



Dabur India Limited | Annual Report 2013-14



When the GOING GETS TOUGH, the TOUGH GET GOING. This age-old adage holds true for Dabur.



Over the past few years, India's economic growth has moderated and the economy has witnessed macro headwinds, inflationary pressures and adverse currency fluctuations, all of which have led to consumers tightening their purse-strings and a resultant moderation in demand.

Even as the world was gripped by ECONOMIC UNCERTAINTY, growing at a languid pace, Dabur defied the downturn and continued to march ahead with ENERGY & ENTHUSIASM, thanks to a plethora of initiatives - ranging from PRODUCT INNOVATION to MARKET EXPANSION and BETTER CONSUMER OUTREACH - that were put in place much ahead of the downturn. The result: Dabur generated STRONG VOLUME-LED GROWTH to report a DEFINING PERFORMANCE even during the trying times.

As a leading FMCG player with a WIDE PORTFOLIO OF BRANDS, a robust and WELL-OILED DISTRIBUTION NETWORK and DEEP-ROOTED UNDERSTANDING OF CONSUMER PREFERENCE & BEHAVIOUR, Dabur India Ltd has been able to cruise ahead even in the face of a challenging economic environment.

We continue to take pro-active measures in adjusting our portfolios, products and channels to keep pace with the ever-changing needs and aspirations of the consumers. Moving forward on our motto of being 'DEDICATED TO THE HEALTH & WELL-BEING OF EVERY HOUSEHOLD', we are now creating newer channels of growth to further optimise our already robust distribution network. With these initiatives in place, Dabur India will be well placed to surge ahead on the growth trajectory once the market conditions improve.



**Dabur defied the downturn and continued to march ahead with energy & enthusiasm**



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## Board of Directors

Dr. Anand Burman	Chairman
Mr. Amit Burman	Vice-Chairman
Mr. Mohit Burman	Director
Mr. Saket 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
Dr. Ajay Dua	Director
Mr. Sanjay Kumar Bhattacharyya	Director

## V P (Finance) & Company Secretary

Mr. A. K. Jain

## Auditors

M/s G. Basu & Co.  
Chartered Accountants

## Internal Auditors

PriceWaterhouseCoopers Pvt. Ltd.

## Bankers

Punjab National Bank  
Standard Chartered Bank  
The Hongkong & Shanghai Banking Corporation Ltd.  
The Royal Bank of Scotland  
Citibank N.A.  
HDFC Bank Ltd.  
Bank of Tokyo Mitsubishi UFJ, Ltd.  
Bank of Nova Scotia  
IDBI Bank Ltd.

## Corporate Office

Dabur India Ltd,  
CIN: L24230DL1975PLC007908  
Dabur Corporate Office, Kaushambi,  
Sahibabad, Ghaziabad-201010 (U.P.), India  
Tel.: 0120-39412525, 3982000  
Fax: 0120-4374935  
Website: [www.dabur.com](http://www.dabur.com)  
Email: [corpcomm@dabur.com](mailto:corpcomm@dabur.com)  
Email for investors: [investors@dabur.com](mailto:investors@dabur.com)

## Registered Office

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

# Corporate Information

# Performance Indicators

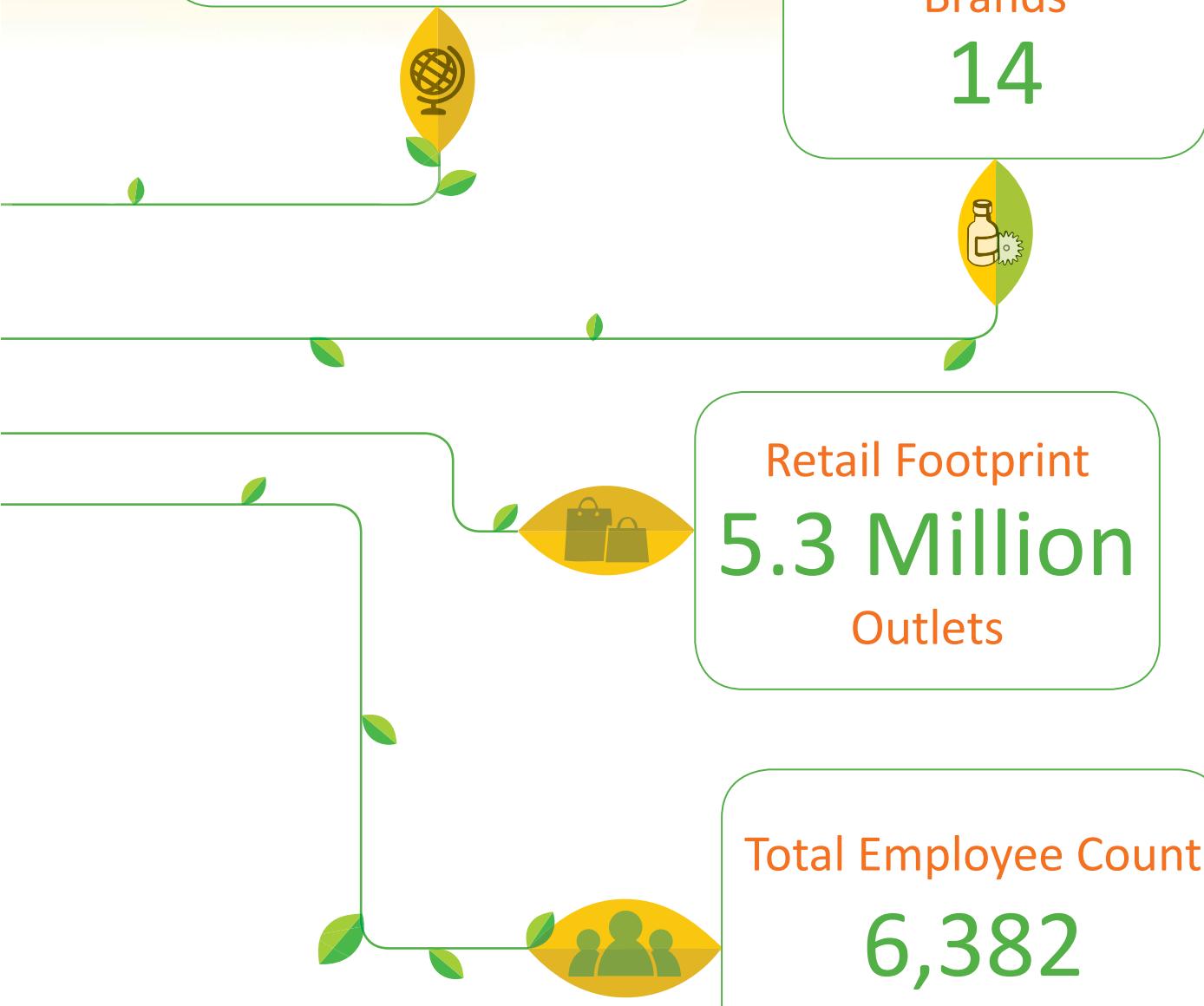
Good momentum was witnessed across categories and geographies driven by strong volume growth

Sales  
₹ 7,073.2  
crores  
UP 15.1%

Net Profit  
₹ 913.9  
crores  
UP 19.7%

Market  
Capitalisation  
US\$ 5 bn+

International Business  
Contribution  
**32%**



Billion-Rupee  
Brands  
**14**

Retail Footprint  
**5.3 Million**  
Outlets

Total Employee Count  
**6,382**  
Employees

# Brand Portfolio & Architecture



With a portfolio of over 400 products, Dabur is today's India's largest Natural Health & Personal Care Company. Innovation has always been the lifeline of our business and Dabur has, over the past one year, introduced around 30 new products and variants across the globe, straddling a variety of consumer segments. These new introductions, like our existing range, are aimed at meeting a single goal – Dedicated to the Health & Well-Being of every Household.



## Our Master Brands



HAJMOLA®





# Chairman's Message

Dear Partners in Growth,

It gives me immense pleasure to write to you at the end of another landmark year for Dabur.

Fiscal 2013-14 marked successful completion of the Vision Plan for the period 2010-14, with revenues crossing the ₹ 7,000 crore mark. Your company achieved Net Sales of ₹ 7,073.2 crores during 2013-14 growing by 15.1%. Net Profit for the year increased to ₹ 913.9 crores recording an increase of 19.7%.

It is quite encouraging that this growth has largely been volume driven and came in at a time when the economy continued to be under turbulence with growth rates slowing down across sectors including the consumer products industry. Even in such a challenging environment, your Company was not only able to post strong growth in sales but also improve upon profitability. The Company's EBITDA increased to ₹ 1,288 crores in fiscal 2013-14 reporting an increase of 17.4%.

The business has performed well across operating parameters. Our deep understanding of consumer behaviour which we have developed over the years and focus on improving overall marketing mix helped us navigate through a tough external environment, demonstrating the robustness of our business model. We continued to invest strongly behind our brands and drive innovation leading to an uptick in market shares.

In the previous year, your Company had made huge investments towards rural outreach and penetration into the hinterland which led to significant expansion of our distribution reach. This investment continued to pay rich dividends during fiscal 2013-14 with demand from rural India outpacing the urban markets and offsetting the slight moderation in demand from urban India.

The close of the financial year, in fact, saw urban markets inch up with growth rates at par with the rural markets. To capture the potential of the coming times, Dabur has embarked upon an initiative to strengthen its presence in the chemist network, which we feel will be a key driver of growth for our consumer healthcare and personal care business. We have re-organised our sales teams specifically to cater to the demands of chemist channel and also enhance distribution of health care and personal products portfolio through this network. As a result of this initiative, Dabur's direct chemist coverage is planned to increase from 1.72 lac to 2.06 lac outlets and the footprint will continue to grow particularly in the top 150 towns where this initiative has a major focus.

Dabur's International Business continued on the strong growth trajectory growing by 22.3% to



This year, we are particularly proud to be ranked amongst the Top 5 Companies with the Best Board of Directors as per Corporate Dossier-Hay Group's survey.



₹ 2,310.8 crores in fiscal 2013-14. This was driven by innovation, market share gains and aggressive investment behind the brands. Our brands are appreciated and well regarded by the local consumers for their herbal/natural properties and the benefits they deliver.

We continue to identify attractive and significant growth opportunities both in India and around the world, and have been regularly investing in creating new assets and facilities to meet the growing demand for our products, globally. A new manufacturing unit has been commissioned in Bangladesh to produce our range of FMCG products. The new fruit juice facility set up at Sri Lanka commenced supplies to our markets in West and South India. Details of our growth strategies and your Company's achievements during the

2012-13 fiscal have been elaborated in the Management Discussion & Analysis section of this Annual Report.

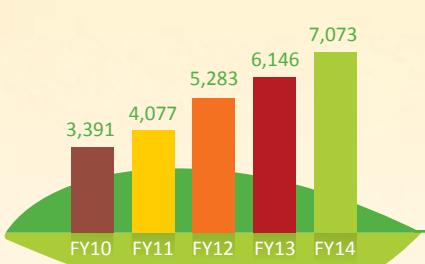
The year gone by also saw Dabur take several important strides in reducing our environmental impact and encourage community environmental stewardship. Details of these initiatives have been presented in the Business Responsibility Report section of this report.

This year, we are particularly proud to be ranked amongst the Top 5 Companies with the Best Board of Directors as per Corporate Dossier-Hay Group's survey. We have also been named by CRY as the Child Rights Champion for our various initiatives aimed at improving the lives of children from the under-privileged sections of the society.

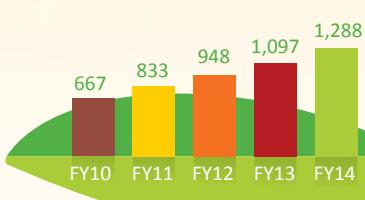
I would like to take this opportunity to thank our Board of Directors, consumers, business partners, the management and all our valued employees for their outstanding efforts during 2013-14. We would also like to thank you, our shareholders, who have supported us loyally for many years. I am grateful to you for your unwavering support. It is our privilege to continue to build shareholder value for you over the long term. Thank you again for the trust that you have placed in our Company. We shall continue to strive to deliver excellence and superior value to all our stakeholders.

Yours Sincerely,  
Dr. Anand C. Burman  
Chairman  
Dabur India Limited

# Financial Highlights



Net  
Sales



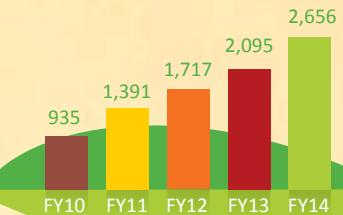
EBITDA



PAT

in ₹ Crores (except per share data)

Shareholders'  
Funds



Book Value  
Per Share\*



Net Fixed Asset  
Turnover<sup>#</sup>



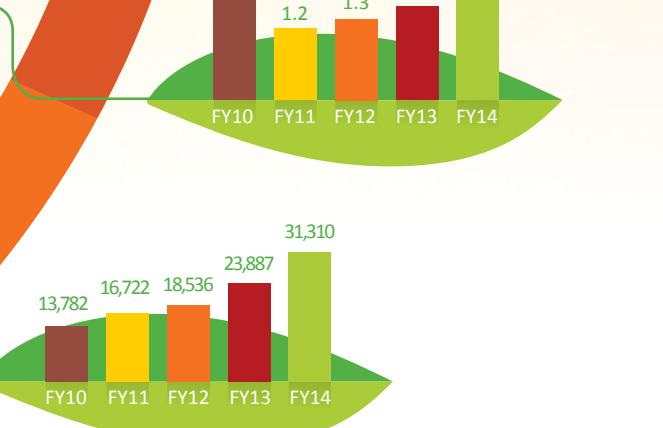
Earnings Per  
Share\*



Dividend Per  
Share\*



Market  
Capitalisation



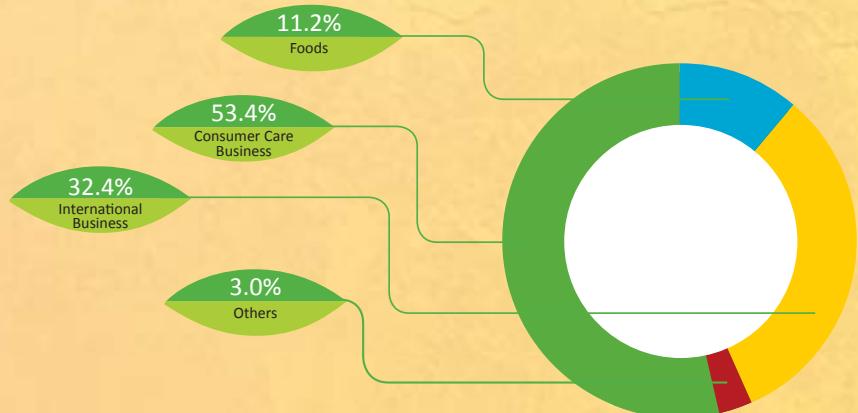
in ₹ Crores (except per share data)

\*Bonus issue of 1:1 during FY 2010-11

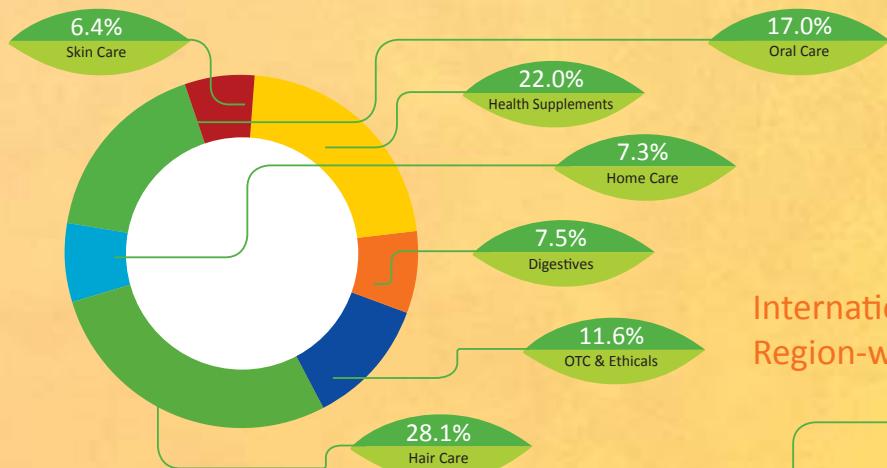
#Net Fixed Assets excluding Goodwill

# Strategic Business Units

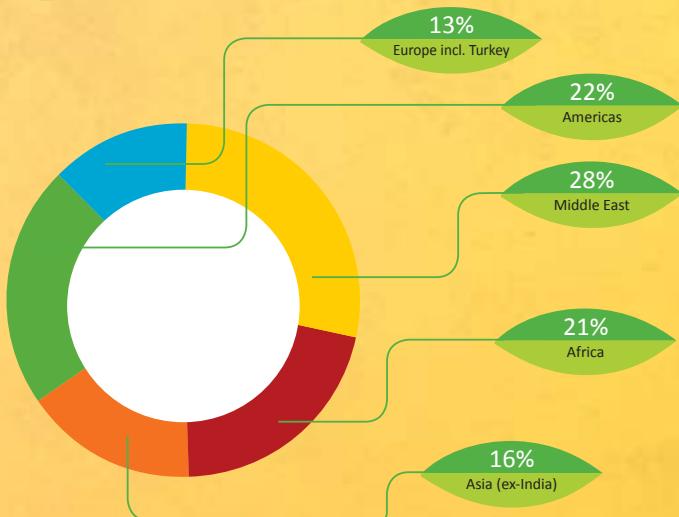
SBU-wise Sales Breakdown



Category-wise Consumer Care Sales Breakdown



International Business  
Region-wise Sales Breakdown



# 10-Year Highlights

in ₹ Crores (except per share data)

	FY05	FY06#	FY07^	FY08	FY09	FY10	FY11^^	FY12	FY13	FY14
<b>FINANCIAL RESULTS</b>										
Net Sales	1,374	1,700	2,043	2,361	2,805	3,391	4,077	5,283	6,146	7,073
Other Income	9	13	26	34	47	48	59	80	132	153
EBITDA	217	300	376	443	517	667	833	948	1,097	1,288
EBITDA Margins (%)	15.8%	17.6%	18.4%	18.8%	18.4%	19.7%	20.4%	17.9%	17.8%	18.2%
Profit Before Tax (PBT)	176	257	319	384	445	601	708	791	953	1,136
Taxes	19	30	39	52	54	100	139	146	183	219
Tax Rate (%)	11%	12%	12%	14%	12%	17%	20%	19%	19%	19%
Profit After Tax (PAT)	156	214	282	333	391	501	569	645	763	914
PAT Margins (%)	11.4%	12.6%	13.8%	14.1%	13.9%	14.8%	14.0%	12.2%	12.4%	12.9%
<b>FINANCIAL POSITION</b>										
Net Fixed Assets (incl. Goodwill)	295	512	379	465	559	677	1,531	1,668	1,674	1,789
Current Assets, Loans &Advances	408	471	640	774	951	1,106	1,949	2,315	2,689	3,056
Current Liabilities & Provisions	400	436	452	732	805	920	1,458	1,384	1,414	1,887
Share Capital	29	57	86	86	87	87	174	174	174	174
Reserves & Surplus	335	440	393	531	732	848	1,217	1,543	1,921	2,482
Shareholders Funds	364	497	480	618	819	935	1,391	1,717	2,095	2,656
Loan Funds	164	121	160	99	230	179	1,051	1,069	1,151	708
<b>EQUITY SHARE DATA</b>										
Earnings Per Share	5.4	3.7	3.3	3.9	4.5	5.8	3.3	3.7	4.4	5.2
Dividend Per Share	2.5	1.8	1.4	1.5	1.8	2.0	1.2	1.3	1.5	1.8
Book Value per Share (BVPS)	12.7	8.7	5.6	7.2	9.5	10.8	8.0	9.9	12.0	15.2
No of Shares (In Crs)	28.6	57.3	86.3	86.4	86.5	86.9	174.1	174.2	174.3	174.4
Share Price (unadjusted)	111	124	95	110	99	159	96	106	137	180
Market Capitalisation	3,175	7,102	8,194	9,487	8,538	13,782	16,722	18,536	23,887	31,310

# Bonus issue of 1:1 during the year

^ Bonus issue of 1:2 during the year

^^ Bonus Issue of 1:1 during the year

Share price and market capitalisation as on end of fiscal

FY12 onwards, financials as per Revised Schedule VI

# Accolades

The name Dabur evokes 'Trust' in our consumers. Dabur has always stood for products that offer holistic health & well-being to its consumers and our efforts towards creating new products were appreciated. Through the year, Dabur won several awards and accolades.



Dabur India Ltd has been ranked amongst the Top 5 Indian companies with the best Board of Directors. The list was prepared after a detailed survey by The Economic Times and Hay Group.

Dabur India Ltd has been ranked 39 in the list of World's Top 100 Beauty Companies. In the latest ranking, prepared by WWD Beauty Inc (a part of the Conde Nast publications), Dabur India Ltd has moved up to take the 39th position for the calendar year 2012 from its ranking of 53 in 2011.



Dabur India Ltd and SUNDESH have bagged the CRY Child Rights Champion Award 2013–14 for our various initiatives aimed at improving the lives of children from the under-privileged sections of the society.



Dabur India Ltd has been ranked amongst the 'Top 5 Companies To Work For' in the manufacturing sector, according to Business Today magazine. Dabur is, in fact, the only Indian company to be part of the list for Manufacturing Sector.



Dabur India Ltd was ranked 53 in the list of India's Most Admired Companies, released by Forbes India.



Dabur Almond Hair Oil has been ranked amongst the Most Innovative and Successful New Launches of 2011. The first-ever Breakthrough Innovation Winner list was released by Economic Times Brand Equity.



Dabur has been ranked amongst the Top 30 Best Indian Brands. Dabur has been ranked 27 in the first edition of the list, released by Economic Times-Brand Equity.

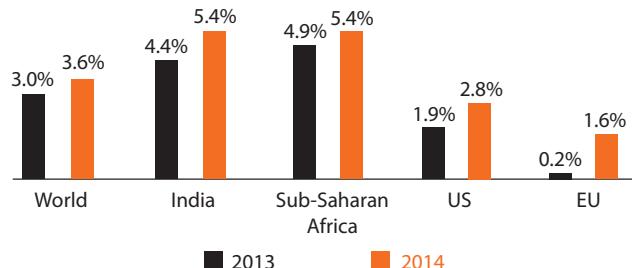


# MANAGEMENT DISCUSSION & ANALYSIS

**THE GLOBAL ECONOMIC  
ENVIRONMENT CONTINUED TO  
REMAIN CHALLENGING IN FISCAL  
2013-14 WITH SLOWER THAN  
EXPECTED GROWTH IN GDP**

The global economic environment continued to remain challenging in fiscal 2013-14 with slower than expected growth in GDP. This was largely due to deceleration of growth in some of the emerging market economies triggered by domestic policy weaknesses, tight monetary conditions and investment and supply constraints. According to an update published by the International Monetary Fund (IMF) in April 2014, the global economy is expected to recover during 2014-15, mainly led by advanced economies. Growth in emerging market and developing economies is expected to pick up modestly. Fig. 1, provides IMF estimates for GDP growth of key economies during 2014.

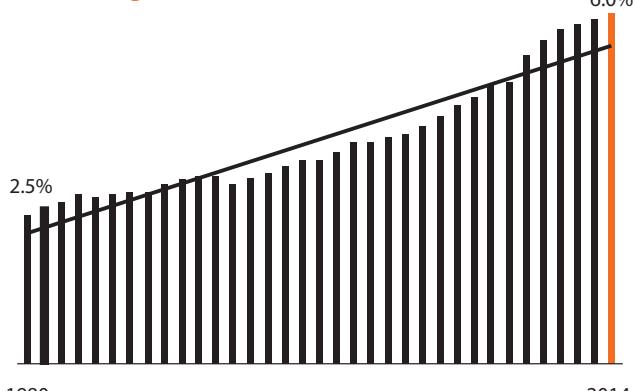
**Fig. 1: GDP at Constant Prices Growth Rate (%)**



Source: IMF estimates

The Indian economy hasn't remained unscathed from the global economic slowdown and witnessed deceleration in GDP growth rates. Interestingly though, India's share in the World GDP based on purchasing power parity (PPP) has continued to move up and despite the slowdown in growth over the last few years, it continues to show an upward trend, implying that India is doing better than the rest of the world and its share of global GDP (PPP) continues to increase. Fig. 2 provides the trend of India's share in global GDP.

**Fig. 2: India's Share in World GDP (PPP)**

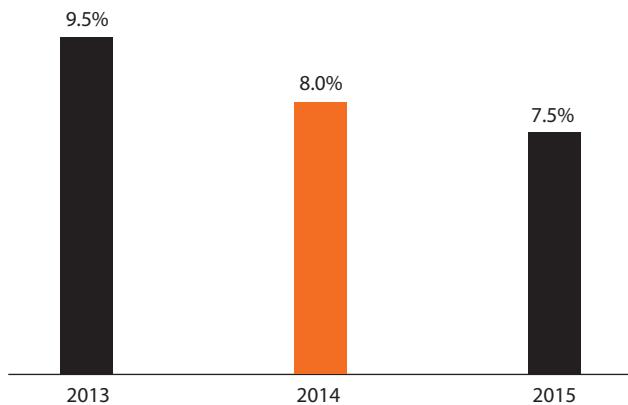


Source: IMF estimates



As per IMF, India's GDP growth is expected to recover from 4.4% in 2013 to 5.4% in 2014, supported by slightly stronger global growth, improving export competitiveness and implementation of recently approved investment projects. Pickup in exports in recent months and measures to curb gold imports have contributed to lowering the current account deficit. Policy measures to bolster capital flows have further helped reduce external vulnerabilities. Overall growth is expected to firm up on policies supporting investment and a confidence boost from recent policy actions, but may remain below trend. Consumer price inflation is expected to remain an important challenge, but should continue to move onto a downward trajectory. Fig. 3 shows consumer inflation in India as estimated by IMF.

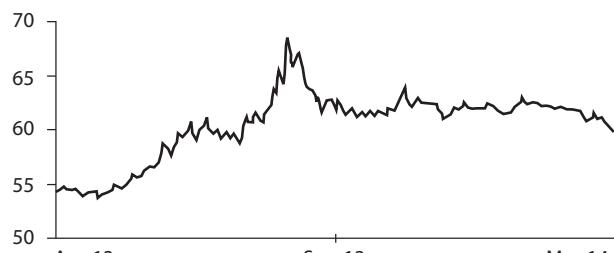
**Fig. 3: India – Consumer Prices (annual % change)**



Source: IMF estimates

Towards the middle of fiscal 2013-14, there was a sharp depreciation in the Indian Rupee (INR) and it touched record lows, primarily as an outcome of widening current account and fiscal deficits. There has been some improvement on this front and the INR has recovered from the lows it witnessed around the middle of fiscal 2013-14. Refer Fig. 4.

**Fig. 4: INR/USD Exchange Rate Movement**

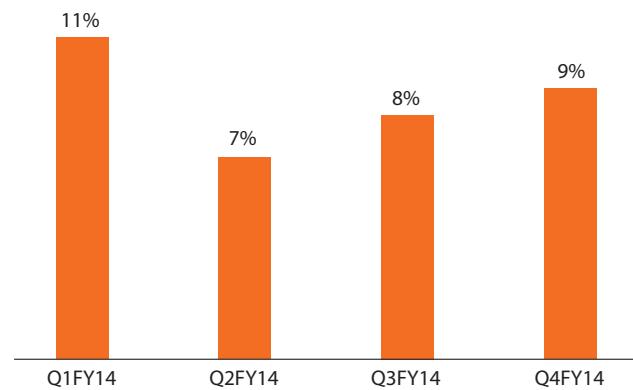


Source: RBI

The macro-economic slowdown which had earlier impacted most of the sectors of the Indian economy such as autos, consumer durables and industrials, now has a bearing on the Fast Moving Consumer Goods (FMCG) industry. Fiscal 2013-14 has been a tough year for Indian consumer sector. On the one hand, food inflation remained high during the year and on the other, there were uncertainties about job prospects and the state of the economy. Given these factors, there has been a deceleration in FMCG growth rates.

According to AC Nielsen, FMCG sector growth rates slipped to single digits in the middle of fiscal 2013-14. However, they inched up marginally towards the end of fiscal 2013-14. Refer Fig.5.

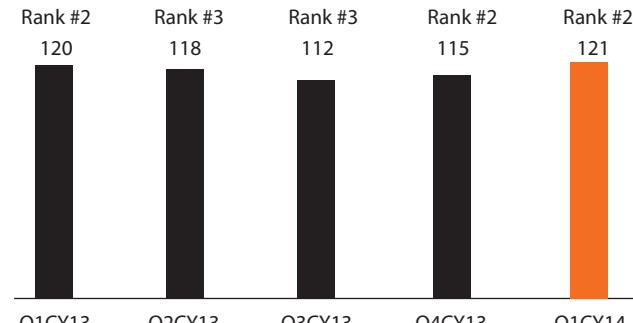
**Fig. 5: India – FMCG Sector Growth Rates**



Source: Nielsen Featured Insights Trendcasting

Despite deceleration in FMCG sector growth rates, India continued to occupy the top spots as per global consumer confidence index study by Nielsen in addition to an uptick in consumer confidence in the later half of fiscal 2013-14 as presented in Fig.6.

**Fig. 6: India – Consumer Confidence Index and Global Rank**



Source: AC Nielsen

We expect the resilience of India's economic fundamentals combined with increasing consumerism driven by the factors stated below to lead to brighter times ahead for the FMCG sector:

- Favourable demographics and rising income levels
- Total consumption expenditure set to increase - expected to reach nearly USD 3600 billion by 2020 from USD 1328 billion in 2012
- Working population (aged between 15 and 64 years) estimated to increase from 780 million in 2011 to 900 million by 2030
- India's middle income population estimated to reach 267 million by 2016 from 160 million in 2011
- Rural FMCG market size to grow from USD 12 billion in 2011 to USD 100 billion by 2025 driven by increase in per capita disposable incomes.

#### **DABUR PERFORMANCE OVERVIEW**

Building on its enhanced rural retail footprint and innovative consumer-connect initiatives, Dabur India Ltd sailed through the challenging business environment to post a strong growth in Sales and Profit during the 2013-14 financial year. The Company's Sales crossed the ₹ 7,000 crore mark as was envisaged in the four year strategic plan which was completed in fiscal 2014. Your Company is now set to embark upon the next strategic plan starting 1<sup>st</sup> April 2014 which would guide the Company forward into the next 4 years.

Good growth momentum was witnessed across key categories and geographies with both the Domestic FMCG business and the International Business reporting strong volume driven growth during fiscal 2013-14.

As a company, Dabur is well connected to its consumers and endeavours to provide products that meet their needs and requirements. We recognize that understanding consumer behaviour and needs is critical to not just creating efficacious products but also developing effective marketing communications. Dabur has been engaging with consumers all through the year, basis which a host of new products and variants were developed, across product categories and geographies, which received encouraging response.

The new product launches in India during the year include a premium health supplement called Dabur Ratnaprash, Vatika Olive Enriched Hair Oil, Vatika Enriched Coconut Oil with Hibiscus, Vatika Premium Naturals Shampoo with Hibiscus and Reetha, Fem Fairness Naturals with no added ammonia, besides

**AS A COMPANY, DABUR IS WELL CONNECTED TO ITS CONSUMERS AND ENDEAVOURS TO PROVIDE PRODUCTS THAT MEET THEIR NEEDS AND REQUIREMENTS**

new Ayurvedic ethical medicines in different therapeutic areas, India's first range of drinking yoghurts under the brand Real Activ and fruit-milk shakes under the brand Real. In addition, we have also launched a new Anardana variant of Hajmola tablets, which has emerged as a fairly successful variant. The pace of new launches was kept up in our International Business as well with the introduction of Amla Leave-On Oils, Fem Gold Hair Removing Cream, Dermoviva Face Wash, Dermoviva Face Scrub, Vatika Hair May onnaisse, Vatika Hair Color Crème, Fem Halawa, Straightening and Strengthening Treatment by HAIRepair™ under the brand ORS and other products during fiscal 2013-14.

Project Double which was launched during 2012 to double our direct distribution reach in rural India was consolidated and taken further during fiscal 2013-14. Today, our products directly reach over 38,250 villages as compared to a reach of 14,865 villages in March 2011. This initiative has not just helped us manage the overall slowdown by boosting sales from the rural markets but also expanded our product basket in rural India, which has translated into higher and more profitable sales. As a result, we are now witnessing demand from the hinterland for products like packaged juices under the brand Réal, Fem fairness bleaches and Home Care products which were till now considered as very urban centric. This clearly indicates that the aspirations of rural consumers are increasingly aligning with their urban counterparts, leading to a steady shift in consumer preference towards branded consumer products.

We continued to leverage the various melas and haats organized across rural India through the year to build greater consumer connect and generate trials for our various products. These initiatives not only gave the rural consumers an opportunity to experience Dabur products, but also generated a huge buzz and positive word for the brands.



In addition to the haats, we engaged with our consumers throughout the year with various initiatives such as our mass awareness campaigns (Immune India, Oral Hygiene camps, Health Camps etc.), informative sessions and other promotional events. Appreciation by means of consumer recognitions and awards as well as sustained improvement in customer satisfaction is testimony to our improving customer relationships.

Fiscal 2013-14 also saw Dabur take its beauty, health and wellness products to the digital world with four dedicated portals. The Company invested in creating an online content warehouse for its brands in Oral Care, Skin Care, Hair Care and Health Care categories. Digital media like YouTube, Facebook etc. were used to popularize the products and create awareness about them. These web initiatives have helped us better connect with the internet savvy and particularly the younger generation.

The FCMG retail landscape in urban India is witnessing the emergence of chemist outlets as a key trade channel. Today, the chemists play an active role in promoting OTC products with the flexibility to drive sales of particular brands and products and are fast emerging as retailers of a larger range of health and personal care products. Besides being critical retail points, chemists also act as advisors to consumers seeking solutions to treat moderate and non-critical health problems. As consumers are increasingly shifting to self-medication and tend to visit a doctor only for serious ailments, they value the advice of chemists in the context of OTX/OTC products. The chemists are better educated and informed as compared to grocers, and give practical suggestions to consumers regarding specific healthcare issues, hence influencing OTC purchase in a big way.

