411	1,801	0	1,801	0
Urban Laboratories International LLC	0	59	1,281	1,281	0	499	119	29	96	0
Hair Rejuvenation & Revitalzation Nigeria Ltd.	0	0	0	0	0	0	0	0	0	0
Healing Hair Laboratories International LLC	0	0	0	0	0		0	0	0	0

16. Earnings per Share :

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

	Particulars	2010-11	2009-10
A.	Profit after tax (after adjustment of tax for earlier years)	56858	50320
	Less/ Add : Extraordinary Expenses / Income		
	Profit on sale of EOU	0	-190
	Loss on sale of SPC Chemicals	0	3
	Miscellaneous Expenditure for preponement of date of exercise right under ESOP	0	61
B.	Profit before consideration of Extraordinary items	56858	50194
	Weighted average no. of shares outstanding		
	Basic	1740375960	1734495558
	Diluted	1749664278	1741295067
	Earnings per share (of face value of Re 1/-)		
	Basic	3.27	2.89
	Diluted	3.25	2.88
C.	After consideration of Extraordinary items		
	Profit after tax (after adjustment of tax for earlier years)	56858	50320
	Weighted average no. of shares outstanding		
	Basic	1740375960	1734495558
	Diluted	1749664278	1741295067
	Earnings per share (of face value of Re 1/-)		
	Basic	3.27	2.91
	Diluted	3.25	2.89

17. 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.

18. Information pursuant to AS- 17 issued by ICAI (refer page no. 145)

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: 27th April, 2011

For **Dabur India Ltd.**

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

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

18. 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		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	319696	262542	31521	27955	49487	41580	2050	918	8231	8672	-	-	**410985**	**341667**
Inter-segment sales														
Total Revenue	**319696**	**262542**	**31521**	**27955**	**49487**	**41580**	**2050**	**918**	**8231**	**8672**	-	-	**410985**	**341667**
RESULT														
Segment result	81947	71950	7785	7362	9178	7252	-914	-935	596	597	-	-	**98592**	**86226**
Unallocated corporate expenses											24786	24900	**24786**	**24900**
Operating profit	**81947**	**71950**	**7785**	**7362**	**9178**	**7252**	**(914)**	**(935)**	**596**	**597**	**(24786)**	**(24900)**	**73806**	**61325**
Interest expense	-	-	-	-	-	-	-	-	-	-	3034	1232	**3034**	**1232**
Income Tax(Current + Deferred)	-	-	-	-	-	-	-	-	-	-	13897	10047	**13897**	**10047**
Profit from ordinary activities	**81947**	**71950**	**7785**	**7362**	**9178**	**7252**	**(914)**	**(935)**	**596**	**597**	**(41717)**	**(36180)**	**56875**	**50046**
Exceptional item														
Minority Interest	-	-	-	-	-	-	-	-	-	-	32	(81)	**32**	**(81)**
Net profit	**81947**	**71950**	**7785**	**7362**	**9178**	**7252**	**(914)**	**(935)**	**596**	**597**	**(41685)**	**(36261)**	**56843**	**50127**
OTHER INFORMATION	As on 31/03/11	As on 31/03/10	As on 31/03/11	As on 31/03/10	As on 31/03/11	As on 31/03/10	As on 31/03/11	As on 31/03/10	As on 31/03/11	As on 31/03/10	As on 31/03/11	As on 31/03/10	**As on 31/03/11**	**As on 31/03/10**
Segment assets	137,669	81,700	14,346	9,438	32,651	23,850	1,252	1,636	3,171	3,266	-	-	**189,089**	**119,890**
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	193,080	84,764	**193,080**	**84,764**
Total assets	**137,669**	**81,700**	**14,346**	**9,438**	**32,651**	**23,850**	**1,252**	**1,636**	**3,171**	**3,266**	**193,080**	**84,764**	**382,169**	**204,654**
Segment liabilities	58,392	25,694	5,802	2,552	15,817	6,960	883	387	138	63	-	-	**81,032**	**35,656**
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-	172,122	75,738	**172,122**	**75,738**
Total liabilities	**58,392**	**25,694**	**5,802**	**2,552**	**15,817**	**6,960**	**883**	**387**	**138**	**63**	**172,122**	**75,738**	**253,154**	**111,394**
Capiltal Expenditure	**6,799**	**8,690**	**648**	**642**	**3,238**	**1,270**	**324**	**321**	**955**	**946**	**4,225**	**4,169**	**16,189**	**16,038**
Depreciation	2,655	2,139	278	224	1,235	995	155	125	371	299	1,546	1,246	**6,240**	**5,028**
Non-cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-	1,922	594	**1,922**	**594**

Consolidated Financial Statements

As per IFRS applicable to European Union

Auditor's Report

To the Board of Directors,
Dabur India Limited

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

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

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

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

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

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

(Manoj Kumar Das)
Partner
M. No. 013783

Place: New Delhi
Dated: 27^{th} April 2011

Consolidated Statement of Financial Position as at March 31, 2011

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

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

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

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

Manoj Kumar Das
Partner
Membership Number: 013783

Place: New Delhi
Dated: 27th April, 2011

For **Dabur India Ltd.**

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

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

Consolidated Income Statement for the year ended March 31, 2011

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

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

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

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

Manoj Kumar Das
Partner
Membership Number: 013783

Place: New Delhi
Dated: 27th April, 2011

For **Dabur India Ltd.**

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

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

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

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

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

Note :

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

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

Manoj Kumar Das
Partner
Membership Number: 013783

Place: New Delhi
Dated: 27th April, 2011

For **Dabur India Ltd.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A. ACCOUNTING POLICIES

1. Business combination :

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

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

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

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

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

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

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

** Above two companies have no assets or liabilities.

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

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

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

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

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

2. Adoption of International Financial Reporting Standards (IFRS)

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

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

3. Basis of presentation and use of estimates :

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

4. Concentration of Customer:

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

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

5. Foreign currency translation :

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

6. Taxation :

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

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

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

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

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

(a) Revaluation of Non-monetary assets.

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

(c) Eliminated unrealized profit on intra group transactions.

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

(e) Hedging Loss/Gain.

(f) Impairment Loss.

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

7. Research and Development :

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

8. Impairment of Assets :

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

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

9. Inventories :

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

10. Financial Instruments :

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

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

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

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

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

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

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

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

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

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

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

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

(g) Derivative Instruments

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

11. Property, Plant and Equipment :

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

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

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

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

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

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

Assets held & used 31.03.11 :

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

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

12. Other Intangibles (Patent and Software) :

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

13. Lease and Hire purchase Contract :

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

14. Biological Asset:

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

15. Goodwill :

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

16. Share-based payments :

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

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

17. Advertising Cost :

Expenditure on advertising is expensed when incurred.

18. Earnings per share :

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

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

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

19. Revenue Recognition :

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

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

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

19.3 Interest, Royalty, Dividend –

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

20. Borrowing Costs :

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

21. (a) Operating Segment and related information :

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

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

(b) Joint Venture / Associate

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

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

22. Accounting Policies, changes in Accounting Estimates and Errors

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

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

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

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

23. Contingent Liabilities, Contingent Assets and Contingent Provision :

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

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

B. NOTES FOR INFORMATION –

1. The Dividend, Post Balance Sheet Event:

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

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

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

3. **Earnings per Share :**

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

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

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

Cash & cash equivalent comprises following –

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

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

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

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

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

6. **Inventories :**

Inventories are comprised of the following:

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

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

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

7. **Other Current Assets :**

Other current assets comprise of the following:

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

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

Property, Plant & Equipment comprise of the following:

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

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

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

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

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

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

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

(a) Investments

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

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

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

Other Investments available for sale :

i) Readily marketable equity securities :

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

ii) Not readily marketable equity securities:

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

(b) Long Term Liabilities include:

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

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

(iii) Term loan from Bank of America.