As India's most trusted healthcare brand, Dabur has already set in motion an initiative to tap the chemist network in a more focused manner. We have organized our sales teams specifically to cater to the demands of this channel and also enhance distribution of Health Care and personal products portfolio through the chemist network. In the first phase, Dabur plans to significantly increase its direct coverage in the chemist channel in urban markets and increase the availability of its product range in this channel. The project is already under implementation and we expect to derive benefits from the increased coverage going ahead.

Riding on these initiatives, Dabur drove demand and generated strong volume-led growth even though the environment remained challenging. Though there was emergence of pockets of inflation driven by factors such as adverse exchange rate movements, we continued to invest strongly behind our brands and enhance our distribution network.

The highlights of Dabur India Ltd's performance during fiscal 2013-14 on a consolidated basis are:

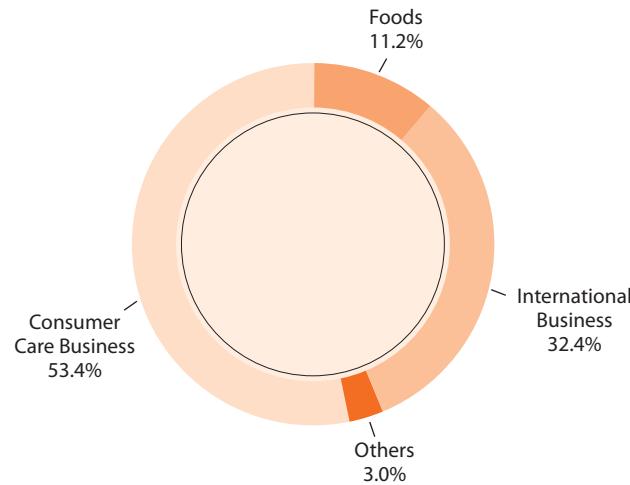
- Net Sales grew by 15.1% to ₹ 7,073.2 crores in fiscal 2013-14 from ₹ 6,146.4 crores in fiscal 2012-13
- Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) increased to ₹ 1,287.9 crores in fiscal 2013-14, from ₹ 1,096.7 crores in fiscal 2012-13, recording a growth of 17.4%
- Profit After Tax (PAT) increased to ₹ 913.9 crores in 2013-14, up 19.7% from ₹ 763.4 crores in 2012-13
- Earnings Per Share (EPS) increased to ₹ 5.21 in 2013-14 from ₹ 4.35 in 2012-13

## STRATEGIC BUSINESS UNITS

Our business structure today stands as below:

- **Consumer Care Business** incorporating the Health Care and Home & Personal Care (HPC) verticals, which accounts for 53.4% of consolidated sales
- **Foods**, comprising fruit-based beverages and culinary pastes business, which contributes 11.2% to consolidated sales
- **International Business**, which includes Dabur's organic overseas business as well as the acquired entities of Hobi Group and Namaste Laboratories LLC. This vertical now accounts for 32.4% of Dabur's consolidated sales

**Fig. 7: SBU-Wise Sales Breakdown**

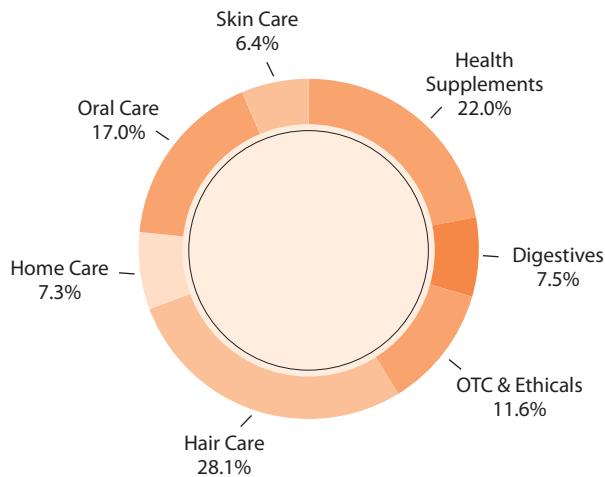


## CONSUMER CARE BUSINESS

The Consumer Care Business is the largest business vertical of Dabur India Ltd. This vertical includes our core FMCG business, comprising Health Supplements, OTC & Ethicals, Digestives,

Hair Care, Skin Care, Oral Care and Home Care. With strong growth across most of the key categories, this vertical ended fiscal 2013-14 with a growth of 12.8%.

**Fig. 8: Category-Wise Consumer Care Sales Breakdown**



## HEALTH CARE

India is witnessing a marked increase in the incidence of lifestyle-related diseases, such as cardiovascular, diabetes etc. With increasing urbanization and problems associated with modern-day living, the disease profiles are shifting from infectious to lifestyle-related, particularly in urban India. Rural India is also seeing a higher occurrence of non-communicable lifestyle related diseases.

With this, matters of health are today taking prime space in the minds of every individual. This growing awareness is today seen across age-groups, pop-strata and geographies. As a result, people, largely in urban India, are increasingly taking to the virtual world to meet their need for information on preventive health care.

With a legacy and experience of nearly 130 years, brand Dabur evokes trust in its consumers and is well placed to cater to the consumers' increasing demand for holistic health care. Health Care is a key pillar of growth for Dabur, and we have been rolling out a slew of new initiatives aimed at further deepening our commitment towards the health & well-being of every household.

Besides a range of digital initiatives, Dabur has also built a network of doctors and experts who regularly interact with consumers/patients, addressing their health care needs and offering health solutions. Recognizing the fact that schools play a paramount role in shaping a child's future since they are the primary caregivers during the formative years, Dabur also

undertook a host of initiatives focused on schools to educate kids on various health and nutrition matters. These initiatives have resulted in Dabur being named the Most Trusted Leader in the Ayurveda category in the Brand Trust Report 2013, released by Trust Research Advisory.

Dabur's Health Care vertical comprises Health Supplements, Digestives, OTC and Ayurvedic Ethical Products. Dabur has a highly experienced R&D (Research & Development) team and access to the centuries old knowledge of Ayurveda, the benefits of which are now being validated with science, to develop efficacious products that are contemporary and in ready-to-use formats offering our consumers holistic health and well-being.

## Health Supplements

Dabur's Health Supplements portfolio comprises three key brands - Dabur Chyawanprash, Dabur Honey and Dabur Glucose. Together, these brands now contribute to 22.0% of Consumer Care sales. Fiscal 2013-14 saw Dabur roll out a series of new communication campaigns and consumer activations, both on-ground and in the virtual world, which helped this category end the year with a strong 16.4% growth.

Dabur Chyawanprash, the largest brand in this portfolio, continued to be positioned as an immunity specialist. This specialist positioning was taken forward with the brand using the advocacy route to spread the message of building immunity and protection from diseases. Towards this end, we identified key opinion leaders and doctors to spread the word around the need to strengthen immunity as a foundation of health and well being. The brand also signed up Bollywood celebrity Madhuri Dixit for the campaign, which was very well received and ranked amongst the best advertising campaigns by Brand Equity.

A host of innovative marketing initiatives, integration with popular television serials and adoption of specialist advertising networks further improved the brand's visibility. A special online campaign was launched which helped us reach out to over 40 million consumers in the virtual world. A team of professionals have also been deputed to interact with the medical fraternity and spread awareness regarding the product benefits and various scientific studies conducted on the product to support the claims. These initiatives helped the brand, including the fruit-flavoured variants and the sugar-free variant, report strong double digit growth during the year.

For the past few years, Dabur Chyawanprash's Immune India campaign has been reaching out to schools across the country to educate students and teachers on the need for immunity. This year, we took this campaign a step further with the Dabur Chyawanprash Immune India School



Challenge through which Dabur Chyawanprash, along with Fortis Healthcare, ran a five-month-long competition that sought to spread health awareness amongst school kids. This initiative helped us reach out to a large number of children across 2,500 schools.

While reaching out to kids on the one hand with education-led initiatives, Your Company has also been aware of the growing needs of its adult consumers and has taken steps to address them. In order to meet their combined need for immunity, vigour and vitality, Dabur has introduced a premium health supplement called Ratnaprash. Test-launched in seven key states, Ratnaprash is a power-packed formula that fights fatigue and keeps one active all-day long. Enriched with the power of potent natural ingredients like Moti, Kesar, Musali, Brahmi and Amla, Dabur Ratnaprash has been specially developed for adults and helps rebuild strength, stamina, vigour, vitality and energy which are drained by the stress of day-to-day living. The product has been well received by consumers across the target states, and will be rolled out nationally in fiscal 2014-15.

The other major brand in this category, Dabur Honey, which is the largest branded honey in India, continued to report strong growth despite stiff competition from regional players and price increases due to a surge in raw material prices. Dabur rolled out a campaign, featuring cine star Bipasha Basu to establish Dabur Honey as a weight management expert. A high-decibel initiative was also launched – both in the digital space and also in the print media to engage consumers and introduce them to the world of Honey-based recipes that are simple to cook and are tasty & healthy. Celebrity chef Vikas Khanna was signed up to promote recipes based on Dabur Honey. A compilation of Honey-based easy recipes is also shared through magazine integration and visitors to the Dabur Honey website are invited to share their own recipes. Riding on these initiatives, the brand grew well across regions, SKUs and channels.

The Glucose category faced some compression due to a relatively cooler and shorter summer, which had some impact on Dabur Glucose as well. However the brand managed to perform better than the category and ended the year with a gain in market share. Dabur Glucose moved away from the generic positioning of 'energy' to a more focused and differentiated proposition of 'cooling energy! This proposition was communicated through a mega campaign featuring cine star Ajay Devgn.

### Digestives

The Digestives portfolio, which contributes 7.5% to Consumer Care sales, grew by 17.2% in fiscal 2013-14. While Hajmola is one of the major brands in this portfolio, this business vertical also has a variety of other brands such as Pudin Hara, Hingoli, Nature Care, Sat Isabgol, Lavan Bhaskar Churana and Triphala Churana.

## || HAJMOLA'S ANARDANA VARIANT EMERGED AS ONE OF THE MOST SUCCESSFUL IN RECENT YEARS ||

The Hajmola franchise performed well during fiscal 2013-14 and the Anardana variant introduced at the beginning of the year, emerged as one of the most successful variants in recent years. Fiscal 2013-14 witnessed brand Hajmola roll out a mega sampling exercise that helped it reach out to over 30 lacs individuals. Moving away from the earlier strategy of targeting on-the-go consumption, we decided to focus on in-home sampling. This proved to be a major success, helping the brand not only reach out to a large audience but also generate significant word-of-mouth publicity. A host of new initiatives and special packs are being planned to further drive in-home consumption of Hajmola tablets.

Following the successful consolidation of Pudin Hara franchise within the overall Digestives vertical, we saw the Pudin Hara franchise grow by strong double digits with all formats – Pearls, Liquids and Lemon Fizz – performing well. Dabur Pudin Hara undertook a unique initiative in Kanpur -- Dabur Pudin Hara Thandak Ki Chaaon -- under which a 20 feet high umbrella, with a diameter of 34 feet and 120 kg in weight, was erected in the city. This campaign engaged the residents of Kanpur and sought to establish the cooling & instant relief properties of Pudin Hara. This initiative entered the Limca Book of Records as the World's largest Umbrella. Dabur has continued with Ram Kapoor as the brand ambassador for Pudin Lemon Fizz and a new campaign is proposed to be launched this summer. Your company is now re-launching the entire Pudin Hara range giving it a common look across all formats. This will also help target lookalikes and spurious products. Nature Care, Lavan Bhaskar Churana, Triphala Churana and Sat Isabgol, which are the other brands in the Digestives portfolio, performed well during fiscal 2013-14.

### OTC Products

Dabur's OTC portfolio, which accounts for 7.4% of Consumer Care, offers a variety of products in categories such as Cough & Cold, Men's Health Care, Women's Health Care and Baby Care. This portfolio ended the year 2013-14 with a 10.1% growth.

The Indian over-the-counter or OTC market is growing at a fast pace driven by increasing reliance on OTC products to address common ailments, increased awareness levels and greater penetration of OTC products in rural areas.

In this category, it is highly important to build a relationship of trust and comfort with the customers to ensure loyalty and generate repeat purchase. As a company, Dabur makes efforts to connect with its consumers and develop products that meet their needs and requirements. The Company has been undertaking a host of initiatives both on-ground and through mass media to spread awareness about various OTC products and their benefits, besides executing new visibility campaigns across chemist outlets to reach out to consumers and enhance the availability of our OTC range.

Dabur's flagship brand in the Baby Care category - Dabur Lal Tail, today controls a third of the baby massage oil market. A new series of campaigns was unveiled this year to propagate the benefits of Dabur Lal Tail and also address some of the queries raised by consumers. Specially targeted TVCs were made to convey the benefits of key ingredients in the product, a move that worked well with the brand witnessing an uptick in market shares. As part of a consumer-connect initiative, the product was also sampled with over 300,000 new mothers through maternity clinics across India. An encouraging aspect is the fact the growth has been all-round with demand from Metro cities growing at a much faster clip, reflecting the fact that a growing number of urban mothers are also opting for Dabur Lal Tail.

In the Cough & Cold category, Honitus continued to perform well. To drive deeper into rural India on the back of increased footprint, your Company has introduced a 50ml pack of Honitus cough syrup. In addition, the year marked the re-launch of Honitus Lozenges range with a new packaging that aligns it with Honitus syrup. A new Honey Tulsi variant in Honitus lozenges was launched and well received.

A special drive was also undertaken targeting paediatricians and chemists under which we initiated doctor detailing of Honitus and Dabur Lal Tail in key cities this year in addition to in-clinic consumer education.

The new launches and campaigns were supported by on-ground sampling exercise covering nearly 5 lac kids and consumer activations, which added excitement around the brand. As part of its efforts to reach out to kids, Dabur Honitus joined hands with a private FM radio channel and launched a nation-wide hunt to identify child radio-jockeys. This initiative, christened 'Dabur Honitus BIG Junior RJ', was conducted across the country and the winners got a chance

## || DABUR'S FLAGSHIP BRAND IN THE BABY CARE CATEGORY, DABUR LAL TAIL, CONTROLS A THIRD OF THE BABY MASSAGE OIL MARKET ||

to host on-air shows. The Men's Health Care category too reported strong growth, led by the flagship energizer brand Shilajit Gold. Riding on the strength of focused print media advertisements and word-of-mouth publicity, demand for Dabur Shilajit Gold grew at a robust pace. The product has been re-launched with a new pack to give it a premium look and feel.

During fiscal 2013-14, Dabur initiated Project CORE (Chemist Outlet and Range Expansion) to significantly enhance direct reach in the Chemist channel and increase the range of products that are made available through this channel. The project aims to give Dabur the widest reach in the Chemist channel amongst competitors in the OTC segment. The programme has been initiated in top 150 towns, which contribute the largest share of the OTC business in urban India. In these 150 towns the Company's coverage is expected to increase from 31,385 chemists to around 53,217 chemists in the first phase. The initial phase of rollout is focused in North, East and West regions of the country.

In fiscal 2013-14 special visibility drive was conducted across 5,000-plus chemist retail outlets for Dabur's key OTC brands like Dabur Lal Tail, Dabur Janma Ghanti, Dashmularishta, Ashokarishta and Shilajit Gold across Chhattisgarh, Madhya Pradesh, Gujarat and Maharashtra. In addition, awareness campaigns and health camps were conducted for the two women's Health Care brands - Dashmularishta and Ashokarishta Asavs. The new communication sought to extend the brands' usage and relevance beyond the post-natal period and established them as excellent products for overall rejuvenation.

For the first time, some of smaller emerging brands like Dabur Mahanarayan Tail, Dabur Shankhpushpi and Dabur Badam Tail were supported with special campaigns in the media across key markets, a move that paid rich dividend and helped these brands grow in strong double digits.



## Ayurvedic Ethicals

Dabur has a wide range of ethical healthcare products based upon the age-old system of Ayurveda. These products are derived from natural sources and form part of this holistic healthcare system, focusing on all-round well-being. The Ayurvedic Ethicals portfolio, which now contributes 4.2% to Consumer Care, performed well growing by 14.9% during fiscal 2013-14.

The entire Ethical & Classical umbrella range, covering 418 products and 623 SKUs, was re-launched this year with a contemporary look and feel. During fiscal 2013-14, the range was promoted aggressively through focused activities at Dabur Ayurvedic Centres, in addition to special Health Camps and Vaid (Ayurvedic doctors) meets throughout the year.

In all, 500 Health Camps were organized across the country during fiscal 2013-14, which helped us reach out to more than 3 lac consumers. In addition, a large number of doctor meets were organized and Dabur initiated visits to nine medical colleges in Delhi, Varanasi, Handia and Amritsar to conduct special activations aimed at educating the future Ayurvedic medical professionals about the Dabur range of ethical and classical medicines.

A mega visibility drive was launched under which in-clinic communication and information guides for consumers were placed at outlets, besides counter branding was enhanced at 3,000 key Ayurvedic outlets across the country. Your Company has also put in place an initiative to educate the people manning counters at key Ayurvedic outlets about the Dabur range.

Engagement programmes were conducted for Vaidas throughout the year and nearly 700 practising Vaidas and key opinion leaders visited our Sahibabad unit, a move that helped enhance Dabur's brand equity and perception amongst Ayurvedic practitioners. Special initiatives were also run on the digital medium to create more awareness about our products and brands.

The year saw Dabur expand its Ethical range with the introduction of two new products -- Kanak Makara Dwaj and Taruni Kusumakar Churna.

As part of its plans to propagate the benefits of Ayurveda, Dabur has launched India's first Ayurvedic Medical Journal, 'Ayurveda Samvad'. This quarterly journal, first of its kind in India, will cover detailed information about the various clinical trials being conducted on Ayurvedic medicines. It is a part of Dabur's constant endeavour to propagate

messages on the Ayurvedic way of life to manage health and diseases. It will also feature articles covering original scientific studies in the field of Ayurvedic medicines with direct clinical significance, addressing health care issues and public health policy.

## HOME & PERSONAL CARE

The home and personal care market in India has been growing at a steady pace year on year, driven by increasing per capita income, rapid urbanization and the rising aspirations among young Indians. While personal grooming products have largely been targeting the discerning female consumer, beauty and personal care products are now increasingly becoming gender-specific. There is a rising aspiration among Indian men to look better groomed and this, interestingly, is not restricted to big cities only but is visible in smaller towns too. We have been responding to these emerging trends in the market with offerings to cater to the beauty and grooming needs of every section of the society.

The Home & Personal Care (HPC) vertical in Dabur's Consumer Care Business covers categories like Hair Care (Hair Oils and Shampoos), Oral Care (toothpastes and toothpowder) and Skin & Body Care, besides a host of Home Care products like Air Fresheners, Mosquito Repellents and Toilet Cleaners. Almost all of these categories have been witnessing high levels of competitive intensity in the recent years in a bid to capture the consumer's mind space.

Dabur, on the strength of its well established brands and a highly differentiated product range, has performed well in spite of stiff competition and ended the year with strong volume-led growth. We believe that consumer satisfaction is the single most important measure of success for us and the increasing demand for our products validates the trust that consumers place in them.



**THE ENTIRE ETHICAL & CLASSICAL  
UMBRELLA RANGE WAS RELAUNCHED  
WITH A CONTEMPORARY LOOK  
AND FEEL**

## Hair Care

Indian consumers consider hair care as an integral part of their daily beauty and grooming regime. As the incidence of hair styling grows in the country, the fear of chemicals harming the hair has also emerged as an area of great concern. Dabur, with its portfolio of natural hair care solutions, has been addressing this concern and provides the most-preferred natural hair care brands in the country today.

Our Hair Care portfolio comprises a range of natural hair oils and shampoos. This range has now been extended with the launch of natural hair conditioners. During fiscal 2013-14, Dabur's Hair Care portfolio grew by 7.1% and now contributes to 28.1% of the Consumer Care Business.

After few years of reporting strong double-digit growth, the Hair Oil industry showed some signs of weakening in the later part of fiscal 2013-14. This slowdown was prevalent across all segments of the Hair Oil market with categories like coconut hair oils, perfumed hair oils, light hair oils and cooling hair oils slowing down.

Even during these trying times, Dabur's key hair oil brands – Dabur Amla Hair Oil and the recently-launched Dabur Almond Hair Oil performed well. Our flagship hair oil brand Dabur Amla Hair Oil reported good volume growth during the year and further cemented its position as the largest and most preferred perfumed hair oil brand in the country with a consumer base of over 60 million users.

The company continued to move forward on its two-pronged strategy with Dabur Amla, targeting the mustard oil users in the Hindi belt on one hand and communicating the benefit of Dabur Amla to consumers in South India on the other. To drive home this message in South India, we organized a regional beauty contest, 'Hunt for Black Beautiful Hair' and joined hands with a leading private FM radio station in Tamil Nadu to host a mega initiative that helped us reach out to over 3 lac women in the state. These initiatives have helped build a strong base in South India for Dabur Amla hair Oil and this region is reporting strong growth for the brand.

Within just two years of its launch, Dabur Almond Hair Oil has emerged as an important player in the light hair oil category with its unique hair nutrition proposition helping gain consumer mind share. This brand was rated as a Breakthrough Innovation Winner and ranked amongst the Most Innovative and Successful New Launches by The Economic Times-Brand Equity in March, 2014. In order to generate further trials for Dabur Almond in rural pockets, the Company introduced two new SKUs – a 3ml sachet for Re 1 and a 30ml pack for ₹ 15 – which further drove demand for this brand.

## INDIAN CONSUMERS CONSIDER HAIR CARE AS AN INTEGRAL PART OF THEIR DAILY BEAUTY AND GROOMING REGIME

Dabur's coconut hair oil brand, Vatika Enriched Coconut Hair Oil, remained under some pressure as the coconut hair oil category witnessed a decline. Your Company continued to invest behind the brand with special testimonial-led campaigns and consumer activations in key markets to establish Vatika as the preferred coconut hair oil brand among the youth.

The year 2013-14 marked the expansion of the Vatika hair oil portfolio with the introduction of two new products - the first was a new hair oil fortified with the goodness of Hibiscus, under the brand Vatika. This is the first-ever hair care product in India that is enriched with Hibiscus, traditionally known to be effective in combating hair loss and dandruff. This was initially launched in South India and given the encouraging response from consumers, it has now been introduced in other geographies too. Southern cine star Samantha Prabhu is the face of the new Vatika Enriched Coconut hair oil with Hibiscus.

This was followed by launch of Vatika Olive Enriched Hair Oil, which further strengthened our presence in the perfumed light hair oil market. This is the first ever Olive hair oil in the country enriched with Almond Proteins and Aloe Vera. The new Vatika Olive Enriched Hair Oil comes with the proposition of extra hair-fall control and non sticky, silky, bouncy hair.

Going forward, your Company plans to expand its hair oils portfolio with the introduction of specialized products to cater to the emerging hair care needs of its consumers.

Dabur's shampoo range under the brand Vatika continued to perform well in fiscal 2013-14 driven by the herbal proposition and focused marketing mix. During the year, Dabur expanded the Vatika shampoo portfolio with the launch of Vatika Premium Naturals Shampoo with Hibiscus, Reetha and Olive Conditioning to further enhance its share in this category.

Your Company also introduced Vatika conditioners during the year, in a limited scale. The product is currently being sampled with consumers as a free promotion along with Vatika shampoos.



## Skin & Body Care

The personal grooming market in India has been witnessing good growth at both ends of the age bracket. On the one hand, a growing population of young Indians is entering the category spurred by greater awareness and rapid growth of digital media. On the other hand, the middle aged and older population is also seeking specialised products to look younger and delay the onset of ageing.

The Skin & Body Care business for Dabur comprises two key brands - Fem (for fairness bleaches and hair removing creams) and Gulabari (for Rose-based Skin Care products). Your Company has been offering skin solutions under these two brands to meet these growing need gaps in the market, which has helped Dabur's Skin & Body Care business end the year with a 13.2% growth. A number of innovative consumer activations were rolled out during the year, which helped spread awareness about Dabur's beauty brands and also build a long-term emotional connection between the brands and the customers.

During the year, Dabur re-launched the entire Fem facial bleach portfolio as Fem Fairness Naturals. This all new skin fairness range has no added ammonia and is fortified with natural ingredients like Saffron, Milk and Vitamin E, making the entire usage experience healthy and pleasant.

The new Fem Fairness Naturals range has 4 products under it – Fem Fairness Naturals Saffron Crème Bleach for fair skin, Fem Fairness Naturals Pearl for darker skin, Fem Fairness Naturals Gold Bleach for special occasions and Fem Turmeric Herbal Bleach priced very affordably in the range of ₹ 25 to ₹ 34 for a month's fairness benefit. Fem also became the first fairness bleach brand to be dermatologically tested to be safe on skin.

Innovation has always been a key strength of Dabur. It is our ever growing focus on R&D that helps us offer unique solutions to the consumer needs and another example of our innovation capability was the launch of the a unique gel based facial bleach -- OxyLife Gel Bleach with Aloe Vera. It is the first bleach that is packed with the goodness of Oxygen and Aloe Vera together, making it mild and gentle for the skin.

To meet the growing demand for male grooming products, Dabur launched OxyLife Men Crème Bleach and a specialised male professional facial bleach. This new male facial bleach is an Oxygen-rich formula specially developed for men's skin. It removes month-long dullness in just 15 minutes. Derived from Sea Salts, its powder activator acts as a detoxifier with

its exfoliation properties. All the new introductions have been very well received by consumers.

Taking brand Fem's association with natural glow and beauty to the consumer activation platform, your Company organized a beauty pageant across North India, offering young women a platform to showcase their beauty and enter the mainstream world of modelling. The initiative was a big hit across the region and Dabur plans to roll it out on a much larger scale in fiscal 2014-15.

Tapping the rural potential, Dabur has now introduced Fem facial bleaches in sachets, a first-ever in the category. Fem sachets are available at ₹ 12 (Fem Turmeric) and ₹ 15 (Fem Gold). Dabur has also been aggressively working on enhancing and empowering its salon network by extending its partnerships across the country and creating products specially aimed at the professional beauty care market. Catering to this section's needs, Fem has launched new professional packs especially for parlours.

These initiatives helped brand Fem perform well and gain market share.

Gulabari, the second major brand in our Skin Care portfolio, saw range expansion with the launch of Dabur Gulabari Pearl Fairness Moisturising Lotion. Another addition to the range was Dabur Gulabari Facepack, which also received encouraging response. The mother brand Gulabari continued to take forward its communication campaign on multiple ways to use Dabur Gulabari Rose Water. We are now running a new campaign that seeks to deepen our engagement with consumers by seeking their ideas and views. Through this initiative, we have asked consumers to share their beauty formulae that include Dabur Gulabari as a key ingredient. We have already received close to 10,000 ways of using Dabur Gulabari and some of the best ideas would be taken into account to add more formats to the brand.

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**DABUR RELAUNCHED THE ENTIRE  
FEM FACIAL BLEACH PORTFOLIO  
AS FEM FAIRNESS NATURALS WITH  
NO ADDED AMMONIA**  
||

### Oral Care

Dabur's Oral Care portfolio grew by 13.8% during fiscal 2013-14, and now accounts for 17.0% of Consumer Care Business. The portfolio comprises two key product categories - toothpaste and toothpowder.

Dabur's toothpaste portfolio grew by 16.4% during the fiscal despite heightened competitive intensity and entry of new players. Dabur Red Paste, with its strongly differentiated positioning, continues to be the key growth driver for Dabur and registered strong gains in market share. It crossed the ₹ 200-crore turnover mark during the year, becoming one of our fastest brands to achieve this landmark. During the year, the brand launched a mega exchange offer, the biggest-ever by any brand, which helped generate fresh trials and win a whole new set of consumers. The Company received over half a million entries for this exchange offer.

In addition to the sustained media activity on the brand, Dabur also rolled out a series of school contact programmes to increase oral hygiene awareness among children across the country. Dental camps were also organized across various schools to improve the dental hygiene levels among school kids in India and educate them about best dental care practices. This initiative covered the entire spectrum -- from the most modern urban schools to the local rural schools.

The year also saw Dabur re-launch its premium toothpaste brand Meswak with a superior formulation. Our economy segment brand Babool, riding on sustained media support, arrested the decline and registered a recovery during the year.

Dabur's toothpowder portfolio under the brand Dabur Lal Dant Manjan reported steady demand, riding on rural activation programmes that sought to convert non-dentifrice users to toothpowder.

### Home Care

Dabur's Home Care portfolio continued on a strong growth trajectory in fiscal 2013-14 and ended the year with 19.8% growth. This was driven by new launches, focused media activity and high-decibel consumer-connect initiatives across product categories. The portfolio, which covers Air Fresheners, Mosquito Repellents and Toilet Cleaners, today comprises 7.3% of the Consumer Care Business at Dabur.

With growing urbanisation and a rise in the number of dual income households, consumers are increasingly adopting lifestyle products such as air fresheners and hard surface cleaners resulting in strong growth for the Home Care category in India. The demand for Home Care products is not limited to urban markets as even rural consumers are increasingly

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**DABUR RED PASTE CROSSED THE  
₹ 200-CRORE TURNOVER MARK  
DURING THE YEAR, BECOMING  
ONE OF OUR FASTEST BRANDS TO  
ACHIEVE THIS LANDMARK**  
||

switching to branded products, thanks mainly to an increase in disposable incomes in rural India.

Odonil, Dabur's leading home and air freshening brand, emerged as the key growth driver for this category, in the face of stiff competition from branded and private label operators on one hand and unorganized sector on the other. With the launch of new formats like Gels and One-Touch Sprays, Odonil has now established itself as a complete air freshening expert with a variety of air care solutions.

The Odonil blocks format was re-launched in an improved avatar offering 2x fragrance. The brand signed Cine Star Madhuri Dixit as its new brand ambassador for promoting the new Odonil 2x range, reinforcing the transformative effect of fragrance on our ambience as well as on our state of mind.

The mosquito repellent brand Odomos performed well during fiscal 2013-14, riding on aggressive education and community service initiatives across markets. The brand also took forward its school contact programme that sought to educate kids about the various mosquito-borne diseases and ways to protect themselves from mosquito bite. We are now preparing to expand our presence in this category with the launch of a new range of modern formats.

The toilet cleaner brand Sanifresh also performed well during the year, driven by an improved formulation and sustained media campaign.

### FOODS

As consumer preferences shift towards a healthier lifestyle, thanks to growing awareness and a wider global exposure, food habits too are showing a marked change. People in urban India are increasingly looking at wholesome and convenient solutions that provide the required nutrition. This has provided a fillip to the packaged fruit-based beverage and juice



segment, a category that Dabur operates in with its brands Réal and Réal Activ. To cater to this growing need, Dabur has been expanding its fruit-based beverage and juices portfolio with the introduction of new variants and products that are nutritional yet convenient.

Dabur's Foods segment had another fruitful year with strong growth of 19.7%. The Foods business now contributes 11.2% to consolidated sales. What was even more encouraging was the fact that the growth was not restricted to traditional juice variants, but some of our exotic variants were also big growth drivers. Continuous innovation and focus on consumer insights has resulted in doubling of sales of this vertical in last four years. Réal crossed the US\$ 100 million mark to become the biggest Dabur brand in the country, with over 100 million litres of juice sold during the year.

In addition to fruit juices, Dabur's Foods business includes culinary pastes and pureés under the brand Hommade.

Dabur continued to introduce new juice variants, besides entering new fruit-juice-based functional food categories to drive demand and also generate excitement in the market. The year saw Dabur introduce superfruit juices in India under a new sub-brand Réal SUPAFruits, in addition to test marketing fruit juice-based drinking yoghurts under the brand Réal Activ and fruit milk shakes under the brand Réal. This summer also marked the launch of 100% tender coconut water under the brand Réal Activ in north India.

The SUPAFruits range has been launched with two variants - Strawberry-Plum and Goji Berry-Pink Guava. Superfruits equal super nutrition as they are packed with antioxidants, vitamins, minerals, and other fruit nutrients that help promote overall health.

Dabur continued to invest behind its food brands with special campaigns and a host of consumer initiatives, including participation in popular trade fairs to reach out to a large number of consumers and sample the new variants. Réal's special occasion gift packs, initially offered during Rakhi and Diwali, have become hugely popular. Responding to consumer demand, we have now started offering similar specially designed gift packs for other occasions and festivals such as Baisakhi, Lohri (combo pack of Réal juices with Revri), Eid (Réal juices with dates) and Christmas (Réal plum juice combos) etc. This has added to the excitement around the brand and indicates its growing popularity. Various consumer activations were also done to reach consumers directly. Among these activations, 'Réal Run for Children' set a new Limca Book Record with children signing 5,000 postcards addressed to the President of India demanding Right to Education for underprivileged children.

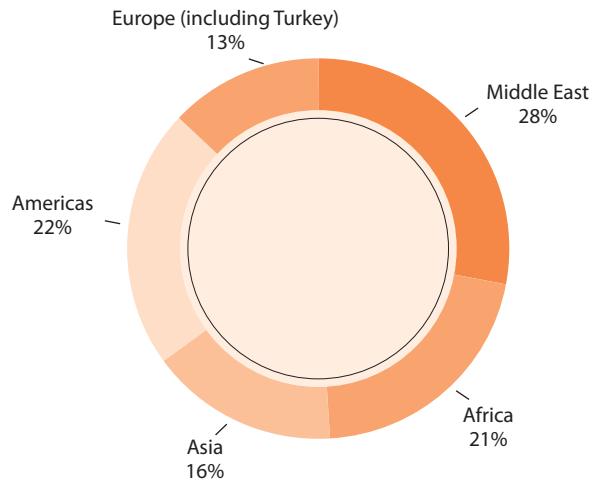
During the festive season, covering Rakhi and Diwali, Réal launched a unique signature campaign, titled 'Dil se Dua', wherein the brand sought support for underprivileged children. Dabur encouraged people to sign on a pledge to support the kids and against each signature, Dabur committed to give one pack of Réal fruit beverage to a needy kid. Your Company also ran a special initiative at Durga Puja pandals in Delhi and Kolkata under which packs of Réal fruit juice were served at the pandals as part of the Puja celebrations.

Dabur also embarked on a mega campaign to drive awareness in South India with specially created DTH campaigns, TVCs, outdoor hoardings, bus shelters and Modern Trade branding. As a result, our imagery scores have improved a lot in South India, driving growth in the region. A branding and placement initiative was also launched at Modern Trade outlets across the county to create stronger relevance for the consumer. Under this, Réal fruit juice packs and Hommade culinary pastes were placed at fruit & vegetable counters at these outlets, which helped build category connect.