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

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

(i) Deferred Payment Credit

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

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

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

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

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

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

(iii) Term loan from Bank of America

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

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

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

(iv) Term loan from ANZ Limited

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

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

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

(v) CITI Bank Loan account Dabur International – Subsidiaries

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

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

(vi) ANZ Bank Loan account Dabur International – Subsidiaries

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

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

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

vii) ANZ Bank Loan Account Dabur international – Subsidiaries

Date of contract	Rs 13,377
Down Payment	NIL
Net	Rs 13,377
Fair rate of return 2.2%	
Restated Value as on 31st Mar, 2011	Rs 13,352

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

(c) Hedging Instruments

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

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

10. **Goodwill :**

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

Components of Goodwill include the followings :

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

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

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

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

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

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

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

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

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

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

(f) New Acquisition

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

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

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

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

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

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

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

(vi) Contingent Liability of the acquired entities-

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

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

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

- Rs. 33 for general expenses which has been duly accounted for envisaging probable cash outflow in this regard, having regard to liability accruing within one year.
- Rs. 20 for income tax liability arising out of obligation and not measurable reliably and not recognized in the books of account.

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

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

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

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

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

(ix) Contingent Consideration:

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

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

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

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

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

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

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

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

13. **Deferred Tax:**

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

14. **Borrowing :**

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

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

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

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

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

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

15. **Trade Accounts payable :**

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

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

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

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

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

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

18. **Minority Interest :**

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

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

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

19. Leasing Contract (excluding Land) :

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

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

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

20. Contingent Asset

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

21. Stockholders' Equity :

(a) Common Stock :

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

(b) Employees Stock options:

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

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

Note :

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

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

c) Movement of Equity :

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

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

22. **Employees Stock Option :**

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

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

Particulars of disclosure regarding share based payments :

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

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

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

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

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

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

23. **Revenue :**

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

24. **Other Income :**

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

25. **Cost of Revenue :**

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

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

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

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

27. **Personnel Expenses :**

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

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

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

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

(ii) **Prior period adjustment:**

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

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

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

29. **Financial Expenses :**

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

30. **Income Taxes :**

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

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

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

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

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

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

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

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

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

Note :

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

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

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

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

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

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

List of contingencies are as follows :

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

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

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

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

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

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

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

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

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

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

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

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

33. **Employees post retirement benefit :**

A) **Defined Benefit Plan**

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

Expenses recognized during the period

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

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

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

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

III. Investment detail of plan assets as on 31.03.2011

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

IV. Actuarial Assumption :

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

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

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

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

B) Defined Contribution Plan :-

Company's contribution to different defined contribution plans :-

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

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

34. **Impairment of Goodwill :**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

41. **Discontinued Operation :**

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

Note

(a) The brackets indicate Previous Year

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

As per our report of even date attached For **G. BASU & CO.** Chartered Accountants	For **Dabur India Ltd.**
Manoj Kumar Das Partner Membership Number: 013783	Dr. Anand Burman - Chairman P.D. Narang - Whole time Director Sunil Duggal - Whole time Director
Place: New Delhi Dated: 27th April, 2011	A.K. Jain - GM (Finance) & Company Secretary

Dabur
1 A DAY FORMULA
Dabur NUTRIGO Total
ZINDAGI 24x7
Living life to the fullest can be difficult in today's world. A busy lifestyle combined with day-to-day factors like bad diet, pollution and stress leads to internal rusting of the body, leaving us easily tired and overwhelmed. This lasting fatigue can be an indicator of more serious health concerns in the long run. That's why we've created NUTRIGO Total for men. Scientifically formulated by the Dabur Research & Development Centre, it's packed with natural extracts like and 21 Essential and . So you can stay healthy and in top form always, the new-age way.
Strength and Stamina
Healthy Heart
Muscle and Bone Strength
NUTRIGO Total

Dabur India Limited
8/3, Asaf Ali Road, New Delhi-110002, India
Website: www.dabur.com
Email: corpcomm@dabur.com
Email for Investors: investors@dabur.com

A WYATT SOLUTION (info@wyatt.co.in) ■ Printed at Thomson Press

DABUR INDIA LIMITED

Regd. Office: 8/3, Asaf Ali Road, New Delhi - 110 002 (India)

ATTENDANCE SLIP

Folio / DP ID - Client ID No.	No. of Shares :

I/we certify that I/we am/are member (s) / proxy for the member (s) of the Company.
I/we hereby record my/our presence at the 36th **Annual General Meeting** of the Company at Air Force Auditorium, Subroto Park, New Delhi - 110 010 on Friday the 15th July, 2011 at 11.00 A.M.

First Holder/Proxy ______________________ ______________________

1st Jointholder ______________________ ______________________

2nd Jointholder ______________________ ______________________

(Name in block letters) (Signature)

Note (s) :

1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the MEETING VENUE.
2. THIS ATTENDANCE SLIP IS VALID ONLY IN CASE SHARES ARE HELD ON THE DATE OF MEETING.

DABUR INDIA LIMITED

Regd. Office: 8/3, Asaf Ali Road, New Delhi - 110 002 (India)

PROXY FORM

Folio / DP ID - Client ID No.	No. of Shares :

I/we ....

of ....being a member/members of

DABUR INDIA LIMITED hereby appoint ....

of ....or failing him .... of

....as my/our proxy to attend and to vote for me/us on my/our behalf at the 36th Annual General Meeting of the Company to be held on Friday, the 15th July, 2011 at 11.00 A.M. at Air Force Auditorium, Subroto Park, New Delhi - 110 010 and at any adjournment thereof.

Given this .... day of 2011

(Please sign across the stamp)

Affix
Re. 1/-
Revenue
Stamp

NOTE (S)

1. The proxy need NOT be a member.
2. The proxy form signed across revenue stamp should reach Company's registered office at least 48 hours before the scheduled time of meeting.
3. Company reserve the right to ask for indentification of the proxy.
4. Proxy cannot speak at the meeting or vote on a show of hands.

Dabur India Limited

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

Notice

Notice is hereby given that the 36th Annual General Meeting of the Members of Dabur India Limited will be held on Friday, the 15th July, 2011 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, 2011 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, 2011.
3. To appoint a Director in place of Mr. R C Bhargava who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Mohit Burman who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr P N Vijay who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint a Director in place of Mr. Sunil Duggal who retires by rotation and being eligible offers himself for re-appointment.
7. To appoint Auditors and to fix their remuneration.

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

Regd. Office:
8/3, Asaf Ali Road, New Delhi - 110 002 **(A K JAIN)**
27th April, 2011 GM (Fin.) & Co. Secretary

NOTES

1. 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 36th ANNUAL GENERAL MEETING.
2. The Share Transfer Books and Register of Members of the Company will remain closed from Friday, 1st July, 2011 to Friday, 8th July, 2011 (both days inclusive).
3. 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.
4. **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) in physical form 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.**
5. **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.**
6. 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.
7. **Service of documents through Email**

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

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

   Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/ updated either with their Depositories or by writing to the company (by filling & sending the prepaid inland letter attached with the Annual Report).
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.
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 2003-2004 to the IEPF. Members who have not yet encashed their dividend warrants for the financial year 2003-04 (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 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

Details of directors seeking reappointment in Annual General Meeting fixed for 15th July, 2011

MR R C BHARGAVA

Date of birth : 30.07.1934

Date of Appointment : 27.01.2005

Qualification : MA in Development Economics, MS in Mathematics, IAS retired.