## INTERNATIONAL BUSINESS

Dabur's International Business continued on the strong growth trajectory growing by 22.3% to ₹ 2,310.8 crores in fiscal 2013-14. The International Business now contributes 32.4% to consolidated sales. Our major international markets are Middle East, Africa, Asia (ex-India), Americas and Europe.

**Fig. 9: International Business Region-Wise Sales Breakdown**



Dabur's International Business started as an exports business in the early 1980s for the Indian diaspora in the Middle East. Gradually the business expanded and started to cater to the local population in the Middle East and neighbouring markets as well. Driven by our understanding of consumer

behavior which we had developed over the years, we started customizing our product offerings for the local population. Our products in International Business are largely based on herbal and natural proposition which offers strong differentiation as compared to products offered by other local and global consumer companies in these markets.

Our International Business expansion strategy has largely been organic and our two acquisitions – Namaste Laboratories LLC and Hobi Group happened after we had established a substantial base in the International Business.

Localised supply chains have been the cornerstone of Dabur's expansion strategy in the International Business. To this effect, we have set up manufacturing facilities in UAE, Egypt, Nigeria, Turkey, Nepal, Bangladesh and Sri Lanka.

The pace of innovation has been very high in the International Business and in continuation of this strategy, fiscal 2013-14 witnessed several new product launches in Hair Care and Skin Care categories.

### Middle East

Middle East, is our largest international geography by sales, comprising 28% of International Business. Our biggest markets in Middle East is GCC (Gulf Co-operative Council), particularly KSA (Kingdom of Saudi Arabia), UAE, Kuwait and Oman. In this region, we operate in categories such as Hair Oils, Hair Creams, Shampoos, Hamam Zaith, Hair Gels and other Hair Care and Skin Care products. The region reported strong double digit growth during fiscal 2013-14.

Within GCC, Saudi Arabia, which is one of our key markets, continued to perform well and witnessed an uptick in market shares. We maintained our leadership position in the Hair Oils category in Saudi Arabia with market shares increasing to 69% v/s 66% last year. Similarly in Hair Creams, market shares increased to 35% v/s 29.5% last year and we continued to be the dominant player in Saudi Arabia. In UAE, our Hair Oils market shares were stable at 23% and we maintained our leadership position in Hair Creams with market shares increasing to 33% v/s 29% last year.

The region witnessed a flurry of new product activity comprising launch of Vatika Hair Mayonnaise, Vatika Brillantine Shine, Vatika Gel Creams, Vatika Ingredient Range of Shampoos, Amla range of Shampoos and Conditioners, Amla Leave-On Oils, Fem Gold Hair Removing Cream and Fem Halawa. In addition, Vatika garnered a space in the Hair Colors category by successfully extending Vatika Naturals Hair Color Crème in many of our international markets.

## MIDDLE EAST, IS OUR LARGEST INTERNATIONAL GEOGRAPHY BY SALES, COMPRISING 28% OF INTERNATIONAL BUSINESS

### Africa

Africa comprises 21% of our International Business. With a population of around 1 billion people, Africa offers substantial growth opportunities in the long run for the consumer sector. As per African Development Bank, some of the key drivers for consumer sector growth in Africa are:

**Population growth and urbanization:** The African population is growing at 2% per annum. The continent's total population is therefore projected to increase by 50% from 1 billion in 2010 to over 2 billion by 2060. At the same time, the percentage of Africans living in cities is expected to increase to 50% in 2030 from 37% in 2009. Together, these two factors are expected to foster the number of new consumers entering the African market.

**Poverty reduction and the emergence of the middle class:** With high levels of economic growth across the continent, poverty levels as a percentage of total population are forecast to decline to 20% in 2020 from 48% in 2008. In turn, the "middle class" (i.e., people earning between USD 2 and USD 20 a day, in real terms) is expanding in Africa. The combined effect of poverty reduction and middle-class expansion provides huge potential for greater spending in the consumer goods market.

Though there is a long term potential for consumer sector growth in Africa, there are some challenges such as highly heterogeneous and segmented markets and underdeveloped infrastructure and distribution channels. Our task is to overcome these challenges and grow in this high potential continent.

At present, our key markets in Africa are Egypt and Nigeria and these two markets together comprise 12% of our International Business. In spite of political instability throughout the year, Dabur's business in Egypt performed well in fiscal 2013-14. We maintained our leadership position in Hair Oils and our market share increased substantially to 62% as compared to 53% last



year. In Hair Creams as well, we maintained our leadership position with a 56% market share. In Nigeria, though there were minor upheavals during the year, our toothpaste business witnessed stable market shares. Fiscal 2013-14 marked an entry into Home Care by Dabur in the Nigerian Market with the launch of SaniFresh.

In addition the North African region has emerged as a high growth market for our range of Hair Care and Oral Care products. In order to cater to growing demand in this region a new wholly owned subsidiary – Dabur Tunisie in Tunisia was incorporated and there are plans to set up a manufacturing facility at Tunisia to cater to the local and neighbouring markets.

Namaste Laboratories LLC which we had acquired in fiscal 2010-11 is a key pillar of our Africa expansion strategy. Namaste's product suite comprising range of Hair Straightening and Relaxing products along with products such as Olive Oil based Shampoos, Conditioners and Hair nourishment products are helping us in targeting a bigger portion of the African Hair Care market. In order to capture these opportunities, Dabur has established a dedicated business unit for Sub Saharan Africa, tasked with further enhancing our presence in Africa. To optimise the supply chain for Namaste's products in Africa, manufacturing of Namaste products in our Ras-al-Khaimah facility in UAE has commenced and addition of another line at our existing manufacturing facility in Nigeria is under consideration. Further, local manufacturing is being considered in South Africa, thereby ensuring that Dabur continues to tap into the growing potential of Africa. During the year, we continued to streamline distribution networks in these markets in order to extend the reach and availability of Namaste products which led to strong double digit growth for Namaste products in Africa.

### **Asia (Ex-India)**

Asia (ex-India) contributes 16% to our International Business. Our key markets in this region are Nepal, Bangladesh and Pakistan.

Nepal is our key market in Asia (ex-India) and comprises 7% of International Business. The year witnessed new launches such as Hajmola Anardana, Dabur Herbal Toothpaste, Dabur Salt Toothpaste, Real Supafruits, Odonil Gel and Aerosols. Real Fruit Juice, which is a key seller in the local Nepal market, was steady in spite of increase in competitive intensity. In addition, we continued with our efforts to strengthen the distribution network and increase availability of our products in retail channels.

Bangladesh performed well with 26% growth in spite of political disturbances in the country. We commissioned a

facility in Bangladesh for manufacturing a range of Hair Oils, Shampoos, Toothpastes and Dabur Honey for the local market. Some of the new launches in fiscal 2013-14 were Vatika Naturals Hair Fall Control Shampoo, Vatika Naturals Nourish & Protect Shampoo, Real juices and Gulabari Pearl Fairness Moisturizer.

Pakistan performed well and grew by 39% in fiscal 2013 -14. The growth was mainly led by Hajmola followed by other brands like Dabur Amla, Vatika Shampoo and Vatika Hair Oils.

### **Americas**

Our business in the Americas contributes 22% to the International Business. Dabur's presence in the Americas is largely an outcome of the acquisition of Namaste Laboratories LLC in fiscal 2010-11, which has Hair Straightening, Relaxing and Nourishment products for people of African origin living in the U.S. The strategic rationale for acquiring Namaste Laboratories LLC was to leverage this product suite to further expand our business in Africa while continuing to grow its market share in the U.S.

Namaste's performance in the U.S. was stable in fiscal 2013-14, post the rebranding exercise which was undertaken in fiscal 2012-13. The rebranding exercise in which we had rebranded Namaste's 'Organic Root Stimulator' brand as 'ORS', had caused disruptions in business during fiscal 2012-13 due to the transition and re-launch of the entire portfolio. However the business posted a steady recovery during 2013-14.

In fiscal 2012-13, we had launched Curls Unleashed range of products in which were on the natural platform and made with natural ingredients like safflower oil, sweet almond oil and shea butter. In continuation with our focus on the naturals platform, a new three-step Straightening and Strengthening Treatment by HAIRRepair™ was introduced in fiscal 2013-14 which has been formulated with natural ingredients like aloe vera, coconut and wheat protein and the treatment helps the hair become nourished, shiny and luxuriously soft.

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**NAMASTE LABORATORIES LLC WHICH WE HAD ACQUIRED IN FISCAL 2010-11 IS A KEY PILLAR OF OUR AFRICA EXPANSION STRATEGY**
  
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During fiscal 2013-14, the celebrity stylist DaRico Jackson was taken as the brand ambassador to the HAIRepair™ line of products. Referenced as the "Go-to-Glam Guru", Jackson's talents have been used by celebrities such as Nia Long, Keyshia Cole, Tasha Smith, Teyonah Parris, and Kelly Price just to name a few.

At present, Namaste derives 68% of its revenues from the U.S. and the rest from markets like Africa, Europe, Caribbean and Middle East.

In addition to the Namaste business, Dabur also sells some of its own products in the U.S. to the ethnic Indian community and has a small private label Oral Care business catering to institutional buyers. This business witnessed steady growth during the year.

### Europe (Including Turkey)

Europe comprises 13% of the International Business with Turkey being the key market. Turkey-based Hobi Group, which we had acquired in fiscal 2010-11, performed well during the year, and now contributes 9% to International Business sales. Fiscal 2013-14 saw the continued integration of markets and processes for Hobi Group and Dabur with the Gulf and African regions performing well for Hobi products. Some of the Hobi products such as hair gels, wet wipes and hand wash received a good response in the MENA region. As part of the integration process to unlock synergies between Dabur and Hobi, Fem brand from Dabur's portfolio was launched in Turkey in 2012-13 and it continued to elicit positive response in fiscal 2013-14. In view of the successful introduction of Fem in Turkey, other products from Dabur's portfolio are likely to be added going ahead.

Besides Turkey, Dabur has some presence in U.K. and other parts of Europe selling its range of Personal Care products largely to the Indian diaspora. Namaste business also has some footprint in Europe which performed well.

### DIGITAL MARKETING

With millions of consumers interacting with each other in the virtual world, consuming content online and even making purchase decisions online, the digital space has become a big marketplace. Today, print and television campaigns are not only leading to a sale but also resulting in an Internet search as consumers are seeking to build awareness and exchange notes with friends and peers.

Dabur believes that content is key in digital communication. Content that is engaging and builds dialogue and engagement with the consumers is what drives any digital brand campaign. Dabur has invested in creating content warehouse for its

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DABUR HAS INVESTED IN  
CREATING CONTENT WAREHOUSE  
FOR ITS BRANDS BY DEVELOPING  
4 NEW INTERACTIVE WEBSITES  
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brands by developing 4 new interactive websites addressing Oral Care, Skin Care, Hair Care and Health Care categories. The portal - [www.daburmedicloud.com](http://www.daburmedicloud.com) is aimed at connecting and creating a network of medical professionals, both Ayurvedic and Allopathic and disseminating information regarding various Ayurvedic and Health Care products from Dabur. This portal also provides medical professionals an easy access to the various clinical and pre-clinical trials/studies conducted on various products and medicines from Dabur. We already have 28,000 doctors enrolled on this portal.

Our other portal, [www.liveveda.com](http://www.liveveda.com) is an effort to reach out to consumers who are increasingly taking to the digital world to seek information about not just general health and wellness, but also consultation and remedies for common ailments. An increasing trend is fast developing in India where consumers are seeking solutions to ailments and looking for scientific information on healthcare issues on the Internet. Similarly, [www.mybeautynaturally.com](http://www.mybeautynaturally.com) has been developed with the intent to connect with digitally active consumers seeking advice on beauty products and beauty tips, while [www.daburdentalcare.com](http://www.daburdentalcare.com) seeks to regularly interact with consumers, addressing their oral health queries and disseminating information regarding oral hygiene besides offering oral care solutions.

Each of these portals are packed with content like Do-It-Yourself videos, natural beauty and healthcare tips, recipes, customized contents etc that help connect, communicate and engage with the consumers. Youtube is another digital forum that Dabur uses to engage and communicate with its consumers.

Apart from executing regular visibility and exposure building initiatives for brands like Odonil, Réal fruit beverages etc. by running pre-rolls on Youtube, your Company has also conducted an impact building exercise for Dabur Red Paste by taking up a Youtube masthead which generated 8.7 million



impressions within just 24 hours. Prior to this, a similar initiative was conducted for Réal to build consumer awareness on the Pomegranate variant of the brand, which also generated similar results. Special mocktail recipes using Réal juices were also shared with consumers through this channel.

Dabur has also been effectively using social media like Facebook, Twitter and LinkedIn to not just build an emotional bond with its consumers but also to disseminate information about its products. Facebook pages have been created for almost every single brand and each of them have a huge fan following. The brands Vatika, Real and Dabur Chywanprash have been able to reach out to millions of consumers through these initiatives.

### SALES & DISTRIBUTION

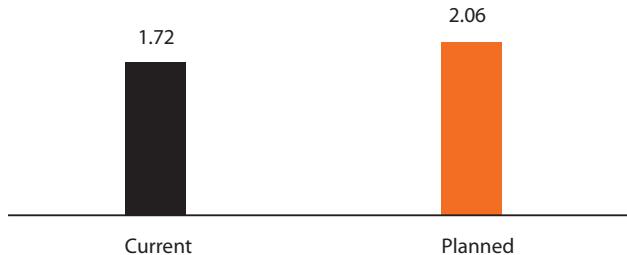
Dabur is committed to the Health & Well being of every household in the country and our highly motivated sales team has been helping us deliver this promise to every nook and corner of the country. Dabur products are available in more than 5 million outlets across the country making it amongst the most widely distributed FMCG companies in India.

### Project CORE

Health Care is central to our future growth plans. With increasing health awareness, OTC products are gaining consumer preference and offer enormous growth potential and opportunity.

During the year, Dabur initiated a programme titled Project CORE (Chemist Outlet and Range Expansion) to significantly enhance our direct reach in the chemist channel and increase the range of products that are made available through this channel. The project aims to give Dabur the widest reach in the chemist channel amongst competitors in the OTC segment.

**Fig. 10: Dabur – Direct Chemist Coverage (in lacs)**



The programme has been initiated in top 150 towns, which contribute the largest share of the OTC business in urban India. In these 150 towns the Company's coverage is expected to increase from 31,385 chemists to 53,217 chemists in the first phase. The initial phase of rollout is focused in North, East and West regions of the country.

Detailed assessment of current chemist coverage was done for all markets across the country, following which distribution objectives were defined for each town, basis the characteristics of each town cluster.

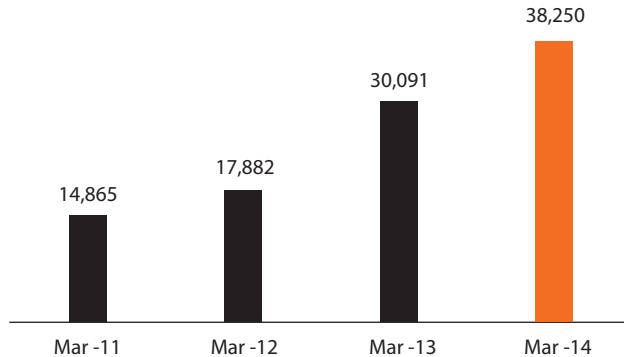
The task in urban markets was to enhance Chemist coverage per lac population and increase the range availability. On the other hand, the task in the rural terrain was to strengthen the distribution network for overall Health Care portfolio. A specialised approach was also put in place to leverage the potential of Specialty Pharma counters within Organized Retail, which is also developing as a key format with dedicated field resources, called Health Care Associates, have been deployed to service chemists in the top urban markets. They have been provided with hand-held devices and enabling tools integrated to the overall technology platform of Sales@Dabur. The requirements of channel specific capability building have been addressed through special training modules and a supervisory layer to guide them through the job. While the programme has already been rolled out in parts of urban India, the rural rollout is scheduled for fiscal 2014-15.

The coverage expansion initiatives have been supplemented with focused investments on brand visibility and loyalty programme for the channel.

### Project Double

Rural India accounts for nearly 50% of the domestic FMCG sales for Dabur. During 2012-13 Your Company had launched Project Double in order to increase its coverage of the rural markets. As a result of this expansion, Dabur had doubled its direct reach to over 30,091 villages with local distribution points and field resources in place. During fiscal 2013-14 the Company further expanded its coverage to 38,250 villages (refer Fig. 11) and continued to invest behind IT enablement and increasing productivity of its sales force. This initiative helped the Company drive sales in rural India as well as expand its product portfolio by catering to increasing demand for products such as Skin Care and Home Care.

**Fig. 11: Dabur – Direct Village Coverage**



This distribution expansion initiative has been supplemented through a series of focused activations that sought to engage rural consumers whose purchase decisions are guided by the quality-value paradigms and stress on functionality rather than frills. Direct engagement with consumers through participation in village Haats and Melas helped us reach out to a large audience and gave the consumers a chance to touch, feel and experience various Dabur products.

### Modern Trade

Modern Trade plays a key role in the retail landscape of this country today and contributes close to 9-10% of the FMCG industry sales. The key players in this market have also sharply defined not just their strategy, but also their choice of formats and business models. Given this revamp, Modern Trade penetration is rapidly increasing in the country with their footprint now extending to smaller markets too. This channel is now developing specialty formats catering to the specific needs of shoppers. In addition, Cash-and-Carry is emerging as an important format with presence across key states in the country.

Dabur has also reconfigured its approach to Modern Trade with a focus on greater collaboration with its customers. Under this, we have developed a key account management structure with a focus on improving engagement levels and organizing the sales system aligned to account level focus in servicing.

In addition, a greater impetus was put on high quality in-store execution. Large investments were made in augmenting the quality of merchandising effort to improve the in-store execution capability. To enable dynamic tracking and measurement of the impact, hand-held devices and relevant technology were provided to the teams. Category and brand-level opportunities were identified and leveraged, resulting in share gains across categories during the year. Thanks to these measures, sales through this channel reported good growth and share gains. Dabur was awarded the 'Best Supplier Award' for the year from one of the largest customers in Modern Trade.

### Leveraging IT – Project DISHA

Dabur places enormous confidence on the quality of systems and processes that enables the sales team to focus their energies on the core activity of selling, and that too with greater efficiency. Substantial investments have been made on Information Technology in sales at Dabur during the last financial year. We strongly believe that IT can dramatically enhance efficiencies and positively impact our performance.

All the IT initiatives in Sales@Dabur are anchored under Project DISHA and are aimed to achieve three key objectives:

- For the customers, improve the ease of doing business with Dabur
- Improving the quality and impact of field sales efficiencies
- Converting data into actionable information for the sales team

The stockist transaction software Drishti today covers around 80% of urban business, gathering real time market information. Dynamic dashboards have been created to enable stockists and sales teams to focus their actions in market place across various dimensions of operational efficiencies.

The comprehensive IT-enabled Order Capture System was made available to all stockists linked to Drishti. The system proactively alerts the stockists with suggested orders at SKU levels, helping them manage the ordering process by exceptions, releasing time to focus in the market. The creation of centralized order processing cells have also enhanced the speed of processing and eliminated processing errors.

### RETAIL BUSINESS - NEWU

Dabur operates its specialised beauty retail business under the brand 'NewU'. This business is operated under Dabur's wholly-owned subsidiary H&B Stores Ltd. The NewU stores merchandise a wide range of beauty care products and are mainly located in premium high footfall malls. These stores offer a unique blend of domestic and international brands covering a vast variety of colour cosmetics, fragrances, skin care, personal care and beauty and fashion accessories.

At the end of fiscal 2013-14, NewU's retail footprint stood at 46 stores across India, covering not only metro cities, but also Tier-2 cities. A majority of the NewU stores are located in the Delhi-NCR region. The business witnessed sales growth of 19.6% during the year as nearly all stores reported a good increase in sales with an enhanced and streamlined product range.

A number of new international beauty brands were introduced through the NewU store network during the year. These include Rimmel Colour Cosmetics, Sally Hansen, Kappa and Beverly Hill Polo Club fragrances. The beauty and fashion accessories range has also been enhanced. In addition, NewU has now launched its own Private Label – ZENSUAL – which includes a range of beauty products in Body Lotion, Body Washes, Make-Up Remover and Lip Balms categories. We also increased our NewU nail enamel range and strengthened our Beauty Formulas portfolio during the year.

NewU continued its joint marketing initiatives and in-store activations with top vendor partners which boosted sales. During the year, we undertook 425 in-store makeover sessions for consumers. Our customer loyalty program, AdvantageU,



now has a database of over 8 lac members. During the year, NewU also extended its ecommerce footprint and has now put together an alliance with Amazon.

## OPERATIONS

At Dabur, we believe that operations hold the key to gaining a competitive advantage and maintaining a high customer satisfaction rate. Dabur believes in continually striving for higher and better levels of quality not just in its products, but also in its operations, without losing sight of its commitments towards the environment and communities where it operates. Details of our various environment and community-led initiatives have been provided in the Business Responsibility Report section.

A host of initiatives were also taken towards new product and pack introductions, improve safety awareness and quality improvement. Safety, for us, is non-negotiable. By working across the entire value chain - from sourcing, manufacturing and logistics through to innovation, advertising and promotions and pricing, we can use our scale to gain efficiencies, reach new markets and meet our sustainability targets.

Two Dabur brands -- Vatika Shampoo and Réal Diwali Gift Pack - have bagged the AsiaStar international packaging award in fiscal 2013-14. AsiaStar is the only regional packaging award anywhere in Asia, and is also known as 'The Packaging Oscar of Asia'.

### Domestic Manufacturing

Dabur today has manufacturing plants spread across 12 locations in India - Baddi (Himachal Pradesh), Pantnagar (Uttaranchal), Sahibabad (Uttar Pradesh), Jammu, Silvassa, Nasik, Alwar, Katni, Narendrapur, Pithampur, Newai (Rajasthan), and Siliguri (West Bengal). Nearly 90% of our products are manufactured at company-owned units with the balance being produced at third party facilities.

Various energy conservation techniques have been initiated and successfully implemented across all domestic manufacturing units. These initiatives have helped us reduce fuel usage at our manufacturing plants by 25% during the year, and this has come in spite of an increase in production.

We are now taking our energy conservation initiatives to the next level and have already initiated the process of adopting renewable solar energy at our Corporate Office in Ghaziabad, besides evaluating the same for two unit clusters in Baddi and Pantnagar.

Fiscal 2013-14 saw Dabur being honoured with a number of operational excellence awards. Dabur's Greenfield unit

at Baddi was awarded the Silver Greentech Safety award in the FMCG sector. This award, recognizes exemplary operations, systems and the evidence of their impact to business vitality. Besides, Dabur's Pantnagar Unit was awarded the Runners-Up prize in the Manufacturing Today Award 2013 - Excellence in Technology. This award recognized the Company's efforts to drive various technological initiatives like Auto Sleaving machine, 33KV dedicated express feeder, Solar street lights, BHRS (Boiler Blow down & Heat Recovery System) etc, which have together contributed in reducing the manufacturing overheads at the plant.

Dabur was also awarded the Best in Class Manufacturing Excellence Award for the year and the Workplace Safety & Health Innovation Award for 2014. The Manufacturing Excellence Award is given to a company which has transformed the manufacturing processes and systems positively, while reducing costs and enhancing productivity at a manufacturing plant. These awards are a result of the continual efforts being put in by Dabur to improve its Operations, which include introducing new systems like TPM, Six Sigma, 5S, Lean manufacturing, Energy saving projects, upgrading technology, improving outputs and also improving safety standards.

**DABUR WAS AWARDED THE  
BEST IN CLASS MANUFACTURING  
EXCELLENCE AWARD FOR THE  
YEAR AND THE WORKPLACE  
SAFETY & HEALTH INNOVATION  
AWARD FOR 2014**

### International Business Manufacturing

Localised manufacturing and supply chain have been an important aspect of our International Business strategy. We have manufacturing facilities in UAE, Turkey, Egypt, Nigeria, Nepal, Bangladesh and Sri Lanka. The Sri Lanka and Bangladesh manufacturing facilities were commissioned in fiscal 2013-14. The Sri Lanka facility is a fruit juice manufacturing facility and is envisaged to largely cater to the South and West Indian markets besides the local Sri Lanka market. The new manufacturing

facility in Bangladesh will manufacture a range of Hair Oils, Shampoos, Toothpastes and Dabur Honey for the local market.

Our largest manufacturing facility in International Business is located at Ras al Khaimah (RAK) and during fiscal 2013-14, its capacity was significantly enhanced to cater to growing demand in the GCC markets. In addition, new facilities for Hair Creams, Toothpaste and Hair Serum were commissioned.

In the Egypt plant, entire manufacturing operations have been consolidated in to the new Green Field factory which was commissioned in the previous year. In addition, commercial production has been started for new product categories of Hair Gels, Henna Hair Colours and Fem Hair Removing Creams.

The Analytical testing capability has been increased across factories in our International Business, especially for plants exporting to Europe so as to align with new EC 1223 Cosmetic regulation requirement and change in Preservatives guidelines. Halal certification was also obtained for 157 products produced in the UAE.

## HUMAN RESOURCES

Committed and motivated employees are your Company's most important assets. Dabur's people philosophy has been to enable an organizational culture that values decentralized and entrepreneurial working. We are committed to creating a transparent organization that helps our employees hone their skills and enable them to deliver superior performance.

During fiscal 2013-14, Dabur focused on various strategic learning programmes, employee engagement and health management initiatives aimed at the overall development of our dynamic workforce. Dabur's Human Resource Development programme includes a structured approach in employee engagement, resourcing, performance and compensation management, competency-based development, career and succession planning and organization building. We have

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**OUR LEADERSHIP DEVELOPMENT  
PROGRAMME (LEAD), LAUNCHED  
IN 2011, IS NOW BEING ROLLED OUT  
FOR THE NEXT FIFTY OF OUR TOP  
LEADERS**  
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developed processes like Career Development Centre (CDC) at Dabur, which enables our employees know where they stand vis-a-vis organizational expectations and helps the individual grow in their career within the organization. CDCs also help us identify potential candidates under the succession planning programme.

Our Performance Management System is anchored in a Balanced Scorecard-based approach that helps us look at the value created by the employee, not only through his/her financial contribution towards the organizations' top line and bottom line, but also the intangible wealth created by the employee through improvements in business process, organizational learning & development. We provide growth opportunities for employees through job rotations, cross-geography/function movements etc. These are planned proactively in consultation with the candidates and their department heads.

Dabur has a structured Management Trainee programme, YMDP (Young Manager Development Programme), wherein we hire a set of Management Trainees from premier B-schools and help them grow with the Company. Some of the fresh hires are even given overseas exposure. We also undertake lateral hiring and have seen many people join Dabur in leadership positions from much bigger companies and MNCs.

This year we have launched a new initiative, YSLP (Young Sales Leadership Programme), with an objective to select and nurture young MBAs from next tier B-Schools for strengthening our sales talent pipeline. These graduates will be put through an accelerated structured training programme for 30 months so that they are ready to take up the ASM role at the end of the training period.

Our rural distribution enhancement programme, Project Double, has helped Dabur expand its rural footprint and reach out to villages of 3,000 population. This meant adding more 'Feet on Street' in these markets. Almost all of these new foot soldiers are sons of the soil who have been hired from the local villages and districts. In order to execute our latest sales initiative, Project CORE, 360 feet on street resources with relevant experience were hired in a short period of time and the project went live as per the plan.

Leadership development continues to be one of the key initiatives of the Company. Globally acclaimed programs are taken up on regular basis under this initiative and exposure given to identified talents. Our LEAD programme, launched in 2011, is now being rolled out for the next fifty of our top leaders. This process is being conducted with the help of a global HR consulting firm. Over the years, this initiative has helped us develop a Dabur Leadership Framework for analyzing and addressing individual and team performance development opportunities.



Our institutionalized rewards and recognition programme APPLAUSE encourages people to think out of the box and recognizes their efforts through rewards and career growth opportunities. Being in a hyper-competitive environment, we demand higher levels of commitment from our employees and these programmes help increase employee engagement levels and create more employee touch points and opportunities to recognize talent, both on a formal and informal basis.

At Dabur, we believe that creating and maintaining a diverse workforce is a business imperative. We see diversity as a competitive advantage and key ingredient for growth. Hence, we are striving to build an inclusive workplace that promotes cultural agility, global mindset and diversity of experience and thoughts. Towards this end, Your Company has seen a growing number of women joining the workforce through targeted hiring at B-School campuses. Dabur is proud to announce that today, many of our brand managers across categories in India are women. Around a quarter of Management Trainees recruited during the last few years have been women. We also celebrate International Women's Day at Dabur offices every year. This year Dabur Head office hosted a special session on Wellness for our women employees by a doctor from a reputed Delhi-NCR based Hospital.

For the first time, Rural SPORT, a unique Audio Visual based in house training program for rural workforce was conducted across all the zones. It demonstrates a person making a sales call, capturing at every step the right and wrong actions. This AV-based approach ensures that the training delivery is very user friendly. SPORT has been selected to receive the ASTD (American Society for Training & Development) Award for Excellence in Practice Citation in the Organizational Learning and Development category.

Dabur continues to maintain its record on industrial relations without any interruption in work. As on March 31, 2014, the Company had 6,382 employees on its rolls across the globe.

### **RESEARCH & DEVELOPMENT**

Innovation and R&D have always been integral to Dabur's DNA. Dabur has a strong in-house research wing, Dabur Research & Development Centre (DRDC) that follows a 'bush-to-brand' approach. Your Company has set up in-house nurseries that grow several rare herbs that go into its various products. DRDC undertakes detailed tests on individual ingredients and products to ensure that the final product meets customer needs and aspirations. This in-depth knowledge about nature and natural ingredients is one of our big strengths, not just while developing

efficacious products for our consumers but also for devising ways to recycle and re-use the herbal waste and to effectively conduct life cycle analysis of our products.

Your company is conducting regular and in-depth shelf life studies and devising effective means of disposal without endangering the environment. Dabur is also commencing work on Life Cycle Analysis of its products to identify risks and opportunities along the entire value chain. This, we believe, will help further enhance our environmental responsibility efforts.

Dabur has been conducting scientific research and third-party clinical trials on its products to prove the efficacy of its various products and their ingredients, and to ensure better delivery of value to its consumers. About 12 preclinical and three clinical studies were organized by the DRDC team in fiscal 2013-14.

All our Ayurveda-based products follow the traditional Indian form of medicine and remain true to the Ayurvedic scriptures. While the efficacy of its Ayurvedic and natural products are being proven through science on one hand, Dabur is also working towards making Ayurveda more contemporary and relevant for today's generation through up-gradation and formulation changes. Today, Dabur has a wide range of products based on Ayurveda and offering the benefits of Ayurveda in modern ready-to-use formats, a move that has been appreciated by consumers.

During the year, Dabur's R&D was instrumental in bringing out a number of successful innovations both in India and overseas markets. These new products were launched in various categories such as Hair Care, Skin Care, Health Care and Foods. Details of these have been provided in the discussion on the business segments.

### **DABUR CONDUCTS SCIENTIFIC RESEARCH AND THIRD-PARTY CLINICAL TRIALS TO PROVE THE EFFICACY OF ITS VARIOUS PRODUCTS**

### **FINANCIAL REVIEW (ON A CONSOLIDATED BASIS)**

During fiscal 2013-14, Dabur witnessed sales growth of 15.1% on the back of robust volumes across categories and markets. The year registered double digit volume growth on a consolidated basis.

We encountered inflationary headwinds in some agri-based inputs such as copra, spices, herbs and honey during fiscal 2013-14. Pressures on our input basket were further compounded by adverse currency exchange rate movements which led to inflation in imported raw materials such as fruit concentrates and crude-oil linked inputs such as packaging materials. We managed to navigate these challenges through calibrated price increases and efficient buying which resulted in reduction of material costs to 48.1% of sales in fiscal 2013-14 as compared to 49.1% in fiscal 2012-13.

Fiscal 2013-14 witnessed a rise in new product activity and renovation of the existing portfolio which was well supported by higher investments and this was reflected in Advertisement & Publicity increasing to 14.1% of sales in fiscal 2013-14 as compared to 13.6% in fiscal 2012-13.

Consequently, our EBITDA margins improved to 18.2% as compared to 17.8% in fiscal 2012-13. The Effective Tax Rate on a consolidated basis was stable at 19.3% and Profit after Tax (PAT) grew by 19.7% to ₹ 913.9 crores in fiscal 2013-14. Fig. 12 provides a summary of the consolidated income statement.

**Fig. 12: Consolidated Income Statement (Summary)**

Particulars (in ₹ crores)	FY13	FY14	YoY(%)
<b>Net Sales</b>	<b>6,146.4</b>	<b>7,073.2</b>	<b>15.1%</b>
Other Operating Income	22.7	21.2	-6.6%
Material Cost	3,019.1	3,400.0	12.6%
% of Sales	49.1%	48.1%	
Employee Expense	498.9	607.7	21.8%
% of Sales	8.1%	8.6%	
Advertising & Publicity	837.0	999.7	19.4%
% of Sales	13.6%	14.1%	
Other Expenses	826.3	930.6	12.6%
% of Sales	13.4%	13.2%	
Other Non Operating Income	108.9	131.5	20.8%
<b>EBITDA</b>	<b>1,096.6</b>	<b>1,287.9</b>	<b>17.4%</b>
% of Sales	17.8%	18.2%	
Finance Costs	58.9	54.2	-8.1%
Depreciation & Amortization	84.7	97.5	15.1%
<b>Profit Before Tax (PBT)</b>	<b>953.0</b>	<b>1136.2</b>	<b>19.2%</b>
Exceptional Item	-4.7	0.0	
Tax Expenses	182.6	219.1	20.0%
<b>PAT (Before extraordinary item)</b>	<b>765.7</b>	<b>917.2</b>	<b>19.8%</b>
% of Sales	12.5%	13.0%	
<b>Extraordinary Item</b>	<b>0.1</b>	<b>-0.7</b>	
<b>PAT(After extraordinary Items)</b>	<b>765.8</b>	<b>916.4</b>	<b>19.7%</b>
<b>Minority Interest - Profit/(Loss)</b>	<b>2.4</b>	<b>2.5</b>	
<b>PAT (After Minority Interest)</b>	<b>763.4</b>	<b>913.9</b>	<b>19.7%</b>
% of Sales	12.4%	12.9%	
<b>Diluted EPS (₹)</b>	<b>4.35</b>	<b>5.21</b>	<b>19.6%</b>

Fiscal 2013-14 continued to witness improvement in capital efficiency as reflected in reduction in working capital as days of sales to 13 days as compared to 18 days in fiscal 2012-13 (refer Fig. 13). In addition, Fixed Asset Turnover increased to 6.1x in fiscal 2013-14 as compared to 5.8x in fiscal 2012-13 (refer Fig. 14) even though we had incurred capital expenditure of ₹ 206.5 crores on new manufacturing facilities in Bangladesh, Sri Lanka and Egypt and regular capex in other facilities across markets.

**Fig. 13: Working Capital**

As Days of Sales	FY13	FY14
Trade Receivables	29	35
Inventories	50	50
Trade Payables	43	57
<b>Working Capital</b>	<b>16</b>	<b>13</b>

Note: In the above figure, Working Capital = Current Assets (excluding Cash and Current Investments) less Current Liabilities (excluding Short Term Borrowings and Current Portion of Long Term Debt)

**Fig. 14: Fixed Asset Turnover**

Ratio	FY13	FY14
Fixed Asset Turnover	5.8x	6.1x

Note: Fixed Assets above excluding Goodwill

Improvement in capital efficiency and margin profile of the business translated into improvement in return ratios with Return on Invested Capital (ROIC) increasing to 43.6% in fiscal 2013-14 as compared to 38.3% in fiscal 2012-13.

**Fig. 15: Return Ratios**

Ratio	FY13	FY14
Return on Invested Capital (ROIC)	38.3%	43.6%
Return on Equity (ROE)	36.5%	34.4%

On the back of increase in Free Cash Flow (refer Fig. 16) due to higher Cash Flow from Operations, the Balance Sheet continued to strengthen with Net Cash position increasing to ₹ 678.4 crores as on March 2014 as compared to ₹ 189.1 crores as on March 2013 (ref. Fig. 17).

**Fig. 16: Free Cash Flow Generation**

in ₹ crores	FY13	FY14
Free Cash Flow (FCF)	645.7	888.0

Note: FCF = Cash Flow from Operations Less Capex

**Fig. 17: Debt and Cash Position**

in ₹ crores	Mar-13	Mar-14
Total Debt	1,257.6	951.1
Total Cash & Cash Equivalent	1,446.7	1,629.5
<b>Net Cash</b>	<b>189.1</b>	<b>678.4</b>



The total dividend for fiscal 2013-14 has been 175% of par value, which including corporate tax on dividends translates into a payout ratio of 53% of Standalone PAT and 40% of Consolidated PAT. Overall the financial position of the Company remained strong with the networth of the Company increasing to ₹ 2,656 crore as compared to ₹ 2,095.2 crore in the previous fiscal.

### OPPORTUNITIES AND THREATS

India offers long term growth opportunities and our initiatives to increase our direct coverage in rural India through Project Double, improve our presence in chemist channel through Project CORE and increase our presence in Modern Trade are steps towards exploiting these opportunities. In addition, we are planning to leverage our brands, deep understanding of consumer behaviour and robust distribution network for new offerings within Health Care, HPC and Foods categories. In terms of threats, the key threats are volatility in exchange rates and inflation in input costs.

### OUTLOOK

Going ahead, macro-economic headwinds and heightened competitive intensity notwithstanding, we would strive to continue to drive profitable growth on the back of enhanced distribution, innovative marketing mix and new initiatives across categories and geographies.

### INTERNAL CONTROL SYSTEMS

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 PricewaterhouseCoopers 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 generates alerts for proper and timely compliance.

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. Key risks faced by the Company include, macro-economic slowdown which can put pressure on disposable incomes, persistently high inflationary trends, unfavourable exchange rate fluctuations and any unexpected changes in regulatory framework. To ensure our long-term corporate success, it is therefore essential that risks be effectively identified, analysed and then mitigated by means of appropriate control measures. We have a comprehensive risk management system in place, which enables us to recognise and analyse 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.

Some of the key risks faced by the Company in today's scenario are exchange rate volatility and continued inflationary trend which is not only increasing cost pressures, but may also lead to demand compression for FMCG products. 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 & Analysis describing Dabur'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 FMCG industry, rise in input costs, exchange rate fluctuations and significant changes in political and economic environment, environment standards, tax laws, litigation and labour relations.

# REPORT ON CORPORATE GOVERNANCE

Corporate Governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled so as to fulfill its goal and objectives in a manner that adds to the value of the company and benefit to all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the Board of Directors, management, shareholders to customers, suppliers, financers, employees and society at large. Strong and improved Corporate Governance practices are indispensable in today's competitive world and complex economy.

Dabur looks at Corporate Governance requirements as an integral part of business strategy which contributes to business growth in ethical perspective. Besides complying with the prescribed corporate practices as per Clause 49 of the Listing Agreement, the Company has voluntarily adopted various practices of governance in terms of highest ethical and responsible standard of business, globally benchmarked.

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 highlighting the additional initiatives taken in line with international best practices.

## CORPORATE GOVERNANCE PHILOSOPHY

Dabur's philosophy is to view Corporate Governance from the viewpoint of business strategy rather than mere compliance norms. Strong governance practices of the Company have been rewarded in terms of improved share valuations, stakeholder's confidence, market capitalization, high credit ratings and bagging of various awards for brands, stocks, environmental protection, etc. This has helped Dabur to pay uninterrupted dividends to its shareholders.

The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfil its overall responsibilities and to provide the management with the strategic direction catering to exigency of long term shareholders value. It's initiatives towards adhering to highest standards of governance include self governance, professionalization of the Board, fair and transparent processes and reporting systems and going beyond the mandated Corporate Governance Code requirements of SEBI. Being a value driven organization the Company envisages attainment of the highest level of transparency, accountability and equity in all facets of its operations including everyone it works with,

the community it is in touch with and the environment it has an impact on.

## BOARD OF DIRECTORS

### Composition of the Board

As on March 31, 2014, Dabur's Board consists of 12 members. Besides the Chairman, who is a Non-Executive Promoter Director, the Board comprises of two Executive Directors, three Non-Executive Promoter Directors and six Non-Executive Independent Directors. The composition of the Board as on March 31, 2014 is in conformity with Clause 49 of the Listing Agreement enjoining specified combination of executive and Non-Executive Directors, with not less than 50 per cent of the Board comprising of Non-Executive Directors, and at least one-half comprising of Independent Directors for a Board chaired by Non-Executive Promoter Director, as shown in the table below:

Category	Number of Directors	% to total number of Directors
Executive Directors	2	17
Non executive Independent Directors	6	50
Other Non Executive Directors	4	33
<b>Total</b>	<b>12</b>	<b>100</b>

### Number of Board Meetings

Minimum four prescheduled Board Meetings are held every year. Additional meetings are held to address specific needs of the Company. In case of any exigency/ emergency, resolutions are passed by circulation. During the financial year 2013-14 the Board of Directors met four times on April 30, 2013; July 24, 2013; October 28, 2013 and January 22, 2014. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

### Directors' Attendance Record and their other Directorships/ Committee memberships

As mandated by Clause 49, none of the Directors is a member of more than ten Board level Committees or chairman of more than five Committees across companies in which he is a Director. Relevant details of the Board as on March 31, 2014 are given as follows:



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

# 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 to this report.*

### Shareholding of Non-Executive Directors

Dr Anand Burman, Non Executive Promoter Director is holding 660000 equity shares of ₹1/- each in the Company. None of the other Non Executive Directors hold any shares in the Company.

### Independent Directors

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 are 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. Since the year 2011-12, as a part of green initiative, the Company is holding and convening its Board (including Committee) meetings on Ipad, in paperless form. All agenda papers are uploaded in a web based programme for information, perusal and comments, etc. of the Board members.

The following information are regularly provided to the Board, as part of the **agenda papers at least 2 weeks in advance** of the Board Meetings.

- Detailed Business Review.
- Annual operating plans and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Annual and Quarterly financial 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 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 subsidiary companies.
- Statement showing significant transactions and arrangements entered into by subsidiary companies.
- Details of any merger or demerger actions.
- Details of dealings in company's share by members of the Board/ senior management.
- Details of commercial dealings by firms/ companies in which members of the Board/ senior management or their relatives hold shares.
- 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.
- Details of contingent liabilities.
- Statement on compliance with Code of Conduct.

**Post Meeting follow up system:** The Company has an effective post Board 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 periodically review compliance report of all laws applicable to 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 – presently Dr Anand Burman, a Chief Executive Officer (CEO) – presently Mr Sunil Duggal, and an optimum combination of Executive and Non Executive Promoter/ Independent Directors. There is a 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 organization that is dedicated to the well-being of each and every household, not only within India but across the globe, apart from leaving a fortunate legacy to posterity. 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 other members of 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 and long term business plans.
- **Non-Executive Directors (including Independent Directors)** play a critical role in balancing the functioning of the Board by providing independent judgements on various issues raised in the Board Meetings, like formulation of business strategies, monitoring of performances, 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 in consultation with Directors/ others 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 is driven by the key performance indicators defined by the Board, broadly based on:

- Independent Corporate Governance
- Guiding strategy and enhancing shareholders' value

- Monitoring performance, management development & compensation
- Control & compliance

The constitution of the Board is as follows:

- A promoter non executive Chairman
- Three promoter family members
- Two executive members
- Six non executive Independent Directors constituting at least 50% of the Board

The matrix below highlights the skills and expertise required from individuals for the office of Independent Directors of the Company.

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

Expertise for 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

Details of remuneration paid to Directors for the financial year 2013-2014 are as under:

(Amount in ₹)

Name of the Director	Sitting Fees	Salary & Perquisites	Superannuation Fund	Commission	Total
Anand Burman (Dr)	90000	0	0	0	90000
Amit Burman	120000	0	0	0	120000
Mohit Burman	60000	0	0	0	60000
Saket Burman	60000	0	0	0	60000
P D Narang	0	61356958	3109431	0	64466389
Sunil Duggal	0	61364629	2981051	0	64345680
P N Vijay	240000	0	0	0	240000
S Narayan (Dr)	105000	0	0	0	105000
R C Bhargava	165000	0	0	0	165000
Albert Wiseman Paterson	15000	0	0	0	15000
Ajay Dua (Dr)	240000	0	0	0	240000
Sanjay Kr Bhattacharyya	75000	0	0	0	75000
<b>Total</b>	<b>1170000</b>	<b>122721587</b>	<b>6090482</b>	<b>0</b>	<b>129982069</b>

Perquisites include performance linked incentives which are payable to the Executive Directors as employees of the Company as per Company policy.

During 2013-2014, the Company did not advance any loan to any of its Directors.

No Stock options were granted to Mr P D Narang and Mr Sunil Duggal during the year. However, out of the stock options granted during the earlier years, Mr P D Narang and Mr Sunil Duggal have exercised 83977 stock options each and were allotted equivalent number of shares.

Pursuant to the approval of shareholders in the Annual General Meetings held on September 9, 1998 and subsequently on September 5, 2002, July 13, 2007, August 31, 2010 and July 17, 2012 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 two Executive Directors, namely Mr. P D Narang and Mr. Sunil Duggal, is of three months.

## CODE OF CONDUCT

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

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

## COMMITTEES OF THE BOARD

Dabur has five Board level Committees:

- A) Audit Committee
- B) Remuneration cum Compensation Committee
- C) Stakeholders Relationship Committee
- D) Nomination Committee
- E) Corporate Social Responsibility 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, 2014, 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 and Attendance

During the financial year 2013-14 the Audit Committee held seven meetings on April 30, 2013, May 13, 2013, July 24, 2013, September 30, 2013, October 28, 2013, January 22, 2014 and February 14, 2014. The time gap between any two meetings was less than four months.

The details of attendance of Audit Committee meetings are as under:

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
P N Vijay	ID	Chairman	7	6
R C Bhargava	ID	Member	7	7
S Narayan (Dr)	ID	Member	7	4
Ajay Dua (Dr)	ID	Member	7	7

The Director responsible for the finance function, the head of internal audit and the representative of the Statutory Auditors, Internal Auditors and Cost Auditors are permanent invitees to the Audit Committee. Mr. A K Jain, Vice President (Finance) & Company Secretary, is Secretary to the Committee.

All members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the Annual General Meeting (AGM) held on July 17, 2013 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 sub section (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 of the company and consolidated for the group, 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 contingent liabilities.
- 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.
- Approval of appointment of Cost Auditors and discussion with them about the scope of audit.

- 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, 2014**

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 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 Statutory Auditors the overall scope for their audit. The Committee also discussed the result of examinations made by Internal Auditors, 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.

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 in all material aspects.

The Committee has also reviewed Statement of contingent liabilities, Management discussion and analysis, Financial statements of subsidiary companies, Investments made by subsidiary companies, Statement of significant related party transactions, Directors' responsibility statement, compliance relating to financial statements and draft auditors' report. The Risk assessment and minimization procedures were also reviewed. Further the Committee affirms that in compliance with the Whistle-Blower Policy no personnel had been denied access to the Audit Committee.

The Committee has reappointed M/s PriceWaterhouseCoopers Pvt. Ltd. as Internal Auditors of the Company for the period from 1<sup>st</sup> October, 2013 to 30<sup>th</sup> September, 2014. It has also reappointed M/s Ramanath Iyer & Company, as Cost Auditors to audit the cost accounts maintained by the Company in respect of certain products for the financial year 2014-15. 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 2014-15.

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

Place: New Delhi  
Date: 29th April, 2014

P N Vijay  
Chairman, Audit Committee

## B) REMUNERATION CUM COMPENSATION COMMITTEE

### Composition

As on March 31, 2014, the Remuneration cum Compensation Committee comprises of Mr P N Vijay (Chairman) and Dr S

Narayan, Independent Directors and Dr Anand Burman, Non-Executive Promoter Director.

### Meetings and Attendance

During the financial year 2013-14 the Remuneration cum Compensation Committee held two meetings on April 30, 2013 and July 24, 2013.

The details of attendance of the Committee meetings are given below:

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
P N Vijay	ID	Chairman	2	2
S Narayan (Dr)	ID	Member	2	1
Anand Burman (Dr)	PD/NED	Member	2	2

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 (ESOS) 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 Employee Stock Option Plan (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 Employees Share Purchase Scheme (ESPS) / Employee Stock Option Scheme (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 ESPS and 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 Executive 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.

#### **1. Non-Executive Directors (including Independent Directors)**

Besides sitting fees, the Non-Executive Directors are also entitled to commission out of the profits of the Company, at a rate not exceeding 1% 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, as approved by the Board and within the overall limits prescribed by the Companies Act, 1956.

#### **2. 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, 2014**

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 Committee is to incentivize and reward executive performance that will lead to long-term enhancement of shareholder performance.

The Committee reviewed and approved the additional stock options to members of the management team for the year 2013-14. In view of the changed economic scenario in India and world over financial targets for 2013-14 were revised for the purpose of rewarding target based stock options. The Committee also allotted shares towards exercise of stock options which were granted during earlier years. Further 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.

Place: New Delhi

P N Vijay

Date: 29th April, 2014

Chairman, Remuneration cum Compensation Committee

### **C) NOMINATION COMMITTEE**

#### **Composition**

As on March 31, 2014, the Nomination Committee consists of Dr Anand Burman (Chairman) and Mr. Amit Burman, Non-Executive Promoter Directors.

#### **Meetings**

During the financial year 2013-14 the Committee held no meeting.

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

The functions of 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) STAKEHOLDERS RELATIONSHIP COMMITTEE

### Composition

As on March 31, 2014, the Stakeholders Relationship Committee consists of Mr. P N Vijay (Chairman) and Dr Ajay Dua, Independent Directors, Mr. Amit Burman, Non Executive Promoter Director and Mr. P D Narang, Executive Director.

### Meetings and Attendance

During the financial year 2013-14 the Committee held four meetings on April 30, 2013, July 24, 2013, October 28, 2013 and January 22, 2014.

The details of attendance of the Committee meetings are given below:

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

Mr. A. K. Jain, Vice President (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'/ 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 annual report, non-receipt of declared dividends etc.
- Any allied matter(s) out of and incidental to these functions and not herein above specifically provided for.

### Investor Grievance Redressal

Details of complaints received and resolved by the Company during the year 2013-14 are given below:

Nature of Complaint	Pending as on 31.03.2013	Received during the FY 2013-14	Disposed of during the FY 2013-14	Pending as on 31.03.2014
Non receipt of certificates lodged for Transfer / Transmission, issue of Duplicate shares	0	5	5	0
Non-receipt of Dividend	0	16	16	0
Demateri-alization / Remateri-alization of shares	0	0	0	0
Others (Non receipt of bonus shares/ POA/ change of signatures/ address etc.)	0	7	7	0
<b>Total</b>	<b>0</b>	<b>28</b>	<b>28</b>	<b>0</b>

There were no complaints which were pending as on March 31, 2014. The Company obtains certificate from BSE, NSE & MCX on quarterly basis about pending complaints against the Company. As on March 31, 2014 there were no pending complaints against the company as per these certificates.

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 10000 shares per case and for dematerialization upto a maximum of 40000 shares per case, jointly to any two of Mr. A K Jain, Vice President (Finance) and Company Secretary, Mr. Praveen Mudgal, Joint Company Secretary and Mrs. Sarita Agrawal, Sr. Manager (Secretarial).

### Stakeholders Relationship Committee Report for the year ended March 31, 2014

To the Board of Directors of Dabur India Limited,

The Stakeholders Relationship 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 annual report, 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 2918 cases of transfer, 3 cases of transmission, 128 cases of re-materialisation, 22 cases of sub-division, 3 cases of consolidation, 4 cases of issue of shares against defaced certificates and 29 cases of issue of duplicate share certificates. The Committee reviewed the status of investors' grievances on quarterly basis. As at the close of the financial year there were no complaints pending for redressal.

Place: New Delhi  
Date: 29th April, 2014

P N Vijay  
Chairman, Stakeholders  
Relationship Committee

## E) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Composition

The Corporate Social Responsibility Committee has been newly constituted by the Board of Directors on October 28, 2013. As on March 31, 2014, the Committee consists of Dr Ajay Dua (Chairman) & Mr Sanjay Bhattacharyya, Independent Directors and Mr P D Narang & Mr Sunil Duggal, Executive Directors.

### Meetings and Attendance

During the financial year 2013-14 the Committee held one meeting on January 22, 2014.

The details of attendance of Committee meeting are given below:

Name of the Member	Category	Status	No. of Meetings	
			Held	Attended
Ajay Dua (Dr)	ID	Chairman	1	1
SK Bhattacharyya	ID	Member	1	1
P D Narang	ED	Member	1	1
Sunil Duggal	ED	Member	1	1

The role of Corporate Social Responsibility (CSR) Committee is as under:-

- (a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in line with the provisions of the Companies Act, 2013.

### CSR Policy of the Company

The CSR activities shall be focused not just around the plants and offices of the company, but also in other geographies based on the needs of the communities. The four focus areas where special community development programmes would be run are:

1. Eradicating hunger, poverty and malnutrition
2. Promoting Health care including Preventive health care
3. Ensuring environmental sustainability
4. Employment and livelihood enhancing vocational skills and projects

The formal CSR policy of the Company is available on the website of the Company [www.dabur.com](http://www.dabur.com) at the link <http://www.dabur.com/AboutDabur-CSR-Policy>

- (b) Recommend the amount of expenditure to be incurred on the activities as above, and
- (c) Monitor the CSR Policy of the company from time to time.

## MANAGEMENT COMMITTEE

The Company has constituted Management Committee to look after the operations of its various divisions. The Charter of Management Committee has been clearly defined. The Committee is 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 subsidiary companies.

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

## MANAGEMENT

### Management Discussion and Analysis

The Annual Report has a detailed chapter on Management Discussion and Analysis, which forms 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 transactions 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 Notes to Annual Accounts, which was reported to the Board of Directors.

The detailed related party transactions can be referred to in note no. 53 of the Notes to Annual Accounts.

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

The Company has followed prescribed accounting standards as 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 and the provisions of Companies Act, 2013, 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 Vice President (Finance) and Company Secretary has been appointed as the Compliance Officer.

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

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

lodging their complaints under the policy. The Whistle-Blower Protection Policy aims to:

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

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website [www.dabur.com](http://www.dabur.com). The Audit Committee periodically reviews the existence and functioning of the mechanism. It reviews the status of complaints received under this policy on a quarterly basis. The Committee has, in its Report, affirmed that no personnel have been denied access to the Audit Committee.

#### **Prevention of Sexual Harassment Policy**

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" the Company has in place a formal policy for prevention of sexual harassment of its women employees.

#### **Dividend Policy**

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

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

The CEO and CFO certification on the financial statements and the cash flow statement for the year is placed 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 members, 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-force 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

Pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every Annual General Meeting. Consequently, Mr. Mohit Burman and Mr. Sunil Duggal, Directors will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment in accordance with the provisions of the Companies Act, 2013.

Further as per Section 149(5) of the Companies Act, 2013 the Company is required to appoint Independent Directors under Section 149(4) within a period of one year from 1.4.2014 i.e. the date of commencement of the said Section and Rules made there under. Since the Company had already appointed Mr. P N Vijay, Mr. R C Bhargava, Dr S. Narayan, Mr. Albert Wiseman Paterson, Dr. Ajay Dua and Mr. Sanjay Kumar Bhattacharyya as Non-Executive Independent Directors subject to retirement by rotation in the past, in terms of Companies Act, 1956 and the Listing Agreement, and out of them Mr. P N Vijay and Dr S Narayan are liable to retire by rotation in the ensuing Annual General Meeting, the Board of Directors in their meeting held on April 29, 2014 after consideration has recommended to reappoint all the aforesaid Directors as Non-Executive Independent Directors within the meaning of Section 149 and 152 [including Section 149(10)] of the new Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years with effect from the date of ensuing Annual General Meeting upto the conclusion of Annual General

Meeting of the Company to be held in the calendar year 2019.

The brief CVs of the above Directors are given below:

**Mr Mohit Burman:** A graduate from Richmond College, London and MBA from Babson Graduate School of Business Wellesley, joined the Board in the year 2007. He has been instrumental 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. He is seasoned entrepreneur and is associated in various capacities with different sports franchise teams in India.

Currently, he has no shareholding in the Company.

**Mr Sunil Duggal:** Mr Duggal is an MBA from IIM, Kolkata. He 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 and Marketing functions at Dabur, making them more efficient. Currently he is CEO of the Company.

His shareholding in the Company, as on 31.03.2014, is 3010000 equity shares.

**Mr. P N Vijay:** Mr Vijay has done M.Sc from IIT Chennai. He is a leading expert in stock market. He is a regular columnist in leading newspapers 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:** Mr Bhargava is MA in Development Economics, MS in Mathematics, and IAS (Retd.). He joined the Board in 2005. He has 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 Suzuki India Limited and retired in 1997 as its CEO. At present he is Chairman of Maruti Suzuki India Ltd.

Currently, he has no shareholding in the Company.

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

Currently, he has no shareholding in the Company.

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

Director Aviva International with responsibility for a portfolio of businesses.

Currently, he has no shareholding in the Company.

**Dr. Ajay Dua:** BA (Hons), M.Sc (Economics) from London school of Economics & Politics and Ph.D from University of Bombay, He is a retired civil servant (IAS) and joined the Board on 3<sup>rd</sup> September, 2009. He has held a variety of senior assignments in the Government of Maharashtra and the Government of India. He has a strong academic background and diverse work-experience.

Currently, he has no shareholding in the Company.

**Mr Sanjay Kumar Bhattacharyya:** BA (Hons) in Economics, from St. Stephen's College, New Delhi, has served State Bank of India since 1972 at various senior positions and was the Managing Director of the Bank from October, 2007 to 2010. He has joined the Board on 23.07.2012. He is a Non Executive Independent Director of the company.

Currently, he has no shareholding in the Company.

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

## MEANS OF COMMUNICATION WITH SHAREHOLDERS

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

**Quarterly:** The quarterly financial results are normally published in The Economic Times/ Times of India /Mumbai Mirror/Mint and Navbharat Times newspapers. Details of publication of financial results for the year under review is given below:

Description	Date
Unaudited Financial Results for the quarter ended June 30, 2013	July 26,2013
Audited Financial Results for the quarter/ half year ended September 30, 2013	October 30, 2013
Unaudited Financial Results for the quarter / nine months ended December 31, 2013	January 24, 2014
Audited Financial Results for the quarter/ financial year ended March 31, 2014	May 1, 2014 (tentative)

**Half Yearly Report:** Audited half-yearly financial statements, including summary of Management Discussion and Analysis, for the half-year ended September 30, 2013 was sent electronically to all the shareholders possessing email ids. Shareholders who had not yet provided their email id's to the Company / its Registrar, are requested to do the same at the earliest.

**Annual Report:** Abridged Annual Report for FY 2012-13, containing inter-alia, salient features of the audited Financial Statements, Director's Report (including Management Discussion and Analysis and Corporate Governance Report) was sent to all shareholders who had not registered their email ids for the purpose of receiving documents/ communication from the company in electronic mode.

Full version of the Annual Report for FY 2012-13 containing inter-alia, audited Financial Statements, Directors Report (including Management Discussion and Analysis, Corporate Governance Report, Business Responsibility Report) was sent via email to all shareholders who have provided their email ids and is also available at the Company's website at [www.dabur.com](http://www.dabur.com).

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

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

**Website:** The Company's website [www.dabur.com](http://www.dabur.com) contains a separate section 'Investor Centre' 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 Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other Corporate Communications made to the Stock Exchanges are also available on the website. Annual Report of subsidiary companies are also posted on the website.

The Investor Centre Section provides information on various topics related to transfer of shares, dematerialization, nomination, change of address, loss of share certificates, dividend, etc. The details of unclaimed dividends upto the financial year ended 31.03.2013 are also available in the Investor Centre Section, to help shareholders to claim the same. In addition various downloadable forms required to be executed by the shareholders have also been provided on the website.

During the year, the Investor Centre Section has also started providing on-line Annual Reports and Share price tools. Share price tools includes, inter alia, share graphs, historical share price data, share series and investment calculator.

**Communication to shareholders on email:** As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report, ECS advices for dividends, etc. were sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ RTA. This helped in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.

**Corporate filing and dissemination system (CFDS):** The Company has been complying with SEBI regulations for filing of



its financial results, shareholding pattern, Corporate Governance report, other corporate filings under the Corp filing system. These are available on the website [www.corpfiling.co.in](http://www.corpfiling.co.in).

**NEAPS (NSE Electronic Application Processing system), BSE Corporate Compliance & Listing centre, and MCX Portal:** NSE, BSE and MCX have developed web based applications for corporates. Periodical compliances like Financial results, Shareholding Pattern and Corporate Governance Report, etc are also filed electronically on NEAPS/ BSE Listing centre/ MCX portal.

**SCORES (SEBI complaints redressal system):** SEBI has commenced processing of investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The company uploads the action taken on the complaint which can be viewed by the shareholder. The company and shareholder can seek and provide clarifications online to each other.

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

## INVESTOR RELATIONS

The growing requirements of disclosure, transparency and Corporate Governance have made it imperative for companies to manage information flow and communicate more effectively with shareholders. Investor Relations (IR) at Dabur aims at seamless two-way communication with the investor community. It is based on the tenets of transparency, accuracy and timeliness of disclosures. There is a conscious effort towards effective dissemination of information to the financial community and shareholders to communicate the company's long term vision and goals.

We strive towards a diverse shareholder base in terms of investment horizon, investment style and geographical location. We frequently participate in investor meetings throughout the year, including conferences arranged by brokerage houses. The investor meetings and interactions act as a channel of two way communication and the investors' feedback is given due consideration by the company's management.

Analyst meetings and conference calls are periodically arranged by the company to discuss quarterly financial performance and material business events and these are simultaneously broadcast over the Internet or via telephone conference call.

In order to ensure that investors get a good understanding of the company, the IR department holds the following activities:

- One-on-one and group meetings with investors to brief them about the company and respond to their queries and concerns.

- Provide detailed updates on the company's performance to all investors immediately after the release of quarterly results.
- Post the quarterly results, a webcast and conference call is arranged to discuss highlights of the company's performance. All members of the financial community are invited for the same and an opportunity is provided to them to participate in the Q&A. Archived copy of the webcast and transcript is provided on the Company's website. The conference call is hosted by the company in order to give a free and fair opportunity for all to participate.
- The company holds analyst meetings from time to time to brief the research analysts about the company's vision, business situation and plans at a strategic level and to answer their queries.
- The company participates in investor conferences organized by leading institutional brokerage houses. During 2013-14 we attended, to name a few, conferences hosted by Morgan Stanley, CLSA, UBS, Edelweiss, Motilal Oswal and Bank of America Merrill Lynch.
- All historical and fresh information updates are promptly available on the Investor Relations page of the company's website for ready access.

In addition, a new Section titled Share Price Tools was introduced on our website. This comprises tools such as Investment Calculator, Share Series, Share Price Lookup etc. which can be useful for investors to perform share price related analysis.

## GENERAL BODY MEETINGS

Details of the last three general body meetings held is given below:

Financial Year	Category	Location of the meeting	Date	Time
2010-2011	Annual General Meeting (AGM)	Air Force Auditorium, Subroto Park, New Delhi-110010.	July 15, 2011	11.00 AM
2011-2012	Same as above	Same as above	July 17, 2012	11.00 AM
2012-2013	Same as above	Same as above	July 17, 2013	11.00 AM

The following special resolutions were taken up in the last three AGMs and were passed with requisite majority:

### July 15, 2011

- No special resolution was taken up in the AGM.

### July 17, 2012

- Reappointment of Mr P D Narang as Whole-Time Director of the Company for a period of 5 years w.e.f. April 1, 2013.

- Approval for payment of commission to Non Whole-Time Directors of the Company for a period of 5 years w.e.f. April 1, 2012.

**July 17, 2013**

- Appointment of Mr. Amit Burman, Vice Chairman of the Company as a Whole Time Director in Dabur International Limited, a wholly owned subsidiary of the Company w.e.f. April 1, 2013.

### Postal Ballot

During the year under review, in pursuance of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, postal ballot was conducted (including e-voting) seeking approval of shareholders by way of special resolution for increasing the limit of investments by Foreign Institutional Investors ("FIIs") in equity shares of the company to 30% (thirty percent) of the paid up equity share capital of the company under Portfolio Investment Scheme (PIS).

The result of the postal ballot was announced on January 16, 2014 at the registered office of the Company and was published in Financial Express & Jansatta on January 17, 2014.

Mr V K Jhalani, Chartered Accountant, was appointed as scrutinizer for conducting the postal ballot process. He reported the vote count on January 15, 2014.

Result of the postal ballot is given below:

Particulars	No. of postal/ e-voting ballots	No. of votes	% of valid votes
Total electronic ballots received (e-voting)	431	1234602224	-
Total postal ballots received (physical form)	1409	231388862	-
Less: invalid postal ballots received	66	251749	-
Total valid postal ballots received (physical form)	1343	231137113	-
Total valid postal/ electronic ballots received	1774	1465739337	100
Votes in favour of the resolution*	1591	1465666608	99.995
Votes against the resolution*	187	70046	0.005

\* Four shareholders exercised both options (for & against) by bifurcating their shareholding.

The Chairman, after receiving the scrutinizer's report, announced that the special resolution as proposed in the postal ballot notice was duly passed with requisite majority and directed that the aforesaid result along with the resolution

be recorded in the Minute Book meant for recording the proceedings of general meetings of members.

It is proposed to pass necessary resolutions through postal ballot as may be required for compliance under the Companies Act, 2013.

### COMPLIANCE WITH MANDATORY REQUIREMENTS

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

#### Compliance Report

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

### ADOPTION OF NON-MANDATORY REQUIREMENTS

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

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



### b) Tenure of Independent Directors

After the close of financial year 2013-14, in accordance with the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made there under the Board of Directors in their meeting held on April 29, 2014 has recommended to reappoint the existing Non-Executive Independent Directors namely Mr P N Vijay, Mr. R C Bhargava, Dr S. Narayan, Mr. Albert Wiseman Paterson, Dr. Ajay Dua and Mr. Sanjay Kumar Bhattacharyya, as Non-Executive Independent Directors within the meaning of Section 149 and 152 [including Section 149(10)] of the new Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years with effect from the date of ensuing Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019.

### c) Remuneration Committee

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

### d) Shareholders Rights

Half yearly audited financial statements are sent electronically to all shareholders possessing email ids, in the month of November every year. The report is simultaneously also uploaded on the Company's website [www.dabur.com](http://www.dabur.com).

### e) Training of Board Members

Board members are regularly trained and updated on the business model of the Company, changes in relevant laws, their duties/ responsibilities and liability as a Director.

### f) Audit Qualifications

The Auditors have raised no qualification on the financial statements of the Company.

### g) 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 & development /compensation and statutory compliance & Corporate Governance.

### h) 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

### Company Registration Details

The Company is registered in New Delhi, India. The Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs (MCA) is L24230DL1975PLC007908.

### Annual General Meeting

Date: 22<sup>nd</sup> July, 2014

Time: 11:00 AM

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

### Financial Calendar

Financial year: April 1 to March 31

For the financial year ended March 31, 2014, results were announced on:

- July 24, 2013: First Quarter
- October 28, 2013: Half Yearly
- January 22, 2014: Third Quarter
- April 29, 2014: Fourth Quarter and Annual

For the financial year ending March 31, 2015, results will be announced by:

- 28<sup>th</sup> July, 2014 (tentative): First Quarter
- 29<sup>th</sup> October, 2014 (tentative): Half Yearly
- Last week of January, 2015: (tentative): Third Quarter
- Last week of April, 2015 (tentative): Fourth Quarter and Annual

### Book Closure

The dates of Book Closure are from the 1<sup>st</sup> day of July, 2014 to the 8<sup>th</sup> day of July, 2014, inclusive of both days.

### Dividend Payment

Interim dividend of ₹0.75 per equity share was paid on November 08, 2013 for the financial year 2013-14. Final Dividend of ₹1/- per equity share for the financial year 2013-14 has been recommended by the Board of Directors to shareholders for their approval.

### Dates of Transfer of Unclaimed Dividend

Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividend for financial year(s) upto 2005-06 (final) including unclaimed dividend for financial year 2005-06 (final) pertaining to erstwhile Femcare Pharma Limited (FEM) (now merged with Dabur India Limited) and 2006-07 (interim I), have been transferred (2006-07 interim II is under process of being transferred) to the general revenue account of the Central Government/ investor education and protection fund (IEPF) established by the Central Government. The dividends for following years, which remain unclaimed for seven years, will be transferred to IEPF in accordance with the schedule given below. Shareholders who have not encashed their dividend warrants relating to the dividends specified below are requested to immediately send their request for issue of duplicate warrants. The details of unclaimed dividends upto the financial year ended 31.03.2013 are also available on the website of the Company [www.dabur.com](http://www.dabur.com). Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.