Expertise in specific functional area :

Mr R C Bhargava served in Indian Administrative services and has held the post of Joint Secretary in the Ministry of Energy and in the Cabinet Secretariat. He held various positions in Maruti Udyog Limited and retired in 1997 as its CEO. At present he is Chairman of Maruti Suzuki India Ltd.

List of public companies in which outside directorship held :

1. ILFS Ltd.
2. Polaris Software Lab Ltd.
3. Taj Asia Ltd.
4. Grasim Industries Ltd.
5. Optimus Global Services Ltd.
6. Maruti Suzuki India Ltd.
7. Thomson Press Ltd.
8. Ultra Tech Cement Co. Ltd.
9. Idea Cellular Limited.
10. Aditya Birla Sunlife Asset Management Company Ltd.

Chairman/Member of the Committee of Board of Directors of the Companies:

Shareholders/Investors Grievance Committee:-

- Ultra Tech Cement Co. Ltd.
- Maruti Suzuki India Ltd.

Audit Committee:-

- Dabur India Ltd.
- ILFS Ltd.
- Polaris Software Lab Ltd.
- Grasim Industries Ltd.
- Optimus Global Services Ltd.
- Thomson Press Ltd.
- Ultra Tech Cement Co. Ltd.

Shareholding in the Company : Nil

MR MOHIT BURMAN

Date of birth : 20.07.1968

Date of Appointment : 23.07.2007

Qualification : Graduated from Richmond college, London and MBA in Finance from Babson Graduate School of Business Wellesley

Expertise in specific functional area :

Mr Mohit Burman has been intrumental in expanding the group`s financial services business into Asset Management and Life Insurance by setting up insurance Company with UK`s largest Insurance company AVIVA Plc. He has to his credit the acquisition of Balsara Home Products Limited in 2005.

List of public companies in which outside directorship held :

1. Aviva Life Insurance Co. India Ltd.
2. Dabur Ayurvedic Specialities Ltd.
3. Dabur International Ltd.
4. Universal Sompo General Insurance co. Ltd.
5. Mahindra Forgings Ltd.
6. H&B stores Ltd.
7. IndiaCo Ventures Ltd.
8. Dabur Pharmaceuticals Ltd.

Chairman/Member of the Committee of Board of Directors of the Companies:

Audit Committee:-

- Aviva Life Insurance Co. India Ltd.
- Mahindra Forgings Ltd.
- Universal Sompo General Insurance Company Ltd.

Remuneration cum Compensation Committee:-

- Mahindra Forgings Ltd.

Shareholding in the Company : Nil

MR .P N VIJAY

Date of birth : 10.07.1951

Date of Appointment : 15.05.2001

Qualification : M Sc, IIT Chennai

Expertise in specific functional area :

Mr. P N Vijay is a leading expert in stock market. He is regular columnist in leading newspaper and financial journals.

List of public companies in which outside directorship held :

1. Reed Relays & Electronics India Limited.
2. India Mart Inter Mesh Ltd.
3. One97 Communications Ltd.

Chairman/Member of the Committee of Board of Directors of the Companies:

Shareholders/Investors Grievance Committee:-

- Dabur India Ltd.
- One 97 Communications Ltd.

Audit committee:-

- Dabur India Ltd.
- India Mart Inter Mesh Ltd.
- One97 Communications Ltd.

Remuneration cum Compensation Committee:-

- Dabur India Ltd.
- India Mart Inter Mesh Ltd.
- One97 Communications 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 Ltd.
2. H & B Stores Ltd.
3. Weikfield International (UAE) LLC.
4. African Consumer Care Ltd.
5. Naturelle LLC
6. Dermoviva Skin Essentials Inc
7. Hair Rejuvination & Revitalization Nigeria Ltd.
8. Hobi Kozmetik

Chairman/Member of the Committee of Board of Directors of the Companies:

Audit Committee

- H& B Stores Ltd.

Shareholding in the Company :

29,10,000 no. of shares