### Dividends declared in the past

Financial year	Type of dividend	Dividend rate %	Date of declaration	Due date for transfer to IEPF
2006-2007	Final (pertaining to FEM)	70	28/09/2007	04/11/2014
2007-2008	Interim	75	24/10/2007	30/11/2014
2007-2008	Final	75	10/07/2008	16/08/2015
2007-2008	Final (pertaining to FEM)	70	30/09/2008	06/11/2015
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
2010-2011	Final	65	15/07/2011	20/08/2018
2011-2012	Interim	55	31/10/2011	06/12/2018
2011-2012	Final	75	17/07/2012	22/08/2019
2012-2013	Interim	65	26/10/2012	01/12/2019
2012-2013	Final	85	17/07/2013	22/08/2020
2013-2014	Interim	75	28/10/2013	03/12/2020

### Unclaimed/ Undelivered Share Certificates

As per the provisions of Clause 5A of the Listing Agreement, 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. Accordingly unclaimed shares lying with the Company have been transferred and dematerialized in a 'Unclaimed Suspense Account' of the Company. This account is being held by the Company purely on behalf of the shareholders entitled for these shares.

It may also be noted that all the corporate benefits accruing on these shares like bonus, split etc., if any, shall also be credited to the said 'Unclaimed Suspense Account' and the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares.

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 jointholders furnishing self attested copies of their complete postal address along with PIN code, a copy of PAN card & proof of address and for delivery in demat form, a copy of Demat Account - Client Master Report duly certified by the Depository Participant (DP) and a recent Demat Account Statement, to enable the Company to release the said shares to the rightful owner.

The status of equity shares lying in the unclaimed suspense account is given below:

Sl. No.	Particulars	No. of share-holders	No. of equity shares held
1	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year	1527	3608556
2	Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	71	152700
3	Number of shareholders to whom shares were transferred from the suspense account during the year	71	152700
4	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	1456	3455856



## **Listing**

At present, the equity shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE), National Stock Exchange of India Ltd. (NSE) and MCX Stock Exchange Limited (MCX). The annual listing fees for the financial year 2014-2015 to NSE, BSE & MCX has been paid.

Dabur's Stock Exchange codes

<b>ISIN No:</b>	<b>INE016A01026</b>
BSE Stock Code:	500096
NSE & MCX Stock Code:	DABUR
Bloomberg Code:	DABUR IB
Reuters Code:	DABU.BO

## **Equity Evolution during the year**

As on March 31, 2013 the paid up equity share capital of the Company was ₹1742935011 consisting of 1742935011 equity

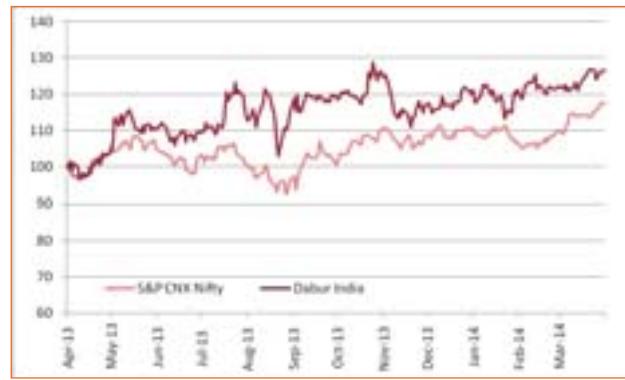
Details of High, Low and Volume of Dabur's shares for 2013-14 at BSE and NSE:

Month	BOMBAY STOCK EXCHANGE LTD.			NATIONAL STOCK EXCHANGE OF INDIA LTD.		
	High (₹)	Low (₹)	Volume (No. of shares)	High (₹)	Low (₹)	Volume (No. of shares)
April, 2013	155.85	137.00	2810746	155.90	136.60	28244514
May, 2013	165.70	148.00	2450580	165.65	148.00	30006807
June, 2013	160.15	144.90	2005236	160.35	144.65	26606830
July, 2013	177.40	153.60	3413695	177.40	153.35	39606983
Aug, 2013	174.70	142.75	3149782	175.00	142.70	43688580
Sep, 2013	172.95	162.40	1693522	173.20	162.35	25902493
Oct, 2013	184.90	166.00	2036683	184.45	165.65	28060792
Nov, 2013	179.90	156.50	2762051	179.00	156.50	43547543
Dec, 2013	174.30	161.80	2503936	174.30	161.60	25390946
Jan, 2014	175.25	159.60	4122117	175.00	159.50	40622362
Feb, 2014	178.20	154.00	1509303	178.15	166.00	17094776
Mar, 2014	182.00	170.60	2644116	181.80	170.35	22512122

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 FY 2013-14.

## **Distribution of Shareholding**

Details of distribution of shareholding of the equity shares of the Company by size and by ownership class as on March 31,

2014 along with top 10 shareholders of the Company is given below:



### Shareholding pattern by size as on March 31, 2014

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	13758	4143691	105128	37750429	118886	96.22	41894120	2.40
5001 – 10000	555	3409180	2937	18579009	3492	2.83	21988189	1.26
10001 and above	60	916955	1117	1679013809	1177	0.95	1679930764	96.34
<b>Total</b>	<b>14373</b>	<b>8469826</b>	<b>109182</b>	<b>1735343247</b>	<b>123555</b>	<b>100</b>	<b>1743813073</b>	<b>100</b>

### Shareholding Pattern by ownership

Particulars	As on 31 <sup>st</sup> March, 2014				As on 31 <sup>st</sup> March, 2013			
	No. of share holders	% of share holders	No. of shares held	% of share holding	No. of share holders	% of share holders	No. of shares held	% of share holding
Directors, promoters and family members	28	0.02	1197019150	68.64	27	0.02	1196738850	68.66
FII's	383	0.31	335444254	19.24	350	0.30	352748304	20.24
Mutual Funds/UTI	29	0.02	1570530	0.09	35	0.03	7024585	0.40
Financial Institutions/ Banks/ Insurance Cos'	35	0.03	96831376	5.55	33	0.03	67082189	3.85
NRIs	3182	2.58	5348365	0.31	3151	2.73	5639817	0.33
Corporates (including clearing members)	1467	1.19	20551004	1.18	1401	1.22	24810346	1.42
Individuals	118431	95.85	87048394	4.99	110445	95.67	88890920	5.10
<b>Total</b>	<b>123555</b>	<b>100</b>	<b>1743813073</b>	<b>100</b>	<b>115442</b>	<b>100</b>	<b>1742935011</b>	<b>100</b>

### Top ten shareholders as on March 31, 2014

Name	No. of shares held	% of shareholding
Chowdry Associates	217941800	12.50
VIC Enterprises Private Limited	217734000	12.49
Gyan Enterprises Pvt. Ltd.	202237980	11.60
Puran Associates Private Limited	189212000	10.85
Ratna Commercial Enterprises Private Limited	155233430	8.90
Milky Investment and Trading Company	106140970	6.09
Life Insurance Corporation of India	69275890	3.97
Burmans Finvest Private Limited	53012986	3.04
Genesis Indian Investment Company Limited -General Sub Fund	36009735	2.06
First State Investments (Hongkong) Limited A/C First State Asian Equity Plus Fund	26565090	1.52

### Dematerialization of Shares and Liquidity

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

- As on March 31, 2014, 99.51% 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 & Transfer Agents indicating the folio numbers along with the original shares certificates to be consolidated.

### **Service of documents through Email**

In terms of provisions of the Companies Act, 2013, service of documents on members by a company is allowed through electronic mode. Further SEBI, vide its Circular Ref. No. CIR/CFD/DIL/2011 dated 5<sup>th</sup> October 2011, has also directed listed companies to supply soft copies of full annual reports to all those shareholders who have registered their e-mail addresses for the purpose. 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. This will definitely help in prompt receipt of communication, reduce paper consumption and save trees as well as avoid loss of documents in transit.

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. Format of request letter is available in the Investor Centre page of the Company's website [www.dabur.com](http://www.dabur.com)

### **Outstanding GDRs/ADRs/Warrants/Options**

The Company has 16623020 outstanding Options as on March 31, 2014, with vesting period from 1 to 5 years from the date of grant.

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

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

### **Registrar and Transfer Agent**

Securities and Exchange Board of India (SEBI), through its Circular No. D&CC/FITTC/CIR-15/2002 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-

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: <a href="http://www.karvy.com">www.karvy.com</a>	Karvy Computershare Private Limited Unit: Dabur India Limited Plot No. 17-24, Vithal Rao Nagar Madhapur, Hyderabad- 500081 Phone No.: 040- 23420818 Fax No. 040-23420814 Email id: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>
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### **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.

Stakeholders Relationship Committee is authorized to approve transfer of shares in the physical segment. The Committee has delegated authority for approving transfer and transmission of shares and other related matters to the officers of the Company. Such transfers take place on weekly 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(c) 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 Stakeholders Relationship 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- 3378400 (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
- **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
- **Green Field Unit**, Village Manakpur,Tehsil Baddi, Distt Solan, H.P. - 174 101, Tel : 01795-244385 Fax : 01795-244090
- **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 Fax : 01795-244090

- **Honey Unit**, Village Manakpur, Tehsil Baddi ,Distt Solan, H.P. - 174 101, Tel : 01795-244385 Fax : 01795-244090

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

**Jammu Unit I, II, III & IV**, Lane No.3, Phase II, SIDCO Indl. Complex, Bari Brahma, 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 , 297507

**Alwar** SP-C 162, Matsya Industrial Area, Alwar - 301 030, Rajasthan, Tel: 0144 - 2881542 / 5132101 / 5132102, Fax : 0144 - 2881302

**Pithampur** 86-A, Kheda Industrial Area, Sector-3, Pithampur - 454774, Distt. - Dhar (M.P.), Tel : 07292 - 400046 to 51, Fax : 07292 - 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, 32919827/28, M - (0)9331048165; Fax : 033- 2477 2621

**Silvassa Unit - I & II** Survey No. 225/4/1, Village Saily, Silvassa - 396240, 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, 223783, 223892, Fax No. 01438- 223010

**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: 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, Tel: 011-43681700; Fax: 011-43681710
- For queries of Analysts, FII's, 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
- Chief Compliance Officer
  - ◆ Mr. A K Jain, Vice President (Finance) and Company Secretary, Dabur India Limited, Punjabi Bhawan, 10, Rouse Avenue, New Delhi – 110 002, Tel: 011 – 42786000; Fax: 011 – 2322 2051



## CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Sunil Duggal, Chief Executive Officer and Lalit Malik, 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 March 31, 2014 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.

Place: New Delhi                    Sunil Duggal                    Lalit Malik  
 Date: 29th April, 2014             CEO                            CFO  
     Dabur India Limited    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 financial year 2013-14.

Place: New Delhi                    Sunil Duggal  
 Date: 29th April, 2014             CEO, Dabur India Limited



## ANNEXURE 1

### DETAILS OF OTHER DIRECTORSHIPS HELD

Name of the Director	Status	Directorship	Committee Membership	Committee Chairmanship
Dr Anand Burman	CHAIRMAN/ PD/NED	Aviva Life Insurance Co. India Ltd.	Nil	Nil
		Dabur Pharmaceuticals Ltd.		
		H & B Stores Ltd.		
		Althea Lifesciences Ltd.		
		Hero MotoCorp Ltd.		
		Dabur Research Foundation		
Amit Burman	PD/NED	Ester Industries Ltd.	Audit Committee	Nil
		H & B Stores Ltd.		
		Q H Talbros Ltd.		
		Jetage Infrastructure Ltd.		
		Talbros Automatic Components Ltd.		
		Micromax Informatics Ltd.		
Mohit Burman	PD/NED	Cinemax India limited	Audit Committee	Nil
		PVR Limited		
		Aviva Life Insurance Co. India Ltd		
		Dabur Ayurvedic Specialities Ltd.		
		H & B Stores Ltd.		
		Dabur Pharmaceuticals Ltd.		
Saket Burman	PD/NED	Universal Sompo General Insurance Co. Ltd.	Audit Committee	Nil
P D Narang	ED	NIL	Nil	Nil
		H & B Stores Ltd	Nil	Audit Committee
		Jetage Infrastructure Ltd.		
		Aviva life Insurance Co. India Ltd.		
Sunil Duggal	ED	Dabur Research Foundation	Audit Committee	Nil
		H & B Stores Ltd.		
		Reed Relay & Electronics India Ltd.		
		Maharashtra Seamless Limited		
		Godrej Properties Ltd.		
		Apollo Tyres Ltd.		
Dr. S Narayan	ID	Seshasayee Paper and Board Ltd	Audit Committee	Nil
		India Infoline Limited		
		Artemis Medicare Services Limited		
		Idea Cellular Ltd		
		ILFS Ltd.		Audit Committee
		Polaris Financial Technology Ltd.		
R C Bhargava		Grasim Industries Ltd.	Audit Committee	Shareholders Grievance Committee
		Maruti Suzuki India Ltd.		
		Thomson Press Ltd.		
		UltraTech Cement Co. Ltd.		
		Shareholders Grievance Committee		
		Audit Committee		
Albert Wiseman Paterson	ID	Nil	Nil	Nil
Dr Ajay Dua	ID	Aviva Life Insurance Co.India Ltd.	Audit Committee	Nil
		Peninsula Land Limited		
		Essar Power Limited		
Sanjay Kumar Bhattacharyya	ID	C&S Electric Limited	Audit Committee	
		Persistent Systems Limited	Audit Committee	Shareholders Grievance Committee
		Wanbury Limited	Audit Committee	
		Shareholders Grievance Committee		



# DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 39th Annual Report on the business and operations of the Company, together with the audited accounts for the financial year ended March 31, 2014.

## FINANCIAL RESULTS

Financial results are presented in the table below:

(₹ in crores)

Particulars	Consolidated		Standalone	
	2013-14	2012-13	2013-14	2012-13
<b>Revenue from Operations (including other Income)</b>	<b>7225.89</b>	6277.96	<b>4979.65</b>	4443.62
Less Expenses :				
Cost of goods sold	3400.03	3019.13	2562.63	2313.96
Employee benefits expenses	607.67	498.91	343.93	305.43
Finance cost	54.15	58.9	19.35	18.4
Depreciation	97.49	84.72	53.89	49.05
Other Expenses	1930.3	1663.3	1137.8	1007.11
<b>Total Expenses</b>	<b>6089.64</b>	5324.96	<b>4117.6</b>	3693.95
<b>Profit before exceptional and extraordinary items and tax</b>	<b>1136.25</b>	953	<b>862.05</b>	749.67
Exceptional items	0.00	-4.66	0.00	0.00
<b>Profit before extraordinary items and tax</b>	<b>1136.25</b>	948.34	<b>862.05</b>	749.67
Extraordinary items	-0.72	0.08	-0.72	0.00
<b>Profit before tax</b>	<b>1135.53</b>	948.42	<b>861.33</b>	749.67
Tax expense	219.08	182.63	189.23	158.69
<b>Profit for the year from continuing operations</b>	<b>916.45</b>	765.79	<b>672.1</b>	590.98
Minority interest	2.53	2.37	0.00	0.00
<b>Profit after minority interest</b>	<b>913.92</b>	763.42	<b>672.1</b>	590.98

## DIVIDEND

The Company has paid an interim dividend of 75% (₹0.75 per share of ₹1/- each) on November 8, 2013. We are pleased to recommend a final dividend of 100% (₹1.00 per share of ₹1/- each) for the financial year 2013-14. The final dividend, if approved by the members, will be paid to members within the period stipulated by the applicable Companies Act. The aggregate dividend for the year will amount to 175% (₹1.75 per share of ₹1/- each) as against 150% (₹1.50 per share of ₹1/- each) declared last year. The dividend payout ratio for the current year, inclusive of corporate tax on dividend distribution, is at 53.12%.

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, final dividend for the year 2005-06 amounting to ₹1684989/- and interim dividend (I) for the financial year 2006-07 amounting to ₹1804848/-, which remained unpaid or unclaimed for a period of 7 years, has been transferred (interim dividend (II) for the financial year 2006-07 amounting to ₹2341419/- is under process of being transferred) by the Company to the Investors' Education and Protection Fund (IEPF). Further final dividend for the year 2005-06 pertaining to erstwhile Femcare Pharma Limited (FEM), now merged with the Company, which remained unpaid or unclaimed for a period of 7 years, amounting to ₹238362/- has also been transferred by the Company to IEPF. The due dates for transfer of unpaid dividend to IEPF for subsequent years is given in the Corporate Governance Report. The list of unpaid dividend upto the financial year 2012-13 is available on Company's website [www.dabur.com](http://www.dabur.com). Shareholders are requested to check the said list and if any dividend due to them remains unpaid in the unpaid list (apart from the above mentioned unpaid dividend already transferred to IEPF), can approach the Company for release of the unpaid dividend.

## ABRIDGED FINANCIAL STATEMENTS

In accordance with the SEBI circular no. CIR/CFD/DIL/7/2011 dated 5<sup>th</sup> October 2011, the abridged Annual Report containing salient features of the Balance Sheet and Profit & Loss Account for the financial year 2013-14, as prescribed in section 219(1)(b)(iv) of the Companies Act, 1956 along with statement containing salient features of the Directors' Report (including Management Discussion & Analysis and Corporate Governance Report) is being sent to all shareholders who have not registered their email address(es) for the purpose of receiving documents/ communication from the company in electronic mode.

Full version of the Annual Report 2013-14 containing complete Balance Sheet, Statement of Profit & Loss Account, other statements and notes thereto prepared as per the requirements of Schedule VI to the Companies Act, 1956, Directors Report (including Management Discussion and Analysis, Corporate Governance Report, Business Responsibility Report) are being sent via email to all shareholders who have provided their email address(es). Full version of Annual Report 2013-14 is also available at the Company's website at [www.dabur.com](http://www.dabur.com).

Please note that you will be entitled to be furnished, free of cost, the full Annual Report 2013-14, upon receipt of written request from you, as a member of the Company.

## OPERATIONS AND BUSINESS PERFORMANCE

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

## CORPORATE GOVERNANCE

We at Dabur believe that sound Corporate Governance is critical in enhancing and retaining stakeholders' trust. Our priority is attainment of all performance goals with integrity. Besides adhering to the prescribed Corporate Governance practices as per clause 49 of the Listing Agreement, Dabur voluntarily governs itself as per highest standards of ethical and responsible conduct of business in line with local and global standards. The Company exercises its fiduciary responsibilities in the widest sense of the term which has remarkably boosted the level of stakeholders' confidence testified by improved market capitalization, high credit ratings and various awards bagged by the Company for its brands, stocks, environmental impact, etc. We continuously strive to attain our benchmarked standards with our meticulous efforts, which gave Dabur the honour of being selected amongst the top 5 Best Board of India 2013, in a survey conducted by Hay Group with Jury headed by Mr. Kumar Mangalam Birla.

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.

## BUSINESS RESPONSIBILITY REPORT

Dabur is an environmentally sensitive organisation. At Dabur, fulfilment of environmental, social and governance responsibility is an integral part of the way the Company conducts its business. A detailed information on the initiatives of the Company as enunciated in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011` is provided in the Business Responsibility Report, a copy of which will be available on the Company's website [www.dabur.com](http://www.dabur.com).

Further, for Business Responsibility Report as stipulated under Clause 55 of the Listing Agreement with the Stock Exchanges, kindly refer to Business Responsibility Report section which forms part of the Annual Report.

## CREDIT RATING

During the year under review the Company has sustained its long term credit rating of AAA (stable). The highest credit rating of AAA awarded by CRISIL reflects the highest degree of safety regarding timely servicing of financial obligations. The Company's short term credit rated as A1+ by CRISIL, has also been reaffirmed. This rating indicates a very strong degree of safety with regard to timely payment of interest & principal. Such instrument carry lowest credit risk.

Further, ICRA has reaffirmed the rating of NCD programme of the Company as AAA (stable). The rating indicates highest degree of safety regarding timely servicing of financial obligation. The rated instrument carries lowest credit risk and the outlook on the rating is stable.

## DIRECTORS

Pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every Annual General Meeting. Consequently, Mr. Mohit Burman and Mr. Sunil Duggal, Directors will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment in accordance with the provisions of the Companies Act, 2013.

Further as per Section 149(5) of the Companies Act, 2013 the Company is required to appoint Independent Directors under Section 149(4) within a period of one year from 1.4.2014 i.e. the date of commencement of the said Section and Rules made thereunder. Since the Company had already appointed Mr. P N Vijay, Mr. R C Bhargava, Dr S. Narayan, Mr. Albert Wiseman Paterson, Dr. Ajay Dua and Mr. Sanjay Kumar Bhattacharyya as Non-Executive Independent Directors subject to retirement by rotation in the past, in terms of Companies Act, 1956 and the Listing Agreement, and out of them Mr. P N Vijay and Dr S Narayan are liable to retire by rotation in the ensuing Annual General Meeting, the Board of Directors in their meeting held on April 29, 2014 after consideration has recommended to reappoint all the aforesaid Directors as Non-Executive Independent Directors within the meaning of Section 149 and 152 [including Section 149(10)] of the new Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years with effect from the date of ensuing Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019.

The brief resume of the Directors being 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 except to the extent mentioned in notes to accounts;
- 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), Bombay Stock Exchange Limited (BSE) and MCX Stock Exchange Limited (MCX) and are actively traded.

In the year under review, following shares were allotted and admitted for trading in NSE, BSE and MCX.

Equity shares allotted against the options exercised by employees pursuant to Employees Stock Option Scheme of the Company:

- 696850 equity shares allotted on May 24, 2013.
- 181212 equity shares allotted on August 12, 2013.

### AUDITORS AND THEIR REPORT

M/s G. Basu & Co., 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 2014-15. Pursuant to Section 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has received certificate dated April 2, 2014 from the Auditors to the effect, inter-alia, that their re-appointment, if made, would

be within the limits laid down by the Act, shall be as per the term provided under the Act, that they are not disqualified for such re-appointment under the provisions of applicable laws and also that there is no proceeding against them or any of their partners pending with respect to professional matter of conduct.

The Auditors have vide their letter dated April 21, 2014 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, have been re-appointed as Cost Auditors for the financial year 2014-15 by the Audit Committee, to conduct cost audit of the accounts maintained by the Company, in respect of the various products prescribed under Cost Audit Rules, 2011. However, necessary approvals, if any, shall be taken as may be required by the applicable provisions. Full particulars of the Cost Auditor are as under:

M/s Ramanath Iyer & Company  
808, Pearls Business Park, Netaji Subash Place, Pitampura, New Delhi – 110088. Tel. No. : 011-45655448; Email ID – Info@ramanathiyer.com

(Firm's Membership No. 000019)

The Cost Audit Report for the financial year 2012-13, issued by M/s Ramanath Iyer & Company, Cost Auditors, in respect of the various products prescribed under Cost Audit Rules, 2011, was filed with the Ministry of Corporate Affairs (MCA) on September 6, 2013. The due date for filing the said Report with MCA was September 27, 2013.

The Cost Audit Report for the financial year 2013-14, in respect of the various products prescribed under Cost Audit Rules, 2011, is due to be filed with MCA and shall be filed as per the requirements of applicable laws.

### 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 2013-14. Consolidated Turnover grew by 15.10% to ₹7225.89 crore as compared to ₹6277.96 crore in the previous year. Similarly, Net Profit after Tax and after Minority Interest for the year at ₹913.92 crore is higher by ₹150.50 crore as compared to ₹ 763.42 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.

## NATURE OF BUSINESS

There has been no change in the nature of business of the Company. However, updates regarding new projects undertaken by the subsidiary companies is as under:

Dabur Lanka (Pvt) Limited (Sri Lanka) has set up a new project for manufacturing of fruit pulp based beverages mainly for export. The commercial production at the new plant commenced in July, 2013.

Asian Consumer care (Pvt) Ltd. (Bangladesh) has set up a new green field project for manufacturing Hair oil, Shampoo, Tooth paste, etc. The commercial production at this new plant commenced from February, 2014.

Further, during the year the Company has purchased a Business Undertaking situated at Panthagar, Uttarakhand for manufacturing of Ayurvedic Medicines and Cosmetics from its supplier.

## SUBSIDIARIES

During the year the following new step down subsidiaries of the Company were incorporated:-

- Dabur Consumer Care (Private) Limited, on April 19, 2013 in Sri Lanka, and
- Dabur Tunisie, on December 17, 2013 in Tunisia.

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/ subsidiary interested in obtaining the same.

However, pursuant to 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 that of its respective subsidiaries. The Financial Statements of each subsidiary shall also be available on Company's website [www.dabur.com](http://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 forms part of this report.

## EMPLOYEES STOCK OPTION PLAN

During the year, 45464 options in one tranche were granted to eligible employees of the Company in terms of Employees Stock Option Plan (Dabur ESOP 2000). During the year, 878062 options were exercised by the employees after vesting. Accordingly, the company made the allotment of 696850 equity shares on May 24, 2013 and 181212 equity shares on August 12, 2013 against the options exercised by the employees.

The particulars of options issued under the said Plan as required by SEBI (Employees Stock Option Scheme and Employees 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:-

A number of energy conservation techniques were initiated at large scale and successfully implemented.



Some of the key initiatives undertaken in the manufacturing units were as follows-

- Improvement in power factor upto 99%.
  - Installation of transparent sheets on the roof in Chyawanprash/ Oil day store/Boiler/DG/RM store at Panthagar unit.
  - AC interlocking with light switch.
  - Timer put on package AC's.
  - Air compressor auto drain valve timing increased.
  - Installation of blow down heat recovery system.
  - Installation of DO system at ETP (*Effluent Treatment Plant*).
  - Use of methane gas in herbal waste drier.
  - Use of RO reject water in vacuum pump & floor cleaning.
  - Use of VFD (*Variable-Frequency Drives*) in herbal waste ID (*Induced Draft*) & FD (*Forced Draft*) fans.
  - Installation of Voltage stabilizer on low tension line.
  - Installation of online temperature in ETP Bio digester for saving steam.
  - Installation of CRS to use condensate water in boiler feed.
  - Use of CFL lights in place of HPMV (*High Pressure Mercury Vapour*)/HPSV (*High Pressure Sodium Vapour*).
  - Installation of solar street lights.
  - Installation of LED tube lights.
  - Installation of solar water heater.
  - Trial started in March'14 for alternate fuel called Bio-LDO (made from vegetable oil) for boiler in place of HSD (made from petroleum).
  - 100% usage of herbal waste as boiler feed.
  - Installation of steam condensate recovery system to recycle condensate recovered after steam usage.
  - Usage of lower capacity motor in vacuum pumps for Glucose manufacturing.
  - Generation of compressed air at lower pressure resulting in net saving of 10% of power.
  - Nozzle size of boiler fuel reduced from 12mm to 9mm to reduce fuel consumption.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:-
- Additional Investment of ₹121.38 lacs was made during the year for reduction of consumption of energy.
- 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 ₹172.72 lacs and thereby lowered the cost of production by 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:**

Dabur's key markets for international business which is managed by its wholly owned subsidiary Dabur International Limited and other step down subsidiaries are Middle East, Africa, U.S., Europe and South Asia with manufacturing facilities across regions. In addition, Dabur has a private label business in the U.S. and a guar gum export business.

##### **International Business:**

Dabur's international business continued on the strong growth trajectory growing by 22.3% to ₹ 2310.8 crores in fiscal 2013-14. The international business now contributes 32.4% to consolidated sales.

During fiscal 2013-14, key markets in MENA (Middle East and North Africa) and South Asia (ex-India) regions performed well. Dabur continued to gain share in categories such as Hair Oils, Hair Creams, Shampoos and Toothpastes in key markets. For instance, market share in Hair Oils increased to 69% in KSA (Kingdom of Saudi Arabia) as compared to 66% last year. Similarly, Hair Oil market shares witnessed a jump in Egypt and were at 62% as compared to 53% last year. In Hair Creams as well there were strong market share gains with market share in KSA increasing to 35% as compared to 29% last year and in the UAE, increasing to 33% as compared to 29% last year. In addition, toothpaste market shares witnessed an uptick in Nigeria, Algeria and Morocco.

Brand-wise overview:

##### **Vatika**

Vatika witnessed strong growth in fiscal 2013-14. The brand saw several new innovative product and variant launches such as Vatika Hair Mayonnaise, Vatika Hammam Zaith – Volume and Thickness, Vatika Brilliantine Shine Hair Cream. The brand extended its Hair Gel platform into innovative need based, first of its

kind product called Vatika Gel Creams which provides styling of a Gel and Nourishment of a cream. Vatika consolidated its position in the highly competitive shampoo and conditioners category by successfully completing the launch of Vatika Ingredient Range of Shampoos and Conditioners. Vatika also garnered a space in the multi competitor category - Hair Colors by successfully extending Vatika Hair Color Crème to most of its International Markets.

#### Amla

Amla portfolio performed well in 2013-14. The brand entered into new and upcoming sub-categories with the product Amla Leave on Oils which provides nourishment of oil in a user friendly cream format. Amla also extended its equity of Hair Oils and moved on to highly competitive categories of Shampoos and Conditioners with its range of Vitamin, Keratin and Snake Oil shampoos and conditioners.

#### Miswak and Dabur Herbal Toothpaste (DHTP)

Miswak and DHTP brands provide premium oral care benefits on herbal platform. The oral care brand Miswak performed well, especially in North African markets and is now the second biggest toothpaste brand in Morocco and Algeria. A new innovative format extension of DHTP brand was launched.

#### Dermoviva

The Dermoviva portfolio of skincare products continued on an impressive growth trend in 2013-14, with Lotions and Creams growing in double digits. The brand focus was on reaching out to potential consumers in the key markets of Saudi Arabia, UAE and Algeria through specialized consumer contact programs. By the end of the fiscal year, Dermoviva is primed to enter the highly competitive but high growth category of Face Care. With an initial offering of Face Wash, Face Scrub & Facial Cleanser Toners, Dermoviva continues to expand its consumer franchise across MENA by catering to skin care needs by combining the wonderful properties of natural ingredients and the advances of science.

#### FEM

FEM's growth has been quite phenomenal in 2013-14. After a successful packaging design overhaul, FEM Hair Removal Creams have been a strong growth pillar for the brand. This year, FEM extended into the popular format Halawa (Hot Wax), which is a traditional home-made hair removal product used by Arab women. FEM also extended its equity with the launch of a premium proposition in the form of FEM Gold Hair Removal Cream (with real gold particles).

#### Exports from Dabur India

The company exports guar gum and private label oral care products from India. During fiscal 2013-14 the company recorded guar gum exports to the tune of ₹ 87.9 crores as compared to ₹ 158.7 crores in fiscal 2012-13.

Sales in USA (Dabur Branded and Private label) grew from ₹ 39.6 crores in fiscal 2012-13 to ₹ 46.5 crores in fiscal 2013-14.

The company caters to the ethnic Indian channels in the USA supplying the range of Dabur brands which are popular among the South Asian / Indian community. Retail penetration was extended by extending direct distribution to several new states in the US in the South West and Mid West.

Distribution was further extended to wholesalers targeting Hispanics and African-Americans in Florida, Michigan and Ethnic pockets in New York state and California. Distribution was also extended to Quebec in Canada. The strategic tieup with Canada's largest Retailer, Loblaws was fortified with Stores carrying 40 SKUs. A range of Ethnic hair care products were launched which included Shampoos, Hair Serums and Hair masks under the Vatika brand.

Dabur also exports private label oral care products to USA and Europe which includes Toothpastes, Mouthwash and Denture Adhesives.

The company acquired new customers for private label in France, Central Europe, Netherlands, Mexico and several customers in the U.S. Several new advanced Oral Care formulations were developed and launched across Toothpastes, Denture Adhesives and Mouthwash.

#### ii) Development of new markets for Products & Services:

New Markets have been opened up for business in countries like Armenia, Portugal and Chad by Dabur International Limited. The Sales & Distribution infrastructure has been augmented by appointing new distributors in these areas. Local resources have been enhanced in key markets of Middle East & North Africa, Nigeria, Egypt, East Africa and South East Asia to further strengthen the S&D structure.

#### iii) Export Plans:

The focus, going forward, is to continue expanding the presence of the company and its subsidiaries, across geographies and to exploit the opportunities that exist in existing and potential segments. Key focus is on enhancing the presence in current geographies and adding scale in the current operations. The Company, including subsidiaries, 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 2013-14: ₹ 42.51 crores.

Total Foreign Exchange Earned during 2013-14: ₹219.72 crores.

## HEALTH, SAFETY AND ENVIRONMENTAL REVIEW (HSE)

Dabur India Limited is committed to achieving its vision of zero harm and zero environmental incident. The 'Occupational Health, Safety and Environment Policy' is in place for implementing the mission. The Health, safety and environment strategy prioritises eliminating workplace illness, injuries and environmental incident through the Integrated Management System. Huge progress has been made in the area of process safety and HSE Management System implementation which is evident from the fact that there were no High Potential Accidents during the year. With regard to other environmental focus areas, Dabur has greatly improved its waste management and also reduced the GHG emissions to reduce the overall impact on environment.

To ensure focus and delivery of HSE activity, Dabur conducted 3rd National Safety Meet at Rudrapur with HSE Improvement Plan at manufacturing level. Focus is more on building an engaged safety culture where expectations are clear, people are trained, interventions are welcomed and consequences are understood. One key to build an engaged safety culture is through safety behaviour and Hazard observation. The tools used in Dabur to register safety behaviour / Hazard Observation is called SBO which is recorded through the inbuilt software called SURAKSHA which is in place since last three years. Beside this, all the manufacturing units have complied with statutory requirements laid by Government in terms of Act and Rules w.r.t. to Health, Safety and Environment. 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. An online Permit to Work System (PTW) is being used in all Manufacturing units to ensure that necessary communication take place and hazards are controlled.

With an aim to certify all its operational locations with the Integrated Management system OHSAS 18001 and ISO 14001 - Occupational Health, Safety and Environment, Dabur has got externally accreditation for its twelve (12) manufacturing location by TUV NORD and nine (9) manufacturing units have successfully completed their Surveillance Audit. This standard is the foundation of the overall health, safety and environment framework of Dabur. In relation to safety & risk, HIRA (Hazard Identification and Risk Assessment) Audit is

being carried out by EQMS India Pvt. Ltd for all Manufacturing units.

The environmental agenda of reducing environmental impact of Company's operations 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 and CO<sub>2</sub> emission in environment. Carbon and Water Footprint study was conducted for all manufacturing unit and targeted to reduce emission by 35% with the focus on use of renewable resources like bio-mass fuel, Solar Lights, etc. The Company is also getting validation of Carbon Footprint for all Manufacturing locations from TUV NORD carbon services. To reduce the environmental impact a mass tree plantation is done on 1st January every year.

Dabur, being aware of its social corporate responsibility, is in the process of further strengthening its current resources for better health, safety and environment management.

### Key Initiatives taken during the year are:

- Medical check up of workers.
- 48 number of new fire extinguishers, with suitable pressure rating, installed in place of old low pressure rating extinguishers.
- Procurement of electric arc flash kit.
- EOHS performance was reviewed in operations review with plant leadership team.
- Safety committee meeting was convened twice every month.
- Safety training was imparted to workers. Safety week was celebrated in first week of March.
- IMS audit was conducted as per schedule.
- Safety Awards received for Baddi Cluster:
  - a) Greentech Safety Award – 2013 in FMCG sector (Silver Category)
  - b) Workplace Safety & Health Award – 2014
- Successful completion of Recertification Audit for OHSAS 18001 for:
  - a) Hajmola & 44 Bigha Unit
  - b) Chyawanprash Unit
  - c) Oral Care Unit
- Successful surveillance audit for OHSAS 18001: 2007 for Skin Care Unit and Greenfield Unit was conducted.
- Extension of Hydrant system at Honey warehouse and ETP at Greenfield Unit.
- Regular Tool Box talk at the Shop floor for the workers comprising of safety related Do's and Don'ts.

- Safety induction of new workers before joining duty & training as per the monthly training calendar.
- Regular planned inspection by the designated zone owners.
- Arrangements made for safety belt anchoring at FG and RM/PM.
- Pedestrian walk way marked throughout the plant.
- Toe guard fixed on working platforms.
- Guarding and interlocking done on the machines.
- Working platforms/ fixed ladders for Amla day store being fabricated.
- Automation done on miracle mill and prakshep grinding mill for fire prevention.
- Pishti handling system installed for avoiding manual lifting of material.
- Wheel chokes fabricated and are being used for vehicle control.
- Tree plantation at various locations.
- Installation of rain water harvesting at three locations.

## 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

Place: New Delhi  
Date: 29th April, 2014

**(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, 2014, 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 all investor grievances were redressed within 30 days of lodgement of grievance and as on 31.03.2014 no investor complaint is pending against the company as per the records maintained by the Stakeholders Relationship 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)

Place: New Delhi  
Date: 29th April, 2014

**S Lahiri**  
Partner  
Membership No. 51717

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES**

**Annexure 2**

1	Name of the Subsidiary	Dabur Nepal Pvt. Ltd.*	H & B Stores Ltd.	Dabur Egypt Ltd*	Dabur International Ltd	Dabur Asian Consumer Care Ltd* (Pvt) Ltd*	Asian Consumer care Pakistan (Pvt.) Ltd*	Naturelle	Dermoviva Skin Essentials Inc*	Hobbi Imalat Sanayi Ve Ticaret Anonim Sirketi*	Ra Pazarı lama Limited Shirket*	Namaste Laboratories LLC*	Rejuvenation & Revitalization Nigeria Ltd*	Healing Hair Lab International LLC*	Urban Laboratories International LLC*	Dabur Egypt Trading Ltd*	Dabur Lanka (Pvt) Ltd*	Dabur Consument Care (Pvt) Ltd*	Dabur Tunisie
2	Holding Company's Interest	-	-	43,10,61,873	17,00,000 Equity Shares of Pounds Sterling 1 each fully Paid Up	-	-	-	-	5,65,000 Equity Shares of US Dollar 1 each fully Paid Up	-	-	-	-	-	-	-	-	-
3	Extent of Holding	-	100%	100%	-	-	-	-	-	2,21% 2,21%	-	-	-	-	-	-	-	-	-
4	Subsidiary Financial Year ended on	31,03,14	31,03,14	31,03,14	31,03,14	31,03,14	31,03,14	31,03,14	31,03,14	31,03,14	31,03,14	31,03,14	31,03,14	31,03,14	31,03,14	31,03,14	31,03,14	31,03,14	31,03,14
5	Net aggregate amount of subsidiaries Profit/(Loss) not dealt within the holding company's accounts:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(i) For the financial year of the subsidiaries	-	-	(₹ 3,88,79,444)	₹ 1,66,65,41,739	AED 10,11,74,211	-	-	-	-	₹ 12,03,15,203 USD 19,10,057.67	-	-	-	-	-	-	-	-
	(ii) For the previous financial year of the subsidiaries since they become the holding company's subsidiaries,	-	-	(₹ 20,06,89,912)	₹ 3,40,43,04,803	AED 27,74,40,110	-	-	-	-	₹ 52,97,27,449 USD 98,59,059	-	-	-	-	-	-	-	-
6	Net aggregate amount of subsidiaries Profit/(Loss) dealt within the holding company's accounts:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(i) For the financial year of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(ii) For the previous financial year of the subsidiaries since they become the holding company's subsidiaries,	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\* Subsidiary under Section 4(1)(c)  
Exchange Rate as on 31.03.2014, 1 AED=₹ 16.31, 1 US \$ = ₹ 59.92, 1 GBP = ₹ 99.64

For and on behalf of the Board

(Dr. Anand Burman)  
Chairman

**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 31<sup>st</sup> March, 2014.**

<b>Sl. No.</b>	<b>Particulars</b>		<b>For the Year</b>	<b>Cumulative</b>
1.	Number of Options granted	:	<b>45464</b>	34534119
2.	Pricing formula	:	<b>Each option carries the right to the holder to apply for one equity share of the Company at par/discount to market value.</b>	
3.	Options vested	:	<b>879822</b>	12618096
4.	Options exercised	:	<b>878062</b>	12589686
5.	Total number of shares arising as a result of exercise of option	:	<b>878062</b>	13091445
6.	Options lapsed/cancelled	:	<b>18180</b>	5321413
7.	Variation in terms of options	:	<b>None</b>	None
8.	Money realized by exercise of options	:	<b>₹514036/-</b>	₹11598859/-
9.	Total number of options in force	:	<b>16623020</b>	16623020
10.	Employee-wise details of options granted during the year to:			
	i. Senior managerial personnel	:	Mr Mohit Malhotra CEO –International Operations	22000
	ii. Employees who received the options amounting to 5% or more of options granted during that year	:	Mr Mohit Malhotra CEO- International Operations	22000
	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	:	₹ 3.86	

**12. The Company had been using intrinsic value method of accounting ESOP expenses as prescribed by SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999, to account for stock options issued under Dabur ESOS 2000, the Company's stock option scheme. Under this method, compensation expenses is recorded on the basis of excess of the market price of share at the date of grant of option over exercise price of the option.**

As allowed by the above referred SEBI Guidelines the company has decided to continue to apply the intrinsic value method of accounting and accordingly the disclosure required as per para 12 (I) of the Guidelines are given herein below:-

	(₹ in lacs)
Net profit after tax, as reported in audited accounts	67282
Add: Stock Option compensation expenses charged in above reported profit	2370
Deduct: Stock option compensation expenses determined under fair value method (black scholes model)	2334
Net profit after tax, as adjusted	67318
Impact on profit (i.e. profit would have been higher by)	36
Earning per share (₹)	Basic (₹)
- As reported	3.86
- As adjusted	3.86
- Impact on EPS	-
13. Weighted average exercise price (per option)	₹ 50.13
Weighted average fair value of per option:	
(per intrinsic value method)	₹ 111.00
(per Black Scholes Model)	₹ 118.33
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	6.98
- Expected life	1 to 5 years
- Expected volatility	28.49
- Expected Dividend yield	0.86%
- Price of underlying shares in the market at the time of option grant	₹ 174.85



Annexure '4'

**FORM - A**

(See Rule 2)

**Form of Disclosure of particulars with respect to Conservation of Energy**

<b>Particulars</b>		<b>2013-14</b>	<b>2012-13</b>
<b>A.</b>	<b>Power &amp; Fuel Consumption</b>		
<b>1</b>	<b>Electricity</b>		
a)	<b>Purchased</b>		
	Units	<b>36269750.77</b>	35210758.92
	Total Amount – (₹)	<b>233949581.24</b>	214291722.91
	Rate per Unit - (₹)	<b>6.45</b>	6.09
b)	<b>Own Generation</b>		
i)	Through Diesel generator		
	Units	<b>2168729.01</b>	3239608.21
	Unit per Litre of Diesel Oil	<b>3.24</b>	3.01
	Cost per Unit - (₹)	<b>17.06</b>	12.88
	Total Cost – (₹)	<b>37007015.09</b>	41740168.91
ii)	Through Steam Turbine / Generator	<b>Nil</b>	Nil
	Units	-	-
	Unit per Litre of Fuel Oil	-	-
	Cost per Unit - (₹)	-	-
2	<b>Coal (Specify Quality and where used) -</b>		
	(Bio Briquettes/ Pet Coke/ LPG for steam generation- Boiler)		
	Quantity (Tonnes)	<b>15393.39</b>	14217.77
	Total Cost – (₹)	<b>95864612.45</b>	90320308.84
	Average Rate per Tonne – (₹)	<b>6227.65</b>	6352.63
3	<b>Furnace Oil</b>		
	Quantity (Tonnes / KL)	<b>637.20</b>	498.81
	Total Cost – (₹)	<b>33061121.94</b>	24307182.67
	Average Rate per Tonne – (₹)	<b>51885.16</b>	48730.34
4	<b>Others / Internal generation</b>		
	<b>HSD</b>		
	Quantity (Kilo Ltr)	<b>676.74</b>	1170.91
	Total Cost – (₹)	<b>37074426.43</b>	49043960.84
	Average Rate per Kilo Ltr – (₹)	<b>54784.18</b>	41885.34
	<b>LDO</b>		
	Quantity (Kilo Ltr)	-	-
	Total Cost – (₹)	-	-
	Average Rate per Kilo Ltr – (₹)	-	-
	<b>PNG</b>		
	Quantity (SCM)	<b>295443.99</b>	422785.49
	Total cost	<b>13243746.64</b>	16803296.44
	Average rate per SCM (₹)	<b>44.83</b>	39.74
<b>B.</b>	<b>Consumption per unit of production</b>		
	The Company is engaged in production of variety of products, hence the figures of consumption per unit of production are not ascertainable.		

## 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

Dabur's R&D team comprises of highly qualified scientists working in various categories such as Health Care, Home & Personal Care and Foods. The R&D activities carried out by the Company are dedicated to the 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 Health Care, Food, Home & Personal Care products.

##### **Healthcare:**

During the year, the Dabur Research & Development Centre (DRDC) obtained DSIR recognition as well as 3CM certification and in addition procured four patents.

##### **Key areas of R&D were:**

###### a) Formulations (Classical & OTC)

The division was engaged in developing a number of new products. Nearly 10 new products were launched during the year. Further, the division has also provided some support to the International Business team by taking up a number of NPD projects in FY 2013-14 which are in advanced stage of readiness for launch. The International Business has its own Research and Development at Ras Al Kamiah in UAE.

Some of the NPDs that received encouraging response were Hajimola Anardana, Pudinhara Lemon Fizz, and Ratnaprash Health Supplement.

###### b) Medical Affairs & Clinical Research

DRDC is supporting the training of marketing team and enlightening the practitioners about Dabur's R&D activities. Claim support data for the existing as well as NPDs is organized by this team. Inputs are provided for handling the ASCI (Advertisement Standards Council of India) cases and other consumer queries. The division submitted 4 FDCs (Fixed Dose Combinations) dossiers to DCGI in FY 2013-14.

About 12 preclinical and 3 clinical studies were organized by the team in FY 2013-14. About 12 new SOPs (Standard Operating Procedures) have been introduced during fiscal 2013-14 for various Clinical Research activities.

###### c) Analytical Development

Analytical Development group started the testing of Corporate Quality Assurance (CQA) samples as

per FSSAI for different parameters. The team also participated in the product development by way of conducting Investigative analysis, comparative study with competitor brands, preservative efficacy tests, stability studies and microbial load tests.

A state-of the art entirely new facility for microbiological examination has been set up for performing special studies like Antimicrobial Test, Preservative Efficacy, Zone of Inhibition apart from routine analysis as well as different projects to improve quality by making them entirely safe for human consumption.

In order to check adulteration in raw materials, new techniques were developed and applied to all the respective plants to ensure high standards for the quality of the product. The Department also tests the samples for heavy metals, trans fatty acids, organic volatile impurities, pesticides residues and aflatoxins which are currently the major safety concerns.

##### **Food:**

R&D efforts were carried out in -

**Beverages:** Milk shakes, Super fruits, coconut water and new fruit juice variants, etc.

**Culinary:** Specialty and vegetable pastes etc.

##### **Home Care:**

R&D was carried out in Air Care, Mosquito Repellant and Toilet Cleaner categories. In Air Care - development of Odonil with 2x fragrance and One Touch Air Fresheners was done.

##### **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 for Indian and overseas markets.

**Oral Care-** Meswak toothpaste has been relaunched with better gum care benefits. New formulations of herbal toothpastes were developed for the International market.

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

Dabur's robust Research & Development initiatives led to successful launches of several new products in both Domestic and International markets across Health Care, Home & Personal Care and Foods categories.

**Healthcare:**

## a) Formulations (Classical &amp; OTC)

10 NPDs were launched out of which 6 were for domestic and 4 were for international markets.

## b) Medical Affairs &amp; Clinical Research

The support given by the R&D centre to the marketing team and practitioners has helped in handling ASCL (Advertisement Standards Council of India) cases and other consumer queries.

## c) Analytical Development

- The Analytical laboratory got NABL accreditation in the field of Chemical & Biological testing for the food products in accordance with ISO/IEC 17025:2005. This accreditation is highly regarded both nationally and internationally as a reliable indicator of technical competence.
- TLC fingerprint Atlas developed to ensure quality of raw materials/formulations as well as batch to batch consistency:
  - Ayurvedic Medicinal Plants – 120 numbers
  - Herbs used oral care formulations – 40 numbers
  - Ayurvedic oils - 4 numbers
- Developed fatty acids profiling for the 6 fixed oils for standardization of raw materials & intermediates used in hair care products.
- APC (Ayurvedic Pharmacopoeia Committee) Bhasma Project: Standardisation of Bhasmas like Mandoor, Swarnamakshika, Abhrak & Tamra for monograph generation.
- Data generated for Toxic metals like Lead, Arsenic, Cadmium and Mercury as per regulatory requirements for medicinal plants, Churna, Aasavas, Vati & Awaleha.
- 25 new analytical methodology developed as per the ICH guidelines, out of which some of the methods can quantify more than 4 active ingredients in a single method to save time and cost.

**Foods:**

Super fruits in tetrapak, Coconut water in PP Bottle were launched.

**Home care:**

In Air care three new products were launched, Odonil Block 2x, Odonil Gel & Odonil One Touch Fresheners.

**Personal Care:**

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

**Skin care:**

- Oxylife Aloe vera Gel Bleach

- Fem Fairness Naturals Saffron crème Bleach
- Fem Fairness Naturals Pearl crème Bleach
- Fem Fairness Naturals Gold crème Bleach
- Gulabari Fairness Face Pack

**Hair care:**

- Dabur Vatika Enriched Coconut Oil with Hibiscus
- Dabur Vatika Enriched Olive Hair Oil
- Dabur Vatika Premium Naturals Mandara & Kunkudukai Shampoo

**Oral care:**

Launch of Meswak with long lasting gum care benefits. Launch of several private label new entries in Mexico & USA were the key benefits.

**3. Future plan of action:**

Dabur's R&D would strive towards continuous innovation in products and processes to provide superior value added products to consumers across domestic and international markets.

**4. Expenditure on R&D (2013-14)**

a) Capital	₹191 lacs
b) Recurring	₹1,965 lacs
c) Total	₹2,156 lacs
d) Total R&D expenditure as a percentage of Total Turnover	0.44%

**TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION****1. Efforts, in brief, made towards technology absorption, adoption and innovation**

Continuing the efforts towards technology upgradation following machines/ processes were installed during the year:

- Automation of bottle loading on conveyor - unscrambler in Gulabari Product.
- Power factor improved up to 99%.
- Automation in AFG Labeling.
- Technology up gradation in Odomos Cream manufacturing equipment.
- Usage of Bio Gas generated through Effluent Treatment Plant and thereby replacing PNG.
- 100% usage of herbal waste as boiler feed.
- Usage of solar street lights replacing traditional street lights.
- Multi Track FFS machine for 50 ml Pack in Dabur Amla Coconut Oil.
- Auto Sleeve Applicator for Dabur Amla Coconut Oil WM (Wide Mouth) and NM (Narrow Mouth) Packs.

- Warehouse Construction with Multi Level Racking Facility.
  - Installation of energy efficient lighting fixtures.
- 2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.**
- Power Factor incentive of ₹ 2.00 Lac received from M.P. Electricity Board for Katni Unit.
  - Savings of ₹ 55.22 Lacs at Sahibabad unit from usage of Herbal waste as Boiler Feed, Solar street lights and other improvements.
  - Manpower cost reduction of ₹ 17.78 lacs & packing material reduction of ₹1.50 lacs.
  - Power savings of approximately ₹ 3.00 Lacs at Silvassa.
- Savings of 7 Man power/ Shift/ day at Jammu through technology up- gradation.
  - Productivity increased from 650 Kg/Man to 1350 at Jammu through technology up-gradation.
- 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   | : | Nil |
| b) Year of import  | : | NA  |
| c) Has technology been fully absorbed  | : | NA  |
| d) If not absorbed, areas where this has not taken place, reason therefore and future plan of action | : | NA  |



# INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

## To the Members of Dabur India Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Dabur India Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2014, and the statement of profit and loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 the balance sheet, of the state of affairs of the Company as at 31st March 2014;
- (b) In the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. 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 those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act, read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
  - e. on the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the

directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For G.Basu & Co.  
Chartered Accountants**  
Firm's registration number: 301174E

Place: New Delhi  
Date: 29th April, 2014

**Anil Kumar**  
Partner  
Membership number: 9390

### **ANNEXURE TO THE AUDITOR'S 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. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has not affected the going concern status 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 and services. During the course of our audit no major weakness has been noticed in the internal controls. We have not observed any continuing 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 and exceeding the value of Rupees Five lakhs in respect of any party during the year have been made at prices which appear reasonable having regard to the prevailing market price at the relevant time.
6. 'The Company' has not accepted any deposits from the public.
7. In our opinion 'the company' has an internal audit system commensurate with its size and nature of its business.
8. On the basis of records produced we are of the opinion that *prima facie* cost records and accounts prescribed by the Central Government under section 209 (i) (d) of the Companies Act, 1956 in respect of products of 'the company' covered under the rules under said section have been made and 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 31<sup>st</sup> March, 2014 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 the Statute	Nature of dues	Period	Amount (₹ in Crs)	Forum where Pending
Sales Tax and VAT Laws	Central Sales Tax Act, Local Sales Tax Act, Value Added Tax, Entry Tax etc	1999-00 to 2012-13 1997-98 to 1999-00, 2001-02 to 2003-04 2005-06 to 2006-07, 2008-09 to 2009-10 1990-91 to 1999-00, 2006-07, 2010-11 and 2012-13	9.16 3.05 5.20	DC, AC, DETC, REV, BOARD, A,A, DETC (Commissioner's Level) Appellate Tribunal High Courts
Income Tax Act, 1961	Income Tax	2006-07 and 2008-09 to 2013-14 1996-97, 2008-09 and 2009-10	8.73 0.62	Assessing Officer Commissioner (Appeal)
Central Excise Act, 1944	Excise Duty	1993 to 2001, 1996 & 1998 1994-2012 1994-2011	5.18 2.71 118.29	Dy. Commissioner Commissioner (Appeal) Tribunal
Service tax (Finance Act, 1994)	Service Tax	2001-2008	40.29	Tribunal

10. 'The Company' does not have accumulated losses at the end of the financial year. 'The Company' has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that 'the company' has not defaulted in repayment of dues to any financial institution, bank or debenture holder.
12. 'The company' has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, 'the Company' is not a Chit Fund/ Nidhi/ Mutual Benefit Fund/ Society. Accordingly, paragraph 4 (xiii) of the order is not applicable.
14. Based on our examination of the records and evaluations of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts relating to shares, securities, debentures and other investments dealt in by 'the company' and timely entries have been made in the records. We also report that 'the company' has held the shares, securities, debentures and other investments in its own name except for those pending transfer in Company's name.
15. 'The company' has given guarantees for loans taken by others from banks or financial institutions. The terms and conditions there-of are not prima facie prejudicial to the interest of the company.
16. The term loans taken by 'the company' have been applied for the purpose for which they were raised.
17. No short term fund has been applied for long term purpose.
18. 'The company' has made preferential allotment of shares under their ESOP Scheme to the parties covered in the register maintained under section 301 of the Companies Act 1956 during the year. The price at which these shares were issued is 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 was no fraud on or by 'the company' noticed or reported during the year.

For **G.Basu & Co.**  
*Chartered Accountants*  
 Firm's registration number: 301174E

**Anil Kumar**

*Partner*

Membership number: 9390

Place: New Delhi  
 Date: 29th April, 2014

# BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH, 2014

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	<b>174.38</b>	174.29
(b) Reserves and Surplus	4	<b>1,727.96</b>	1,391.32
<b>2. Non-current liabilities</b>			
(a) Long Term borrowings	5	-	0.84
(b) Deferred Tax Liabilities (Net)	6	<b>42.64</b>	34.18
(c) Long-term provisions	7	<b>40.14</b>	39.28
<b>3. Current Liabilities</b>			
(a) Short-term borrowings	8	<b>44.29</b>	240.74
(b) Trade payables	9	<b>704.67</b>	573.61
(c) Other current liabilities	10	<b>147.30</b>	135.62
(d) Short-term provisions	11	<b>240.42</b>	208.57
<b>Total</b>		<b>3,121.80</b>	2,798.45
<b>II ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible assets	12	<b>642.26</b>	603.71
(ii) Intangible assets		<b>11.39</b>	12.87
(iii) Capital work-in-progress		<b>16.73</b>	17.07
(b) Non-current investments	13	<b>466.72</b>	260.70
(c) Long-term loans and advances	14	<b>14.85</b>	13.54
(d) Other non-current assets	15	-	38.00
<b>2. Current assets</b>			
(a) Current investments	16	<b>651.70</b>	765.45
(b) Inventories	17	<b>558.20</b>	500.32
(c) Trade receivables	18	<b>323.12</b>	255.32
(d) Cash and Bank Balances	19	<b>297.47</b>	168.39
(e) Short-term loans and advances	20	<b>84.62</b>	103.83
(f) Other current assets	21	<b>54.74</b>	59.25
<b>Total</b>		<b>3,121.80</b>	2,798.45
Summary of significant accounting policies	2		
Contingent liabilities, capital and other commitments	22,23		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

for **G. BASU & CO.**

Chartered Accountants  
Firm Regn. No. 301174E

**ANIL KUMAR**

Partner  
Membership No. 9390  
Place : New Delhi  
Date : 29th April, 2014

For **DABUR INDIA LIMITED**

**DR ANAND BURMAN**  
Chairman

**A K JAIN**  
VP (Finance) and  
Company Secretary

**P D NARANG**  
Whole Time Director

**LALIT MALIK**  
Chief Financial Officer

**SUNIL DUGGAL**  
Whole Time Director



# STATEMENT OF PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

(All amounts in ₹ crores, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>I Gross Revenue from sale of products</b>		<b>4,912.94</b>	4,383.90
Less: Excise Duty		(56.14)	(49.72)
Net Revenue from sale of products		<b>4,856.80</b>	4,334.18
Sale of Services		<b>0.17</b>	0.30
Other operating Revenues		<b>13.11</b>	14.91
Revenue from operations	26	<b>4,870.08</b>	4,349.39
<b>II Other Income</b>	27	<b>109.57</b>	94.23
<b>III Total Revenue (I +II)</b>		<b>4,979.65</b>	4,443.62
<b>IV Expenses</b>			
Cost of materials consumed	28	<b>1,817.98</b>	1,658.05
Purchase of stock in trade	29	<b>756.97</b>	630.29
Changes in inventories of FG , WIP & Stock in trade	30		
Finished Goods		(8.08)	13.28
Work in Progress		5.54	2.26
Stock in trade		(9.78)	10.08
Employee benefits expenses	31	<b>343.93</b>	305.43
Finance costs	32	<b>19.35</b>	18.40
Depreciation and Amortisation expenses	33	<b>53.89</b>	49.05
Other Expenses	34	<b>1,137.80</b>	1,007.11
<b>Total Expense</b>		<b>4,117.60</b>	3,693.95
<b>V Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>862.05</b>	749.67
<b>VI Exceptional Items</b>		-	-
<b>VII Profit before extraordinary items and tax (V - VI)</b>		<b>862.05</b>	749.67
<b>VIII Extraordinary Items</b>		(0.72)	-
<b>IX Profit before tax (VII - VIII)</b>		<b>861.33</b>	749.67
<b>X Tax expense</b>			
(1) Current tax		<b>180.48</b>	150.59
(2) Deferred Tax		<b>8.46</b>	7.07
(3) Earlier year tax		<b>0.29</b>	1.03
<b>XI Profit/(Loss) for the year from continuing operations (IX - X)</b>		<b>672.10</b>	590.98
<b>XII Earnings per equity share in ₹ ( before Extraordinary items)</b>			
(1) Basic		<b>3.86</b>	3.39
(2) Diluted		<b>3.83</b>	3.37
<b>XIII Earnings per equity share in ₹ ( after Extraordinary items)</b>			
(1) Basic		<b>3.85</b>	3.39
(2) Diluted		<b>3.83</b>	3.37
Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

for **G. BASU & CO.**

Chartered Accountants  
Firm Regn. No. 301174E

**ANIL KUMAR**

Partner  
Membership No. 9390  
Place : New Delhi  
Date : 29th April, 2014

For **DABUR INDIA LIMITED**

**DR ANAND BURMAN**  
Chairman

**A K JAIN**  
VP (Finance) and  
Company Secretary

**P D NARANG**  
Whole Time Director

**LALIT MALIK**  
Chief Financial Officer

**SUNIL DUGGAL**  
Whole Time Director

## STATEMENT OF CASH FLOW (PURSUANT TO AS-3) INDIRECT METHOD FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

(All amounts in ₹ crores)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>A. Cash Flow From Operating Activities</b>		
Net Profit Before Tax	<b>861.33</b>	749.67
Add:		
Depreciation	<b>53.89</b>	49.05
Loss on Sale of Fixed Assets	<b>0.66</b>	0.43
Fixed Assets Discarded	<b>0.39</b>	0.34
Deferred Employees Compensation Amortised	<b>23.70</b>	24.19
Provision for Contingent Liability	<b>2.25</b>	0.54
Interest	<b>11.42</b>	12.39
Unrealised Loss/(Gain) on Financial Instruments	-	(5.28)
Unrealised Loss / (Gain) In Foreign Exchange	<b>(1.31)</b>	4.20
	<b>952.33</b>	835.53
Less:		
Interest Received	<b>81.75</b>	69.86
Profit on Sale of Investment	<b>17.02</b>	9.56
Profit on Sale of Assets	<b>0.23</b>	99.00
Operating Profit Before Working Capital Changes	<b>853.33</b>	756.00
Working Capital Changes		
(Increase)/Decrease in Inventories	<b>(57.88)</b>	28.83
(Increase)/Decrease in Trade & Other Receivables	<b>(52.47)</b>	(20.88)
Increase/(Decrease) in Trade Payables and Other Payables	<b>147.75</b>	86.76
(Increase)/Decrease in Working Capital	<b>37.40</b>	94.71
Cash Generated from Operating Activities	<b>890.73</b>	850.71
Tax Paid	<b>175.52</b>	148.16
<b>Cash Used(-)/(+)Generated From Operating Activities (A)</b>	<b>715.21</b>	702.55
<b>B. Cash Flow From Investing Activities</b>		
Acquisition of Fixed Assets	<b>(96.18)</b>	(85.40)
Sale of Fixed Assets	<b>1.06</b>	5.39
Purchases of Investment	<b>(6,544.59)</b>	(4,607.18)
Interest Received	<b>85.62</b>	49.45
Proceed of Sale of Investments	<b>6,451.48</b>	4,303.63
Payment (-)/Proceeds(+) From Loan to Subsidiaries	<b>1.20</b>	(9.00)
<b>Cash Used(-)/(+)Generated In Investing Activities (B)</b>	<b>(101.41)</b>	(343.11)
<b>C. Cash Flow From Financing Activities</b>		
Proceeds From Share Capital & Premium	<b>0.05</b>	0.04
Repayment(-)/Proceeds (+) of Long Term Loan	<b>(0.84)</b>	(0.46)
Repayment(-)/Proceeds(+) From Short Term Secured Loan	<b>(4.68)</b>	3.35
Repayment(-)/Proceeds(+) From Short Term Unsecured Loans	<b>(191.77)</b>	(34.75)
Payment of Dividend	<b>(278.78)</b>	(243.43)
Corporate Tax on Dividend	<b>(47.41)</b>	(39.58)
Interest Paid	<b>(11.42)</b>	(12.94)
<b>Cash Used(-)/(+)Generated In Financing Activities (C)</b>	<b>(534.85)</b>	(327.77)
<b>Net Increase(+)/Decrease (-) In Cash And Cash Equivalents (A+B+C)</b>	<b>78.95</b>	31.67
Cash and Cash Equivalents Opening Balance	<b>67.39</b>	35.72
Unrealised Gain/(Loss) on Foreign Currency	<b>2.98</b>	2.80
Cash and Cash Equivalents Closing Balance	<b>143.36</b>	64.59
Cash and Cash Equivalents (Year End)	<b>143.36</b>	64.59
Balances With Banks without Restatement	<b>138.77</b>	63.17
Cheques / Drafts in Hand	<b>4.20</b>	1.03
Cash-in-Hand	<b>0.39</b>	0.39

As per our report of even date attached

for **G. BASU & CO.**

Chartered Accountants  
Firm Regn. No. 301174E

**ANIL KUMAR**

Partner  
Membership No. 9390  
Place : New Delhi  
Date : 29th April, 2014

For **DABUR INDIA LIMITED**

**DR ANAND BURMAN**

Chairman

**A K JAIN**

VP (Finance) and  
Company Secretary

**P D NARANG**

Whole Time Director

**LALIT MALIK**

Chief Financial Officer

**SUNIL DUGGAL**

Whole Time Director



(All amounts in ₹ crores, except share data)

# NOTES

## TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

### 1. COMPANY INFORMATION

Dabur India Limited (the 'Company') is a domestic public limited company and is listed on the Bombay Stock Exchange Limited [BSE], National Stock Exchange of India Limited [NSE] and MCX Stock Exchange Limited [MCX]. The company is one of the leading FMCG players dealing in Consumer Care and Food Products. The Company has manufacturing facilities across the length & breadth of the country and Research and Development Center in U.P. (Sahibabad), selling arrangements being primarily in India through independent distributors except for institutional sales which are handled directly by the company.

### 2. 2.1 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1.1 Basis for preparation of accounts

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 pronouncement of ICAI, provisions of the Companies Act and guidelines issued by SEBI as applicable.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956.

#### 2.1.2 Use of Estimates

Indian GAAP enjoins management to make estimates and assumptions that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to years, the financial statement relate to. Actual result could differ from such estimates. Any revision in accounting estimates 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.

#### 2.2 Recognition of Income and Expenses

- (a) Sales and purchases are accounted for on the basis of passing of title to the goods.
- (b) Sales comprise of sale price of goods including excise duty but exclude trade discount and Sales tax/Vat.
- (c) Income/ loss from future trading of commodities, forming part of inputs, is recognized at the closing point of the contract. For open contracts loss, if any, accrues

on balance sheet date is recognized. However profit, if any, accruing on open contracts on balance sheet date is ignored.

- (d) All the other incomes have been accounted for on accrual basis.

#### 2.3 Fixed Assets

- (a) Fixed assets are stated at carrying amount i.e. cost less accumulated depreciation.
- (b) Cost includes freight, duties, taxes and other expenses incidental to acquisition and installation.
- (c) Depreciation on Fixed Assets has been provided on straight line method at rates specified in Schedule XIV of the Companies Act, 1956 except for part of 5/1 Unit Sahibabad, Katni unit, Alwar unit and Narendernpur unit and for Motor Vehicles where depreciation has been provided for on written down value methods at the rates specified in the aforesaid Schedule.
- (d) Fixed Assets purchased for less than ₹ 0.0005 have been depreciated at the rate of 100%.
- (e) Patents and trademarks are being amortized over the period of ten years on straight line basis.
- (f) Software's are being amortized over the period of five years on straight line basis.
- (g) For New Projects, all direct expenses and direct overheads(excluding services provided by employees in company's regular payroll) are capitalized.
- (h) 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.
- (i) During sale of fixed assets, any profit earned towards excess of sale value over gross block of assets (i.e. balancing charge) is transferred from profit & loss account to capital reserve.

#### 2.4 Impairment/discarding of Assets

- (a) 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 terms 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

(All amounts in ₹ crores, except share data)

recoverable value of relevant assets. Impairment loss, when crystallizes, is charged against revenue of the year.

- (b) Apart from test of impairment within the meaning of AS 28, individual tangible fixed assets of various Cash Generating Units (CGUs) are identified for writing down/discardng on the ground of obsolescence, damage, redundancy & un-usability at the year end.
- (c) Further the company has assessed recoverable value of each CGUs and each intangible asset 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.
- (d) 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.
- (e) Annual discount rate considered for arriving at value-in-use of assets of each CGU is 7.50% i.e. the average interest rate of external borrowing plus risk factor @ 2.00 % per annum.

## 2.5 Investment

Investments that are readily realizable and are intended to be held for not more than one year from the reporting date are classified as "Current investments". All other investments are classified as "Non-current investments".

Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of non-current investments.

Investments in Subsidiaries, Joint Ventures and Associates are held for long term and valued at cost reduced by diminution of permanent nature therein, if any.

No profit or losses of subsidiaries are accounted for.

## 2.6 Research and Development Expenditure

Revenue expenditure on research & development is expensed as incurred including contribution towards scientific research expenses.

## 2.7 Inventories

Inventories are valued at the lower of cost or net realizable value. Basis of determination of cost remains as follows:

- (a) Raw material, Packing material, Stores & Spares : Moving Weighted Average Basis
- (b) Work-in-progress : Cost of Input plus Overhead upto the stage of completion
- (c) Finished Goods : Cost of Input plus Appropriate Overhead

## 2.8 Deferred Entitlement on Leave Travel Concession

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

## 2.9 Retirement Benefits

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

### (a) Defined Benefit Plans:

- i) Leave Salary of employees on the basis of actuarial valuation as per AS 15.
- ii) Post separation benefits of directors on the basis of actuarial valuation as per AS 15.
- iii) Gratuity Liability on the basis of actuarial valuation as per AS 15.

### (b) Defined Contribution Plans:

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

## 2.10 Income Tax and Deferred Tax

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.

## 2.11 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.

## 2.12 Foreign Currency Translation

- (a) 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



(All amounts in ₹ crores, except share data)

- between the date of transaction and that of payment is charged to Statement of Profit & Loss.
- (b) 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 Statement of Profit & Loss.
  - (c) Increase / decrease in foreign currency loan on account of exchange fluctuation are debited / credited to Statement of profit and loss.
  - (d) Impact of exchange fluctuation is separately disclosed in notes to accounts.

### **2.13 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 with corresponding debit in deferred Employee Compensation under ESOP appearing as a negative item as part of shareholder's fund as per guidelines to the effect issued by SEBI.

- (a) With the exercise of option and consequent issue of equity share, corresponding ESOP outstanding is transferred to share premium account.
- (b) 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.
- (c) Entitlement of option rises proportionately with the issuance of bonus. Nominal value of shares against enhanced options is financed by the company at the point of exercise of such option by employees against utilization of general reserve/security premium.
- (d) Deferred employees compensation under ESOP is amortized on straight line method over the vesting period.

### **2.14 Mergers/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.

### **2.15 Segment Reporting**

The Company identifies primary segments based on the pre-dominant sources of risk effects and returns depending on organization and of the management and internal financial reporting system. The operating segments are the segments for which separate financial information are available and operating profit/loss there from are evaluated regularly by the management for allocation of resources and assessment of performance.

Revenue, expenses, assets and liabilities which relate to the company as a whole which are not allocable to segments on direct and/or reasonable basis have been included under "unallocated revenue/ expenses/assets/liabilities".

### **2.16 Operating Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals for operating leases are charged to statement of profit & loss on accrual basis in accordance with the respective lease agreements.

### **2.17 Earnings per Share**

Basic Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## **3. SHARE CAPITAL**

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Authorized</b> 2070000000 [ March 31,2013 : 2070000000 ] equity shares of ₹ 1 each	<b>207.00</b>	207.00
<b>Issued, Subscribed and fully paid up</b> 1743813073 [ March 31,2013 : 1742935011 ] equity shares of ₹ 1 each	<b>174.38</b>	174.29

(All amounts in ₹ crores, except share data)

**a) Reconciliation of the number of shares**

Equity Shares:	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Amount	No. of Shares	Amount
Balance as at the beginning of the year	1,74,29,35,011	174.29	1,74,21,00,854	174.21
Add: Shares issued under ESOP scheme during the year	8,78,062	0.09	8,34,157	0.08
Balance as at the end of the year	1,74,38,13,073	174.38	1,74,29,35,011	174.29

**b) Rights, preference and restrictions attached to Equity Shares**

- i) The Company has one class of equity shares having a par value of ₹1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.
- ii) Shares of the company are ordinarily transferable provided:
  - Instrument of transfer is in form prescribed under the Act & duly stamped and executed by/on behalf of transferor and transferee.
  - Transferee consenting or replying affirmatively within specified period of his receipt of notice under Section 110(2) of Companies Act, 1956 issued by the company in respect of application of transfer of registration of shares made by the transferor.
  - Transferee is not of unsound mind.
  - Company does not have any lien on shares under application of transfer.

**c) Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the company**

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Equity shares of ₹1 held by:</b>		
Chowdry Associates	21,79,41,800	21,79,34,000
VIC Enterprises Private Limited	21,77,34,000	21,77,34,000
Gyan Enterprises Private Limited	20,22,37,980	20,22,37,980
Puran Associates Private Limited	18,92,12,000	18,92,12,000
Ratna Commercial Enterprises Private Limited	15,52,33,430	15,49,60,930
Milky Investment and Trading Company	10,61,40,970	10,61,40,970

**d) Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date**

Number of equity shares issued under merger/amalgamation in last 5 years	13,84,620	13,84,620
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**e) Shares allotted as fully paid up bonus shares during the period of five years immediately preceding the reporting date**

Number of equity shares issued in last 5 years as fully paid up bonus shares (Including shares issued under ESOP scheme part of consideration not received in cash)	87,18,39,025	87,14,74,999
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(All amounts in ₹ crores, except share data)

#### f) Shares reserved for issue under options

Particulars	As at 31st March, 2014	As at 31st March, 2013
Number of equity shares reserved for issue under options contracts / commitment for sale for shares	1,66,23,020	1,74,73,798
<b>Term therein:</b>		
Options granted to an employee are subject to cancellation under circumstances of his cessation of employment with the company on or before vesting date.		

#### 4. RESERVES AND SURPLUS

Particulars	Details	As at 31st March, 2014	Details	As at 31st March, 2013
Capital Reserve:				
Opening Balance	<b>26.92</b>		26.92	
Add: Addition during the period	-	<b>26.92</b>	-	26.92
Securities Premium Account:				
Opening Balance	<b>30.21</b>		22.93	
Add: Addition during the period	<b>7.74</b>	<b>37.95</b>	7.28	30.21
Investment Revaluation Reserve				
Opening Balance	<b>4.49</b>		0.78	
Addition during the period	<b>0.57</b>		3.71	
Reduction during the period	<b>5.06</b>	-	-	4.49
ESOP Outstanding: (Read with note no.57)	<b>92.55</b>		99.65	
Less: Deferred Employee compensation ESOP	<b>3.63</b>	<b>88.92</b>	29.17	70.48
General Reserve:				
Opening Balance	<b>169.19</b>		109.23	
Add: Transferred from surplus	<b>70.00</b>		60.00	
	<b>239.19</b>		169.23	
Less: Transferred to surplus	<b>0.04</b>	<b>239.15</b>	0.04	169.19
Surplus in Statement of Profit and Loss:				
Opening Balance	<b>1,090.03</b>		864.11	
Add: Profit/(Loss) for the year	<b>672.10</b>		590.98	
Transferred from general reserve	<b>0.04</b>		0.04	
Total	<b>1,762.17</b>		1,455.13	
Less: Appropriations				
Transferred to General Reserve	<b>70.00</b>		60.00	
Bonus shares	<b>0.04</b>		0.04	
Interim Dividend	<b>130.79</b>		113.29	
Proposed Final Dividend	<b>174.38</b>		148.15	
Corporate Tax on Final Dividend	<b>29.64</b>		25.18	
Corporate Tax on Interim Dividend	<b>22.23</b>		18.38	
Dividend adjustments of earlier years	<b>0.06</b>		0.05	
Dividend tax adjustment of earlier years	<b>0.01</b>	<b>1,335.02</b>	0.01	1,090.03
<b>Total</b>		<b>1,727.96</b>		1,391.32

(All amounts in ₹ crores, except share data)

## 5. LONG TERM BORROWINGS

Nature of Borrowing	Period	Total	Unsecured
Deferred Sales Tax Liabilities	As at 31st March'2014	-	-
	As at 31st March'2013	0.84	0.84
<b>Total</b>	As at 31st March'2014	-	-
	As at 31st March'2013	0.84	0.84

### Footnotes:

1. There is no default in repayment of principal loan or interest thereon.
2. No Guarantee Bond has been furnished against any loan.

## 6. DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Deferred Tax Liability:</b>		
Depreciation	<b>66.96</b>	55.99
Restatement of Financial Assets/Liabilities	-	1.90
<b>Less: Deferred Tax Assets :</b>		
Provision for Disputed Liabilities	<b>1.57</b>	0.92
Provision for Service Benefits	<b>12.40</b>	12.56
Provision for Doubtful Advances	<b>0.43</b>	0.28
Provision for Doubtful Debts	<b>4.56</b>	4.12
Unrealized loss on Financial Instruments	-	0.18
Others	<b>5.36</b>	24.32
<b>Net Deferred Tax Liability</b>	<b>42.64</b>	34.18
(Decrease)/Accretion in Deferred Tax Liability	<b>8.46</b>	7.07
<b>Deferred Tax Liability provided during year</b>	<b>8.46</b>	7.07

## 7. LONG TERM PROVISIONS

Particulars	As at 31st March, 2014	As at 31st March, 2013
For Retirement Benefits of Directors'	40.14	39.28
	40.14	39.28

## 8. SHORT TERM BORROWINGS

Sl. No.	Nature of Borrowings		Total	Secured	Unsecured
i)	Cash Credits from Bank	As at 31st March'2014	17.79	17.79	-
		As at 31st March'2013	22.47	22.47	-
ii)	Packing Credit Loan from Banks	As at 31st March'2014	26.50	-	26.50
		As at 31st March'2013	168.27	-	168.27
iii)	Commercial Papers	As at 31st March'2014	-	-	-
		As at 31st March'2013	50.00	-	50.00
<b>Total</b>		As at 31st March'2014	44.29	17.79	26.50
		As at 31st March'2013	240.74	22.47	218.27

### Footnotes:

1. There is no default in repayment of principal loan or interest thereon.
2. No Guarantee Bond has been furnished against any loan.
3. Cash Credits are secured by hypothecation of inventories and book debts among bankers in consortium ranking pari passu with Punjab National Bank , Standard Chartered Bank Ltd, Hongkong & Shanghai Banking Corporation Ltd, Royal Bank of Scotland, IDBI Bank Ltd, Citi Bank NA, HDFC Bank Ltd, Bank of Nova Scotia and Bank of Tokyo Mitsubishi UFJ Ltd



(All amounts in ₹ crores, except share data)

## 9. TRADE PAYABLES

Particulars	As at 31st March, 2014	As at 31st March, 2013
Creditors for Goods and services	<b>575.10</b>	493.69
Acceptances	<b>129.57</b>	79.92
<b>Total</b>	<b>704.67</b>	573.61

## 10. OTHER CURRENT LIABILITIES

Current maturities of long term debt	-	0.46
Unpaid dividends	<b>4.81</b>	4.59
Security Deposits	<b>5.37</b>	4.33
Creditors for capital goods	<b>5.03</b>	8.92
Advances from Customers	<b>7.05</b>	11.87
Statutory Liabilities	<b>63.14</b>	49.27
Other Payables	<b>61.90</b>	56.18
<b>Total</b>	<b>147.30</b>	135.62

## 11. SHORT - TERM PROVISIONS

For Gratuity Payable	-	1.31
For Post Separation benefit of Directors'	<b>0.35</b>	0.35
For Taxation (net of advance ₹ 298.13, PY: ₹ 127.52)	<b>2.87</b>	2.18
For Liability Disputed	<b>33.18</b>	31.40
Proposed Dividend	<b>174.38</b>	148.15
For Dividend Tax	<b>29.64</b>	25.18
<b>Total</b>	<b>240.42</b>	208.57

## 12. FIXED ASSETS

Particulars of Assets	Gross Block						Depreciation / Amortisation						Net Block		
	Gross Cost / Value as on 01.04.13	Addition			Sale / adjustment during this year	Gross Balance as on 31.03.14	Total as on 01.04.13	for the year	Impairment Loss	Reversal of Impairment Loss	Sale / Adjustment during this year	Total as on 31.03.14	W.D.V as on 31.03.14	W.D.V as on 31.03.13	
		Acquisition	Business Combination	Other Adjustment											
i) Tangible Assets															
Land: Leasehold	9.75	4.29	-	-	4.29	-	14.04	1.15	0.12	-	-	-	1.27	12.77	8.60
Land: Freehold	36.97	-	-	-	-	-	36.97	-	-	-	-	-	-	36.97	36.97
Building	334.40	20.01	-	5.90	25.91	0.06	360.25	73.82	9.21	-	-	0.02	83.01	277.24	260.58
Plant & Equipment	451.94	39.59	-	4.43	44.02	1.72	494.24	184.07	31.84	-	-	1.01	214.90	279.34	267.87
Furniture & Fixtures	39.83	5.92	-	0.05	5.97	0.25	45.55	25.29	3.64	-	-	0.10	28.83	16.72	14.54
Vehicles	13.71	5.67	-	-	5.67	3.04	16.34	7.99	2.11	-	-	2.39	7.71	8.63	5.72
Office Equipment	38.23	4.75	-	-	4.75	4.72	38.26	28.80	3.25	-	-	4.38	27.67	10.59	9.43
<b>Total:</b>	<b>924.83</b>	<b>80.23</b>	-	<b>10.38</b>	<b>90.61</b>	<b>9.79</b>	<b>1,005.65</b>	<b>321.12</b>	<b>50.17</b>	-	-	<b>7.90</b>	<b>363.39</b>	<b>642.26</b>	<b>603.71</b>
ii) Intangible Assets															
Brands/Trademarks	12.94	-	-	-	-	-	12.94	10.22	0.89	-	-	-	11.11	1.83	2.72
Computer Software	21.34	2.26	-	-	2.26	-	23.60	11.19	2.85	-	-	-	14.04	9.56	10.15
<b>Total:</b>	<b>34.28</b>	<b>2.26</b>	-	-	<b>2.26</b>	-	<b>36.54</b>	<b>21.41</b>	<b>3.74</b>	-	-	-	<b>25.15</b>	<b>11.39</b>	<b>12.87</b>
iii) Capital Work-in-progress	17.07	10.04	-	-	10.04	10.38	16.73	-	-	-	-	-	-	16.73	17.07
<b>Grand Total (i+ii+iii)</b>	<b>976.18</b>	<b>92.53</b>	-	<b>10.38</b>	<b>102.91</b>	<b>20.17</b>	<b>1,058.92</b>	<b>342.53</b>	<b>53.91</b>	-	-	<b>7.90</b>	<b>388.54</b>	<b>670.38</b>	<b>633.65</b>
Previous Year	894.81	87.42	-	6.41	93.83	12.46	976.18	297.90	49.05	-	-	4.42	342.53	633.65	596.91

Footnote: 1. Addition to the above Tangible Fixed Assets includes ₹ 1.91 (previous year ₹ 1.97) incurred at company's inhouse R&D facilities at Sahibabad

2. Leasehold Land relates to:

- a) 94620 sq yards of land at Sahibabad taken on lease for a period of 90 years in the year of 1972
- b) 1059 sq yards of land at Sahibabad taken on lease for a period of 90 years in the year of 1985
- c) 6508 sq mtrs of land at Alwar taken on lease for a period of 99 years in the year of 1981
- d) 58 Kanals of land at Jammu taken on lease for a period of 90 years in the year of 2002
- e) 294.82 Katha of land at Pithampur taken on lease for a period of 30 years in the year of 1997
- f) 7972 sq mtrs of land at Nashik taken on lease for a period of 95 years in the year of 1990
- g) 3000 sq mtrs of land at Kaushambi taken on lease for a period of 90 years in the year of 1996
- h) 16122.35 sq mtrs of land at Kaushambi taken on lease for a period of 30 years in the year of 1997
- i) 100.53 acres of land at Sandila taken on lease for a period of 99 years in the year of 1999
- j) 3640 sq mtrs of land at Mumbai taken on lease for a period of 99 years in the year of 1964
- k) 67968.75 sq mtrs of land at Rudrapur taken on lease for a period of 90 years in the year of 2004
- l) During the year 18000 sq mtrs of land at Pant Nagar taken on lease for a period of 81 years
- m) All lease arrangements are of the nature of operational lease.

(All amounts in ₹ crores, except share data)

### 13. NON CURRENT INVESTMENTS

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>I) Trade Investment (unquoted):</b>		
<b>Investment in Fully paid equity Instruments</b>		
A Forum 1 Aviation Ltd (Joint Venture) (CY: 5308334 shares: PY: 4550000 shares of face value of ₹ 10 each)	<b>4.77</b>	4.56
B Sanat Products Ltd (CY: 50000 shares: PY: 50000 shares of face value of ₹ 100 each)	<b>1.05</b>	1.05
C Dabur International Ltd. (Joint Venture) (CY: 270000 shares: PY: 270000 shares of face value of ₹ 10 each)	<b>0.27</b>	0.27
D Shivalik Solid Waste Management Ltd (CY: 18000 shares: PY: 18000 shares of face value of ₹ 10 each)	<b>0.02</b>	0.02
<b>II) Investment in subsidiaries in fully paid equity instruments (unquoted)</b>		
A Dabur International Ltd. (CY: 1700000 shares: PY: 1700000 shares of face value of 1 PSTG each)	<b>59.49</b>	59.49
B H & B Stores Ltd. (CY: 431061873 shares: PY: 379061873 shares of face value of Re 1 each)	<b>43.11</b>	37.91
C Dermoviva Skin Essentials Inc. (CY: 565000 shares: PY: 565000 shares of face value of USD \$ 1 each)	<b>2.54</b>	2.54
<b>III) Other than trade</b>		
<b>a) Investment in Government or Trust Shares / Securities (unquoted)</b>		
A National Saving Certificates	<b>0.02</b>	0.02
<b>b) Investment in Bonds (quoted) -Fully paid</b>		
A Power Finance Corporation (CY: 142393 units: PY: 142393 units of face value of ₹ 1000 each)	<b>52.73</b>	30.79
(CY: 500 units: PY: 500 units of face value of ₹ 100000 each)		
(CY: 350 units: PY: 100 units of face value of ₹ 1000000 each)		
B Rural Electrification Corporation (CY: 183715 units: PY: 183715 units of face value of ₹ 1000 each)	<b>98.78</b>	40.13
(CY: 800 units: PY: 200 units of face value of ₹ 1000000 each)		
C NHAI Bonds (CY: 37086 units: PY: 37086 units of face value of ₹ 1000 each)	<b>3.71</b>	3.95
D Indian Railway Finance Corporation (CY: 158753 units: PY: 158753 units of face value of ₹ 1000 each)	<b>15.88</b>	16.76
E Exim Bonds (CY: 650 units: PY: Nil units of face value of ₹ 1000000 each)	<b>63.30</b>	-
F Power Grid Corporation Bonds (CY: 200 units: PY: Nil units of face value of ₹ 1000000 each)	<b>29.32</b>	-
(CY: 80 units: PY: Nil units of face value of ₹ 1250000 each)		
G HDFC Ltd (CY: 100 units: PY: Nil units of face value of ₹ 1000000 each)	<b>9.51</b>	-
H LIC Housing Finance Limited (CY: 150 units: PY: Nil units of face value of ₹ 1000000 each)	<b>15.34</b>	-
<b>c) Investment in non-convertible debentures (unquoted)-Fully paid</b>		
A NCD of Shriram Transport Finance Co. (CY : 23126 units : PY: 23126 units of face value of ₹ 1000 each )	<b>2.31</b>	27.32
(CY: Nil units : PY: 250 units of face value of ₹ 1000000 each)		
B NCD of Fullerton India Credit Co. Ltd (CY: Nil units : PY: 100 units of face value of ₹ 1000000 each)	-	10.16
C NCD of Bajaj Finance Ltd (CY: 5 units : PY: Nil units of face value of ₹ 10000000 each)	<b>5.22</b>	-



(All amounts in ₹ crores, except share data)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>d) Investment in Zero Coupon Bonds (unquoted)-Fully paid</b>		
A Bajaj Finance Limited	<b>29.76</b>	-
(CY: 250 units : PY: Nil units of face value of ₹ 1000000 each)		
B Tata Capital Finance Services Limited	<b>29.86</b>	-
(CY: 250 units : PY: Nil units of face value of ₹ 1000000 each)		
<b>e) Investment in Fixed Deposits with others (unquoted)</b>		
A FD with Mahindra & Mahindra	-	16.00
B FD with IL&FS	-	10.00
<b>Total</b>	<b>466.99</b>	260.97
Less: Provision for diminution in carrying cost	<b>0.27</b>	0.27
<b>Net Amount</b>	<b>466.72</b>	260.70

**Footnote:**

- 1 a). Aggregate cost of quoted investment **288.57** 87.14  
 b). Aggregate market value of quoted - investment **289.22** 91.63  
 c). Aggregate amount of unquoted investments **178.42** 169.34
- 2 Investment in H & B Stores Ltd ( wholly owned domestic subsidiary) made during the year ₹ Nil (previous year ₹ 34.30) relates to conversion of loan into equity at par without consideration amount being paid in cash.

**14. LONG TERM LOANS & ADVANCES**

Unsecured & considered good		
Capital Advances	<b>6.89</b>	7.12
Deposit with Govt Authorities	<b>6.19</b>	4.84
Advance Payment of Tax	<b>1.77</b>	1.58
(Net of provision of ₹ 272.73, PY: ₹ 272.73)		
<b>Total</b>	<b>14.85</b>	13.54

**15. OTHER NON-CURRENT ASSETS**

Long term deposit with banks maturing after 12 months since balance sheet date	-	38.00
<b>Total</b>	-	38.00

**16. CURRENT-INVESTMENTS**

<b>A Other than trade - Fully paid</b>		
<b>(I) Mutual funds (Quoted)</b>		
(A) Taurus Mutual Fund	-	10.79
(CY: Nil units : PY: 53196 units of face value of ₹ 1000 each)		
(B) JP Morgan Mutual Fund	-	5.27
(CY: Nil units : PY: 4115329 units of face value of ₹ 10 each)		
(C) Reliance Mutual Fund	<b>59.44</b>	22.87
(CY: Nil units : PY: 12330678 units of face value of ₹ 10 each)		
(CY: 289773 units : PY: Nil units of face value of ₹ 1000 each)		
(D) HDFC Mutual Fund	-	5.15
(CY: Nil units : PY: 1910234 units of face value of ₹ 10 each)		
(E) Bank of Baroda Pioneer Investments	-	14.26
(CY: Nil units : PY: 106185 units of face value of ₹ 1000 each)		

(All amounts in ₹ crores, except share data)

<b>Particulars</b>		<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
(F) Peerless Mutual Fund		-	30.95
(CY: Nil units : PY: 23915001 units of face value of ₹ 10 each)			
(G) AIG - Pine Bridge		-	5.07
(CY: Nil units : PY: 35631 units of face value of ₹ 1000 each)			
(H) DWS Mutual Fund		<b>7.27</b>	30.78
(CY: 2721178 units : PY: 21027062 units of face value of ₹ 10 each)			
(I) IDFC(SCB) Mutual Fund		-	20.90
(CY: Nil units : PY: 11132550 units of face value of ₹ 10 each)			
(J) UTI Mutual Fund		-	5.27
(CY: Nil units : PY: 4123925 units of face value of ₹ 10 each)			
(K) DSP BlackRock Mutual fund		-	21.49
(CY: Nil units : PY: 112186 units of face value of ₹ 1000 each)			
(CY: Nil units : PY: 1605464 units of face value of ₹ 10 each)			
(L) ICICI Prudential Mutual Fund		-	10.42
(CY: Nil units : PY: 4618938 units of face value of ₹ 10 each)			
(M) Kotak Mutual Fund		-	15.10
(CY: Nil units : PY: 3717805 units of face value of ₹ 10 each)			
(N) SBI Mutual Fund		-	5.11
(CY: Nil units : PY: 3468946 units of face value of ₹ 10 each)			
(O) UNION KBC Mutual Fund		<b>10.00</b>	-
(CY: 77898 units : PY: Nil units of face value of ₹ 1000 each)			
(P) JM Financial Mutual Fund		<b>4.44</b>	-
(CY: 4523889 units : PY: Nil units of face value of ₹ 10 each)			
(Q) L&T Mutual Fund		<b>6.17</b>	-
(CY: 60804 units : PY: Nil units of face value of ₹ 1000 each)			
<b>II) Commercial Papers (Unquoted)</b>			
(A) Reliance Capital Limited of the face value of ₹ 50 crores		<b>45.41</b>	92.64
(PY: Face value of ₹ 100 crores)			
(B) Morgan Stanley India of the face value of ₹ Nil		-	91.98
(PY: Face value of ₹ 100 crores)			
(C) Kotak Mahindra Prime Ltd of the face value of ₹ 25 crores		<b>22.68</b>	36.40
(PY: Face value of ₹ 40 crores)			
(D) Kotak Mahindra Investments Ltd of the face value of ₹ 50 crores		<b>46.78</b>	-
(PY: Face value of ₹ Nil)			
(E) Reliance Home Finance Ltd of the face value of ₹ Nil		-	23.40
(PY: Face value of ₹ 25 crores)			
(F) Fullerton India Credit Co. Ltd of the face value of ₹ 75 crores		<b>68.34</b>	37.04
(PY: Face value of ₹ 40 crores)			
(G) First Blue Home Finance Ltd. of the face value of ₹ Nil		-	9.55
(PY: Face value of ₹ 10 crores)			
(H) IDFC Ltd of the face value of ₹ 25 crores		<b>24.20</b>	-
(PY: Face value of ₹ Nil)			
(I) Tata capital of the face value of ₹ 25 crores		<b>23.49</b>	-
(PY: Face value of ₹ Nil)			
(J) ICICI Securities Ltd of the face value of ₹ 25 crores		<b>22.71</b>	-
(PY: Face value of ₹ Nil)			



(All amounts in ₹ crores, except share data)

Particulars		As at 31st March, 2014	As at 31st March, 2013
<b>III) Certificate of Deposits (Unquoted)</b>			
(A) Andhra Bank of the face value of ₹ 50 crores		<b>48.84</b>	-
(PY: Face value of ₹ Nil)			
<b>IV) Non-convertible debentures (unquoted)</b>			
(A) NCD of LIC Housing Finance		<b>42.11</b>	-
(CY : 400 units : PY: Nil units of face value of ₹ 1000000 each )			
(B) NCD of Reliance Capital Limited		<b>25.88</b>	-
(CY : 250 units : PY: Nil units of face value of ₹ 1000000 each )			
(C) NCD of Shriram Transport Finance co.		<b>45.91</b>	-
(CY : 450 units : PY: Nil units of face value of ₹ 1000000 each )			
(D) NCD of Fullerton India Credit Co. Ltd		<b>10.03</b>	-
(CY: 100 units : PY: Nil units of face value of ₹ 1000000 each)			
<b>(V) Fixed Deposits with others (Unquoted)</b>			
(A) FD with IL&FS		<b>87.00</b>	73.00
(B) FD with Mahindra & Mahindra		<b>16.00</b>	3.00
(C) FD with PNB Housing Finance Ltd.		-	120.01
(D) FD with Shriram Transport Finance Co.		-	5.00
(E) FD with HDFC Ltd		<b>35.00</b>	65.00
(F) FD with Diwan Housing Finance		-	5.00
<b>Total</b>		<b>651.70</b>	765.45

**Footnote:**

1 (a) Aggregate cost of quoted investment	<b>87.32</b>	197.42
(b) Aggregate market value of quoted investment	<b>88.04</b>	203.42
(c) Aggregate amount of unquoted investments	<b>564.38</b>	562.03

**17. INVENTORIES**

Particulars		As at 31st March, 2014	As at 31st March, 2013
Raw Materials		<b>169.69</b>	144.88
Packing Materials		<b>95.18</b>	74.78
Work-in-Progress		<b>88.46</b>	94.00
Finished goods		<b>161.10</b>	153.02
Stock-in-trade		<b>42.90</b>	33.12
Stores & spares		<b>0.87</b>	0.52
<b>Total</b>		<b>558.20</b>	500.32

**Footnote:** Finished goods includes transit stock

6.62

5.26

**18. TRADE RECEIVABLES**

Particulars	Details	As at 31st March, 2014	Details	As at 31st March, 2013
<b>Unsecured:</b>				
Debts outstanding for a period exceeding six months since due date for payment				
considered good	<b>15.17</b>		5.17	
considered doubtful	<b>13.41</b>		12.69	
	<b>28.58</b>		17.86	
Less: Provision for doubtful debts	<b>13.41</b>	<b>15.17</b>	12.69	5.17
Other debts: considered good		<b>307.95</b>		250.15
<b>Total</b>		<b>323.12</b>		255.32

(All amounts in ₹ crores, except share data)

## 19. CASH AND BANK BALANCES

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>A. Cash and Cash Equivalents</b>		
Cash in hand	<b>0.39</b>	0.39
Cheques / drafts in hand	<b>4.20</b>	1.03
<b>Balances with Banks</b>		
Current Accounts	<b>73.95</b>	61.40
Term Deposit maturing within three months	<b>63.00</b>	-
<b>Total (A)</b>	<b>141.54</b>	62.82
<b>B. Other Bank Balances</b>		
Term Deposit maturing after three months but before twelve months	<b>151.13</b>	101.00
Unpaid Dividend Account	<b>4.80</b>	4.57
<b>Total (B)</b>	<b>155.93</b>	105.57
<b>C. Fixed Deposit maturing after 12 months</b>		
<b>Total (A+B+C)</b>	<b>297.47</b>	206.39
<b>Less: Fixed Deposit maturing after 12 months</b>		
<b>Total Cash &amp; Bank Balances</b>	<b>297.47</b>	168.39

### Footnote:

1. Balances with Banks include :- **0.08** 0.08  
Other commitment (Fixed Deposits pledged with Govt Authorities)

## 20. SHORT TERM LOANS AND ADVANCES

Particulars	Details	As at 31st March, 2014	Details	As at 31st March, 2013
Loans & Advances to Related Parties	Considered good		-	1.20
Advances to Suppliers	Considered good	<b>13.46</b>		23.03
	Considered Doubtful	<b>1.27</b>		0.86
		<b>14.73</b>		23.89
	Less: Provision for doubtful advance	<b>1.27</b>	<b>13.46</b>	0.86
Advances to Employees	Considered good	<b>2.72</b>		3.80
	Considered Doubtful	<b>0.20</b>		0.20
		<b>2.92</b>		4.00
	Less: Provision for doubtful advance	<b>0.20</b>	<b>2.72</b>	0.20
Balance with Excise Authorities	Considered good		<b>38.14</b>	39.08
Deposit with Others	Considered good		<b>14.33</b>	13.58
Advance Payment of Tax (Net of provision of ₹ 4.70, PY: ₹ 85.57)	Considered good		<b>3.61</b>	8.04
Others	Considered good		<b>12.36</b>	15.10
<b>Total</b>			<b>84.62</b>	103.83

Additional Disclosure as per Clause 32 of the Listing Agreement:	31st March, 2014	31st March, 2013
a) Loans and Advances to Domestic Subsidiary (interest free and without stipulation of repayment)		
H & B Stores Ltd		
- Amount outstanding	-	1.20
- Maximum amount Outstanding during the year	<b>2.10</b>	35.30



(All amounts in ₹ crores, except share data)

## 21. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Unsecured &amp; considered good:</b>		
Interest accrued on FD's, CP's, CD's and Government Bonds	<b>30.10</b>	33.98
Excess of planned assets towards leave encashment over obligations	<b>0.66</b>	2.24
Excess of planned assets towards Gratuity over obligations	<b>3.34</b>	-
Export Incentives Receivable	<b>3.84</b>	6.66
Other Receivables	<b>16.80</b>	16.37
<b>Total</b>	<b>54.74</b>	59.25

## 22. CONTINGENT LIABILITIES

Claims against the company not acknowledged as debts:		
(1) Civil cases filed against the company	<b>21.78</b>	7.60
(2) Claims by employees	<b>0.72</b>	0.58
(3) Excise duty/service tax matters	<b>136.53</b>	76.61
(4) Sales tax matters	<b>17.91</b>	12.72
(5) Income tax matters	<b>9.35</b>	0.21
<b>Total</b>	<b>186.29</b>	97.72

## 23. CAPITAL AND OTHER COMMITMENTS

<b>(a) Capital Commitments</b>			
	Estimated amount of Contract in capital account remaining to be executed and not provided for	<b>30.96</b>	14.80
<b>(b) Other commitments</b>			
	Guarantees furnished to bank/others in respect of borrowings of subsidiaries/jointly controlled entity	<b>1,061.87</b>	1,602.97
<b>(c) Letter of credits</b>			
<b>(d) Bills discounted</b>			
<b>Total</b>		<b>1,118.58</b>	1,657.51

## 24. INFORMATION (PURSUANT TO AS-29) - Brief particulars of provisions on disputed Liabilities

Nature of Liability	Particulars of dispute	Opening Provision	Provision made during the period	Provision adjusted during the period	Closing Provision	Forum where the dispute is pending
Sales Tax	Classification of Laldant Manjan	0.36	-	-	0.36	Filed review application in High Court
Entry Tax	Entry tax on car	0.01	-	-	0.01	Appeal pending before the Dy. Commissioner
Sales Tax	Classification of hajmola Candy	0.28	-	-	0.28	Appeal pending before ST Appellate
Sales Tax	Tax paid purchases reject from Lucky Lab	0.29	-	-	0.29	Pending before High Court
Sales Tax	Diff of Rate Ex BCL-BHPL (First point taxability issue)	0.48	0.28	-	0.76	Appeal pending before Appellate Comm.
Sales Tax	Short payment / interest on Sales Tax-BHPL	0.06	-	-	0.06	Appeal pending before DC Appeal
Excise	Hajmola Candy classification matter	1.09	-	-	1.09	Tribunal
Excise	Capital Goods removal	0.30	-	-	0.30	DC Appeal
Service Tax	Service Tax Distribution (ISD)	28.53	-	-	28.53	Tribunal
Sales Tax	Classification of Sanifresh	-	0.74	0.47	0.27	Pending before Asst. Commissioner
Sales Tax	South Zone VAT liability on rate difference	-	0.23	-	0.23	Pending before Asst. Commissioner
Entry Tax	Prov of Entry Tax Difference Orissa	-	0.50	-	0.50	Asst. Commissioner of Appellate
Sales Tax	Classification of Chywanprash - J&K	-	0.50	-	0.50	Deputy Commissioner of Appellate
<b>Total</b>		<b>31.40</b>	<b>2.25</b>	<b>0.47</b>	<b>33.18</b>	

- (i) 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 ₹ crores, except share data)

- (ii) Withdrawal of provision relates to crystallisation of liability in actual term & subsequent payment made by company in relevant context.
- (iii) Provisions are made here in for medium risk oriented issues as a measure of abundant precaution.
- (iv) Company presumes remote risk possibility of further cash outflow pertaining to contingent liabilities and commitments listed in point 22 & 23 above.

## 25. PROPOSED DIVIDEND

Particulars	As at 31st March, 2014	As at 31st March, 2013
The final dividend proposed for the year is as follows:		
On Equity Shares of ₹ 1 each		
Amount of dividend proposed	<b>174.38</b>	148.15
Dividend per Equity Share	<b>1.00</b>	0.85

## 26. REVENUE FROM OPERATIONS

Particulars		For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>A</b>	<b>Sale of Products (Read with note no.37)</b>	<b>4,912.94</b>	4,383.90
	Domestic	<b>4,671.49</b>	4,100.52
	Export	<b>241.45</b>	283.38
<b>B</b>	<b>Sale of Services</b>	<b>0.17</b>	0.30
<b>C</b>	<b>Other Operating Revenues</b>	<b>13.11</b>	14.91
	Export Subsidy	<b>3.70</b>	6.89
	Sale of Scrap	<b>9.25</b>	7.87
	Miscellaneous Receipts	<b>0.16</b>	0.15
<b>D</b>	<b>Less Excise Duty</b>	<b>(56.14)</b>	(49.72)
	<b>Total</b>	<b>4,870.08</b>	4,349.39

## 27. OTHER INCOME

A	Interest Income	<b>81.75</b>	69.86
B	Net gain/(loss) on sale of Current Investments (other than trade)	<b>16.31</b>	9.56
C	Revaluation gain/ (loss) on Investments	<b>0.72</b>	6.00
D	Gain on Sale of Fixed Assets	<b>0.23</b>	0.11
E	Miscellaneous Receipts	<b>1.62</b>	1.36
F	Rent Received	<b>8.94</b>	7.34
	<b>Total</b>	<b>109.57</b>	94.23

## 28. COST OF MATERIAL CONSUMED

A	Raw material consumed ( Read with note no.39,40)	<b>1,129.12</b>	1,050.36
B	Packing material consumed	<b>688.86</b>	607.69
	<b>Total</b>	<b>1,817.98</b>	1,658.05

**Footnote:** Raw material consumed includes ₹ 1.09 (₹ 1.28) towards research and development

## 29. PURCHASE OF STOCK-IN-TRADE

Hair Oils	<b>3.92</b>	4.82
Tooth Powder & Paste	<b>43.07</b>	35.18
Hajmola	<b>43.35</b>	32.33
Fruits Nector & Drinks	<b>358.52</b>	266.13
Vegetable Pastes	<b>21.40</b>	6.62
Others	<b>287.71</b>	285.21
<b>Total</b>	<b>756.97</b>	630.29



(All amounts in ₹ crores, except share data)

### 30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars		For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>A</b>	<b>Opening Inventories</b>		
i	Finished Goods	153.02	166.30
ii	Work in Progress	94.00	96.26
iii	Stock-in-trade	33.12	43.20
<b>B</b>	<b>Closing Inventories</b>		
i	Finished Goods	161.10	153.02
ii	Work in Progress ( Read with note no.38)	88.46	94.00
iii	Stock-in-trade	42.90	33.12
<b>Total</b>		(12.32)	25.62

### 31. EMPLOYEE BENEFIT EXPENSES

A	Salaries, Wages and Bonus	270.88	236.36
B	Contribution to Provident and Other Funds	22.61	23.75
C	Workmen and Staff Welfare	13.86	10.04
D	Director's Remuneration	12.88	11.09
E	ESOP Expenses (Amortisation of Deferred Employees Compensation under ESOP)	23.70	24.19
<b>Total</b>		343.93	305.43

**Footnote:** The above expense include ₹ 10.23 (₹ 10.17) towards research and development

### 32. FINANCE COST

A	Interest Expense	11.42	12.39
B	Bank Charges	1.07	1.66
C	Net (gain)/loss on foreign currency transaction & translation	6.86	4.35
<b>Total</b>		19.35	18.40

### 33. DEPRECIATION & AMORTISATION EXPENSE

Depreciation on Tangible fixed assets (Read with note no.12)	50.16	46.19
Amortisation of Intangible fixed assets (Read with note no.12)	3.73	2.86
<b>Total</b>	53.89	49.05

**Footnote:** Depreciation includes ₹ 0.61 (₹ 0.60) towards research and development

### 34. OTHER EXPENSES

A	Consumption of stores and spare parts	16.11	13.46
B	Power and Fuel	49.87	46.41
C	Rent	38.29	34.86
D	Repairs to buildings	3.64	3.24
E	Repairs to machinery	5.62	5.39
F	Insurance	5.30	4.24
G	Rates and taxes	3.82	3.63
H	Miscellaneous expenses (Refer note below*)	1,015.15	895.88
<b>Total</b>		1,137.80	1,007.11

#### \*Details of Miscellaneous Expenses

A	Increase/(Decrease) in excise duty component of non duty paid inventory	(0.24)	0.21
B	Repair to Others	7.77	7.68
C	Processing Charges	24.58	23.00
D	Sales Tax	10.24	7.28
E	Freight and Forwarding Charges	91.22	81.80
F	Commission, Discount and Rebate	35.73	30.12

(All amounts in ₹ crores, except share data)

	<b>Particulars</b>	<b>For the year ended 31st March, 2014</b>	<b>For the year ended 31st March, 2013</b>
G	Advertisement and Publicity	<b>581.11</b>	502.37
H	Travel and Conveyance	<b>44.49</b>	37.97
I	Legal and Professional	<b>22.18</b>	20.35
J	Telephone and Fax Expenses	<b>4.05</b>	3.75
K	Security Expenses	<b>7.13</b>	6.12
L	General Charges	<b>163.43</b>	157.27
M	Director's Fees	<b>0.12</b>	0.11
N	Auditor's Remuneration	<b>0.98</b>	0.86
O	Donation	<b>10.23</b>	8.04
P	Provision for Doubtful Advances	<b>0.40</b>	-
Q	Research & Development Expenditure	<b>7.72</b>	7.10
R	Provision for Doubtful Debts	<b>0.71</b>	0.23
S	Loss on Sale of Fixed Assets	<b>0.66</b>	0.43
T	Fixed Assets Discarded	<b>0.39</b>	0.34
U	Provision for Liabilities disputed	<b>2.25</b>	0.54
V	Net Loss on future trading	<b>-</b>	0.31
<b>Total</b>		<b>1,015.15</b>	895.88

### 35. RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue expenses on research and development incurred during the year are as under:

Cost of Raw Material (Refer note no.28)		<b>1.09</b>		1.28
Employee Benefit Expenses (Refer note no.31)		<b>10.23</b>		10.17
Depreciation (Refer note no.33)		<b>0.61</b>		0.60
<b>Other Expenses (Refer note no.34)</b>				
Power & Fuel		<b>1.58</b>		1.71
Repairs		<b>1.17</b>		1.05
Freight		<b>0.06</b>		-
General Expenses		<b>2.72</b>		2.59
Rent		<b>0.06</b>		0.06
Rates & Taxes		<b>0.05</b>		0.03
Travel & Conveyance		<b>0.67</b>		0.60
Legal & Professional		<b>0.74</b>		0.56
Telephone		<b>0.20</b>		0.19
Security Charges		<b>0.34</b>		0.29
Donation	<b>0.13</b>	<b>7.72</b>	0.02	7.10
<b>Total</b>		<b>19.65</b>		19.15

### 36. EARNINGS PER SHARE

<b>Particulars</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
Net Profit After Tax	<b>672.10</b>	590.98
Add: Extra ordinary Expenses/Income	<b>(0.72)</b>	-
Profit before consideration of Extraordinary items	<b>672.82</b>	590.98
Weighted average number of Equity Shares outstanding	<b>1,74,36,45,856</b>	1,74,27,66,010
Basic Earnings Per Share [Face Value of ₹ 1 each]	<b>3.86</b>	3.39
Add: Weighted number of potential equity shares on account of Employees Stock Options	<b>1,21,81,008</b>	1,17,42,887
Weighted average number of Equity Shares outstanding [inclusive dilutive ESOP shares outstanding]	<b>1,75,58,26,864</b>	1,75,45,08,896
Diluted Earnings Per Share [Face value of ₹ 1 each]	<b>3.83</b>	3.37
Profit after consideration of Extraordinary items	<b>672.10</b>	590.98
Basic Earnings Per Share [Face Value of ₹ 1 each]	<b>3.85</b>	3.39
Diluted Earnings Per Share [Face value of ₹ 1 each]	<b>3.83</b>	3.37



(All amounts in ₹ crores, except share data)

### 37. SALES (INCLUDING EXPORTS), NET OF EXCISE DUTY

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Health care	1,568.67	1,361.44
Home & personal care	2,358.08	2,112.23
Beverages & culinary	799.65	666.12
Others	130.40	194.39
<b>Total</b>	<b>4,856.80</b>	<b>4,334.18</b>

### 38. CATEGORY WISE CLOSING WORK-IN-PROGRESS

Particulars	As at 31st March, 2014	As at 31st March, 2013
Chyawanprash	1.90	1.24
Asava-Arishta	2.93	2.34
Hair Oils	3.17	3.42
Hajimola	2.35	1.67
Tooth Powder & Paste	5.16	4.29
Honey	3.80	4.76
Others	69.15	76.28
<b>Total</b>	<b>88.46</b>	<b>94.00</b>

### 39. CATEGORY WISE RAW MATERIAL CONSUMED

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Coconut Oil	59.63	53.27
Paradichlorobenzene	35.08	25.19
Liquid Liquid Parafin	88.12	75.30
Gold	27.89	28.64
Sorbitol Solution 70% IP	29.78	26.36
Amla Green	10.58	11.51
Others	878.04	830.09
<b>Total</b>	<b>1,129.12</b>	<b>1,050.36</b>

### 40. VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	%	Amount	%	Amount
<b>Raw Material</b>				
Imported	0.86%	9.75	1.48%	15.54
Indigenous	99.14%	1,119.37	98.52%	1,034.82
	100.00%	1,129.12	100.00%	1,050.36
<b>Packing Material</b>				
Imported	0.10%	0.70	0.13%	0.78
Indigenous	99.90%	688.15	99.87%	606.91
	100.00%	688.85	100.00%	607.69
<b>Stores &amp; Spares Consumed</b>				
Imported	0.03%	0.01	0.03%	0.00
Indigenous	99.97%	16.10	99.97%	13.45
	100.00%	16.11	100.00%	13.46

### 41. VALUE OF IMPORT ON CIF BASIS

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Raw Materials	23.63	22.43
Stores & Spares (including packing material)	2.15	1.85
Finished Goods	12.08	0.55
Capital Goods	0.15	6.61
<b>Total</b>	<b>38.01</b>	<b>31.44</b>

(All amounts in ₹ crores, except share data)

#### 42. PARTICULARS OF MAJOR ITEMS OF RAW MATERIALS PURCHASED

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Coconut Oil	64.02	58.53
Paradichlorobenzene	37.06	25.50
Liquid Liquid Parafin	87.32	76.26
Gold	25.29	31.01
Sorbitol Solution 70% IP	29.27	26.91
Amla Green	10.28	11.27
Others	900.69	817.16
<b>Total</b>	<b>1,153.93</b>	<b>1,046.64</b>

#### 43. EARNINGS IN FOREIGN EXCHANGE

Export Sales at FOB	219.72	257.87
<b>Total</b>	<b>219.72</b>	<b>257.87</b>

#### 44. EXPENDITURE IN FOREIGN CURRENCY

Professional, Consultation Fees & Others	2.33	4.14
Travelling & Conveyance	2.05	1.73
Royalty	0.12	0.11
<b>Total</b>	<b>4.50</b>	<b>5.98</b>

#### 45. NET DIVIDEND REMITTED IN FOREIGN CURRENCY

Particulars	As at 31st March, 2014	As at 31st March, 2013
Amount of final dividend remitted	0.01	0.01
The year to which dividend relates	2012-13	2011-12
Total number of non-resident shareholders	43	50
Total number of shares held by them on which dividend was due	1,38,000	17,400
Amount of interim dividend remitted	0.01	0.01
The year to which dividend relates	2013-14	2012-13
Total number of non-resident shareholders	43	46
Total number of shares held by them on which dividend was due	1,38,000	1,51,000

#### 46. BUILDING CONSTRUCTED ON LEASEHOLD LAND INCLUDED IN THE VALUE OF BUILDING SHOWN IN FIXED ASSETS SCHEDULE:

Cost	206.78	192.41
Written Down	158.16	152.30

#### 47. DEFINED BENEFIT PLANS (AS-15)

Particulars	Gratuity (funded)	Leave Salary (funded)	Post Separation benefits of director	Total
<b>A. Defined Benefit Plan Expenses recognized during the period:</b>				
A. Past Service Cost	CY	-	-	-
	PY	-	-	-
B. Current Service Cost	CY	3.53	2.19	1.15
	PY	3.21	2.04	1.16
C. Interest Cost	CY	2.80	0.90	3.37
	PY	2.36	0.80	3.24
D. Expected return on Plan Assets	CY	-3.03	-1.25	-
	PY	-2.30	-0.79	-
E. Accumulated Loss/(Gain)	CY	-0.48	0.24	-0.84
	PY	1.17	0.60	-3.53
F. Total expenses recognized during the year (A+B+C+D+E)	CY	2.82	2.08	3.68
	PY	4.44	2.65	0.87
				7.96



(All amounts in ₹ crores, except share data)

Particulars		Gratuity (funded)	Leave Salary (funded)	Post Separation benefits of director	Total
<b>B. Reconciliation of opening &amp; closing balances of obligations :</b>					
I. Obligation as on 01.04.2013	CY	<b>34.97</b>	<b>11.29</b>	<b>39.63</b>	<b>85.89</b>
	PY	29.52	9.95	40.50	79.98
II. Past service cost	CY	-	-	-	-
	PY	-	-	-	-
III. Current service cost	CY	<b>3.53</b>	<b>2.19</b>	<b>1.15</b>	<b>6.87</b>
	PY	3.22	2.04	1.17	6.43
IV. Interest cost	CY	<b>2.80</b>	<b>0.90</b>	<b>3.37</b>	<b>7.07</b>
	PY	2.36	0.80	3.24	6.39
V. Actuarial (Gain)/ Loss	CY	<b>-0.21</b>	<b>0.12</b>	<b>-0.84</b>	<b>-0.93</b>
	PY	1.84	0.74	-3.53	-0.94
VI. Settlement	CY	<b>-2.01</b>	<b>-2.41</b>	<b>-2.82</b>	<b>-7.24</b>
	PY	-1.97	-2.24	-1.74	-5.95
VII. Obligation as on 31.03.2014	CY	<b>39.08</b>	<b>12.09</b>	<b>40.49</b>	<b>91.66</b>
	PY	34.97	11.29	39.64	85.90
<b>C. Change in Plan Assets :</b>					
(Reconciliation of opening and closing balances)					
I. Fair Value of Plan Assets as on 01.04.2013	CY	<b>33.66</b>	<b>13.53</b>	-	<b>47.19</b>
	PY	24.81	8.59	-	33.40
II. Expected Return on Plan Assets	CY	<b>3.03</b>	<b>1.25</b>	-	<b>4.28</b>
	PY	2.30	0.79	-	3.09
III. Actuarial Gain/ (Loss)	CY	<b>0.27</b>	<b>-0.12</b>	-	<b>0.15</b>
	PY	0.67	0.14	-	0.81
IV. Employer Contribution	CY	<b>7.47</b>	<b>0.50</b>	-	<b>7.97</b>
	PY	7.85	6.25	-	14.10
V. Settlement	CY	<b>-2.01</b>	<b>-2.41</b>	-	<b>-4.42</b>
	PY	-1.97	-2.24	-	-4.21
VI. Fair value of Plan Assets as on 31.03.2014	CY	<b>42.42</b>	<b>12.75</b>	-	<b>55.17</b>
	PY	33.66	13.53	-	47.19
<b>D. Closing Obligation vis-a-vis Planned Assets</b>					
(i) Obligation as on 31.03.2014	CY	<b>39.08</b>	<b>12.09</b>	<b>40.49</b>	<b>91.66</b>
	PY	34.97	11.29	39.63	85.89
(ii) Fair value of planned assets as on 31.03.2014	CY	<b>42.42</b>	<b>12.75</b>	-	<b>55.17</b>
	PY	33.66	13.53	-	47.19
Deficit/Surplus	CY	<b>-3.34</b>	<b>-0.66</b>	<b>40.49</b>	<b>36.49</b>
	PY	1.31	-2.24	39.63	38.70
<b>E. Investment details of plan assets as on 31.03.2014</b> 100% reimbursement right from insurance company for fund managed by it					
<b>F. Actuarial Assumption :</b>					
(i) <b>Financial Assumption</b>					
Discount Rate (%)		8.50%			
Estimated rate of return on plan assets (%)		9.00%			
Salary escalation rate (%)		10.00%			
(ii) <b>Method of computation</b>			Projected unit credit method		
(iii) <b>Demographic Assumption</b>			Life Expectancy IALM (1994-96)		
<b>G. The basis used for determination of expected rate of return is average return on long term investment in Government Bonds</b>					
<b>H. The estimate of future salary increase take in-to account regular increment, promotional increases and inflationary consequences over price index.</b>					
<b>I. Demographics assumptions take into account mortality factor as per LIC (1994-96) ultimate criteria, employees and normal retirement age at 58.</b>					
<b>J. Particulars on planned assets have been ascertained on the basis of last confirmation from Insurance Company.</b>					
<b>K. CY- Current year, PY - Previous year</b>					

**L. Defined Contribution Plan**

Particulars	2013-14	2012-13
Provident Fund	<b>10.54</b>	9.46
Employees State Insurance	<b>1.69</b>	1.65
Employees Superannuation Fund	<b>3.99</b>	4.03
<b>Total</b>	<b>16.22</b>	15.14

**48. AUDITORS REMUNERATION**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Audit Fees	0.63	0.56
Certification and Others	0.11	0.08
Reimbursement of Expenses	0.24	0.22
<b>Total</b>	<b>0.98</b>	0.86

**49. INFORMATION PURSUANT TO AS 19 ISSUED BY ICAI RELATING TO OPERATING LEASE (AS LESSOR)**

(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	<b>1.04</b>	<b>2.20</b>	0
		(0.87)	(2.72)	0
	Cars	<b>0.68</b>	<b>0.80</b>	0
		(0.88)	(1.24)	0

- (ii) Lease rent debited to Profit & Loss account of the year ₹ 0.99 (Previous year ₹ 0.95).
- (iii) Irrevocable lease agreement relates to flat, machine & vehicle, lease period not exceeding five years in respect of any arrangement.
- (iv) Figures in bracket relates to previous year.

**50. CHANGE IN ACCOUNTING PRACTICE**

Pursuant to the withdrawal of mandatory status of AS-30, 31 & 32, the applicability of the same has been discontinued in current financial year. As a result, investments held for sale in non-current category have been accounted for at cost and current investments at lower of cost and market value. This contributed to reduction in profit (shown under extra-ordinary item) and value of current investment by ₹ 0.72 each, also there is decrease in value of non-current investment by ₹ 0.66 and net worth by ₹ 1.38 for the current period ended 31st March'14.

**51. EXPOSURE IN FOREIGN CURRENCY**

Particulars		Foreign Currency	Local Currency	Nature of risk hedged
a) Outstanding overseas exposure hedged by forward option/ contract against adverse currency fluctuation:-				
(i) Packing Credit Loan	CY	USD	-	Adverse currency
	PY	USD	3.10	Fluctuations
(ii) Off balance sheet exposure towards sale instrument of foreign exchange	CY	USD	<b>0.15</b>	Adverse currency
	PY	USD	-	Fluctuations
b) Outstanding overseas exposure not being hedged against adverse currency fluctuation				
(i) Export Receivable	CY	EUR	<b>0.03</b>	INR
	PY	EUR	0.03	1.75
	CY	GBP	<b>0.01</b>	INR
	PY	GBP	-	0.38
	CY	USD	<b>0.56</b>	INR
	PY	USD	0.40	21.85

(All amounts in ₹ crores, except share data)

Particulars		Foreign Currency	Local Currency	Nature of risk hedged
ii) Overseas Creditors	CY	AED	-	INR
	PY	AED	0.23	INR 3.39
	CY	AUD	<b>0.01</b>	INR <b>0.32</b>
	PY	AUD	0.01	INR 0.80
	CY	EUR	-	INR <b>0.08</b>
	PY	EUR	-	INR 0.21
	CY	GBP	-	INR <b>0.23</b>
	PY	GBP	-	INR 0.14
	CY	JPY	<b>0.03</b>	INR <b>0.02</b>
	PY	JPY	-	INR -
	CY	SGD	-	INR <b>0.02</b>
	PY	SGD	-	INR -

## 52. 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 ₹10.33 (Previous year ₹ 9.52), ₹ 2.63 (Previous year ₹ 3.47), ₹ 7.70 (Previous year ₹ 6.05), ₹4.84 (Previous year ₹ 5.26) and ₹ 4.12 (Previous year ₹ 4.42) 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 16.67%. Said amount ₹4.77 (₹ 4.56) appears under investment head in balance sheet of the company.
- (d) Company's commitment towards revenue expenditure of the JCE amounting to ₹4.68 (Previous year ₹5.42) has been charged to profit and loss account under the head general charges.
- (e) The company has furnished guarantee bond for ₹ 7.14 (previous year ₹ 7.14) in respect of borrowing availed by the JCE for acquisition of aircraft which forms part of point 23 of these notes.
- (f) No income from said investment, unless realized in cash, is recognized in this stand alone account.

## 53. A. RELATED PARTY DISCLOSURES (AS REQUIRED UNDER AS-18)

### (a) Related parties controlled directly:-

- H & B Stores Limited - (Domestic Wholly Owned Subsidiary)
- Dabur International Ltd., UAE - (Foreign Wholly Owned Subsidiary)

### (b) Related parties controlled indirectly:-

- Dermoviva Skin Essentials Inc. - (Foreign wholly Owned Subsidiary)
- Asian Consumer Care 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)
- African Consumer Care Limited, Nigeria - (Foreign Wholly Owned Subsidiary)
- Asian Consumer Care Pakistan (Pvt.) Ltd., Pakistan - (Foreign Subsidiary)
- Naturelle LLC, UAE - (Foreign Wholly Owned Subsidiary)
- Dabur Egypt Trading Ltd., Egypt - (Foreign Wholly Owned Subsidiary)
- Hobi Kozmetik, Turkey - (Foreign Wholly Owned Subsidiary)
- Ra Pazarlama, Turkey - (Foreign Wholly Owned Subsidiary)
- Namaste Laboratories LLC, US - (Foreign Wholly Owned Subsidiary)
- Hair Rejuvenation & Revitalization Nigeria Ltd. - (Foreign Wholly Owned Subsidiary)
- Healing Hair Laboratories International LLC, USA - (Foreign Wholly Owned Subsidiary)

(All amounts in ₹ crores, except share data)

Urban Laboratories International LLC, USA  
 Dabur Lanka (Pvt.) Ltd, Sri Lanka  
 Namaste Cosmeticos Ltda, Brazil  
 Dabur Consumer Care (Pvt) Ltd, Sri Lanka  
 Dabur Tunisie, Tunisia

- (Foreign Wholly Owned Subsidiary)  
 - (Foreign Wholly Owned Subsidiary)

**(c) Other related parties in transaction with the company:**

**(I) Joint venture /Partnership** : **Forum 1 Aviation Limited**

**(II) Key Management Personnel** : **(Whole Time Directors)**

1. P D Narang      2. Sunil Duggal

**B. RELATED PARTY TRANSACTIONS AS ON 31.03.2014**

Particulars	Subsidiary	Joint Venture	Key Management Personnel	Total	Outstanding as on 31.03.2014
<b>(A) Profit &amp; Loss A/c</b>					
1. Purchase of Goods	<b>396.65</b>	-	-	<b>396.65</b>	-
	(311.33)	-	-	(311.33)	-
2. Sale of Goods	<b>87.41</b>	-	-	<b>87.41</b>	<b>11.93</b>
	(63.90)	-	-	(63.90)	(7.05)
3. Royalty Expense	<b>0.12</b>	-	-	<b>0.12</b>	<b>0.24</b>
	(0.11)	-	-	(0.11)	(0.22)
4. General Expenses	-	<b>4.68</b>	-	<b>4.68</b>	<b>0.57</b>
	-	(5.42)	-	(5.42)	(0.52)
5. Remuneration/Pension	-	-	<b>12.88</b>	<b>12.88</b>	-
	-	-	(11.09)	(11.09)	-
6. Reimbursement of Expenses	-	-	<b>0.68</b>	<b>0.68</b>	-
	-	-	(0.56)	(0.56)	-
7. Employee Stock Option Scheme	<b>2.66</b>	-	<b>9.84</b>	<b>12.50</b>	-
	(3.49)	-	(10.88)	(14.37)	-
8. Interest Received on Sec. Deposit	-	<b>0.02</b>	-	<b>0.02</b>	-
	-	(0.03)	-	(0.03)	-
<b>(B) Balance Sheet*</b>					
9. Loan Given	<b>0.90</b>	-	-	<b>0.90</b>	-
	(9.00)	-	-	(9.00)	(1.20)
10. Repayment of Loans given	<b>2.10</b>	-	-	<b>2.10</b>	-
	(34.30)	-	-	(34.30)	-
11. Equity Contribution	<b>5.20</b>	<b>0.21</b>	-	<b>5.41</b>	<b>110.96</b>
	(34.30)	-	-	(34.30)	(105.55)
12. Security Deposit	-	-	-	-	<b>0.38</b>
	-	-	-	-	(0.38)
<b>(C) Off Balance Sheet Item*</b>					
13. Guarantees & Collaterals	<b>(544.52)</b>	-	-	<b>(544.52)</b>	<b>1,045.26</b>
	(372.88)	-	-	(372.88)	(1,589.78)

\*Previous Balance as on 31.03.2013

Notes:

- Item referred to in 1 above includes Purchases from Dabur Nepal Pvt. Ltd ₹ 384.59 (₹ 309.26)
- Item referred to in 2 above includes Sales to Dabur International Ltd, Naturelle LLC, Asian Consumer Care Pakistan (Pvt) Ltd, Asian Consumer Care Pvt Ltd ₹ 16.58, ₹ 26.86, ₹ 16.95, ₹ 10.11 respectively (₹ 9.35, ₹ 22.22, ₹ 8.46, ₹ 6.67 respectively)
- Item referred to in 3 above relates to royalty paid to Dermoviva Skin Essentials Inc. ₹ 0.12 (₹ 0.11)
- Item referred to in 4 above relates to joint venture expenses paid to Forum 1 Aviation Ltd ₹ 4.68 (₹ 5.42)
- Item referred to in 5 above relates to remuneration paid to Sunil Duggal & P.D.Narang ₹ 12.88 (₹ 11.09)
- Item referred to in 6 above relates to reimbursement of expenses of Sunil Duggal & P.D.Narang ₹ 0.68 (₹ 0.56)
- Item referred to in 7 above includes ESOP given to Dabur International Ltd ₹ 2.66 (₹ 3.49) and ESOP issued to Mr. PD Narang & Sunil Duggal.

(All amounts in ₹ crores, except share data)

- H. Item referred to in 8 above relates to interest received on security deposit from Forum 1 Aviation Ltd ₹ 0.02 (₹ 0.03)
- I. Item referred to in 9 above relates to loan given to H&B stores Ltd ₹ 0.90 (₹ 9.00)
- J. Item referred to in 10 above relates to loan repaid by H&B stores Ltd by converting it into equity ₹ Nil (₹ 34.30) and loan repaid by H&B stores Ltd ₹ 2.10 (₹ Nil)
- K. Item referred to in 11 above relates to investment in equity shares of Forum 1 Aviation Ltd ₹ 0.21 (₹ Nil) and H&B Stores Ltd ₹ 5.20 (₹ Nil)
- L. Figures in bracket relate to previous year

**54.** 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 ₹ 5.72 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.

**55.** Loans and Advances include ₹ 0.49 (Previous year ₹ 0.49) 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 ₹ 0.68 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 ₹ 0.49 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 ₹ 0.21 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 ₹ 0.06, 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.

## 56. SEGMENT INFORMATION PURSUANT TO AS-17

Particulars	Consumer Care Business		Foods		Others		Unallocated		Total	
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
<b>REVENUE</b>										
External Sales	3926.75	3473.67	799.65	666.12	130.40	194.39	-	-	4856.80	4334.18
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>3926.75</b>	<b>3473.67</b>	<b>799.65</b>	<b>666.12</b>	<b>130.40</b>	<b>194.39</b>	-	-	<b>4856.80</b>	<b>4334.18</b>
<b>RESULT</b>										
Segment result	1050.56	922.88	98.21	83.17	7.86	13.67	-	-	1156.63	1019.72
Unallocated corporate expenses	-	-	-	-	-	-	356.98	321.51	356.98	321.51
<b>Operating profit</b>	<b>1050.56</b>	<b>922.88</b>	<b>98.21</b>	<b>83.17</b>	<b>7.86</b>	<b>13.67</b>	<b>(356.98)</b>	<b>(321.51)</b>	<b>799.65</b>	<b>698.21</b>
Interest expense	-	-	-	-	-	-	19.35	18.40	19.35	18.40
Interest income	-	-	-	-	-	-	(81.75)	(69.86)	(81.75)	(69.86)
Income Tax(Current + Deferred)	-	-	-	-	-	-	189.23	158.69	189.23	158.69
<b>Profit from ordinary activities</b>	<b>1050.56</b>	<b>922.88</b>	<b>98.21</b>	<b>83.17</b>	<b>7.86</b>	<b>13.67</b>	<b>(483.81)</b>	<b>(428.73)</b>	<b>672.82</b>	<b>590.99</b>
Extraordinary item	-	-	-	-	-	-	(0.72)	-	(0.72)	-
<b>Net profit</b>	<b>1050.56</b>	<b>922.88</b>	<b>98.21</b>	<b>83.17</b>	<b>7.86</b>	<b>13.67</b>	<b>(484.53)</b>	<b>(428.73)</b>	<b>672.10</b>	<b>590.99</b>
<b>OTHER INFORMATION</b>	<b>As on 31/03/14</b>	<b>As on 31/03/13</b>	<b>As on 31/03/14</b>	<b>As on 31/03/13</b>	<b>As on 31/03/14</b>	<b>As on 31/03/13</b>	<b>As on 31/03/14</b>	<b>As on 31/03/13</b>	<b>As on 31/03/14</b>	<b>As on 31/03/13</b>
Segment assets	1,193.49	977.63	273.17	210.20	32.41	37.18	-	-	1,499.07	1,225.01
Unallocated corporate assets	-	-	-	-	-	-	1,622.72	1,573.72	1,622.72	1,573.72
<b>Total assets</b>	<b>1,193.49</b>	<b>977.63</b>	<b>273.17</b>	<b>210.20</b>	<b>32.41</b>	<b>37.18</b>	<b>1,622.72</b>	<b>1,573.72</b>	<b>3,121.79</b>	<b>2,798.73</b>
Segment liabilities	323.08	229.11	110.84	69.52	8.50	11.07	-	-	442.42	309.70
Unallocated corporate liabilities	-	-	-	-	-	-	777.03	923.42	777.03	923.42
<b>Total liabilities</b>	<b>323.08</b>	<b>229.11</b>	<b>110.84</b>	<b>69.52</b>	<b>8.50</b>	<b>11.07</b>	<b>777.03</b>	<b>923.42</b>	<b>1,219.45</b>	<b>1,233.12</b>
<b>Capital Expenditure</b>	<b>62.19</b>	<b>49.20</b>	<b>2.17</b>	<b>5.90</b>	<b>1.07</b>	<b>0.90</b>	<b>30.75</b>	<b>29.40</b>	<b>96.18</b>	<b>85.40</b>
Depreciation	31.58	26.31	3.79	5.10	1.91	3.23	16.61	14.40	53.89	49.04
Non-cash expenses other than depreciation	-	-	-	-	-	-	23.70	24.19	23.70	24.19

(All amounts in ₹ crores, except share data)

### 57. A. DEFERRED EMPLOYEE COMPENSATION UNDER ESOP

Particulars	As at 31st March, 2014	As at 31st March, 2013
Opening Balance	29.17	53.83
Addition during the year	0.77	5.95
Less: Cancelled during the year	0.13	4.11
	29.81	55.68
Less: Amortisation related to subsidiary	2.48	2.32
Less: Amortised during the year	23.70	24.19
<b>Total</b>	<b>3.63</b>	<b>29.17</b>

### B. ESOP OUTSTANDING

Opening Balance	99.65	105.09
Addition during the year	0.77	5.95
	100.42	111.04
Less: Deletion during the Year	0.13	4.11
Less: Allotted during the year	7.74	7.28
<b>Total</b>	<b>92.55</b>	<b>99.65</b>

### 58. MOVEMENT IN PROVISION

#### A. Movement in Provision for Doubtful Debts

Opening Provision	12.69	12.46
Provision made during the year	0.80	0.23
	13.49	12.69
Excess provision withdrawn	0.09	-
<b>Closing Provision</b>	<b>13.41</b>	<b>12.69</b>

#### B. Movement of Provision against inventories (netted with the value of inventories)

Opening Provision	-	1.30
Provision made during the year	0.83	-
	0.83	1.30
Charged off during the year	-	1.30
<b>Closing Provision</b>	<b>0.83</b>	<b>-</b>

#### C. Movement of Provision for Tax

Opening Provision	487.99	391.38
Provision made during the year	180.48	150.59
	668.47	541.97
Adjustment during the year with advance tax	90.04	53.98
<b>Closing Provision</b>	<b>578.43</b>	<b>487.99</b>

**59.** Amount due to Micro & Small enterprises under MSMED Act, 2006 is ₹ 7.89 (previous year ₹ 4.75). Identification of such enterprises has been made on the basis of their disclosure in correspondences, bills to the effect as mandated for them. There was neither any default nor any delay in payment made to such enterprises, credit terms where of were within period prescribed under statute.

**60.** Sale of Services ₹ 0.17 (previous year ₹ 0.30) relates to hiring charges paid by customers for using Company's machines.



(All amounts in ₹ crores, except share data)

- 61.** Exchange gain works out to ₹ 9.55 (Previous Year ₹ 5.74) and exchange loss ₹ 16.41 (Previous year ₹ 9.94) and their net impact have been debited to Profit & Loss Account under the head "Finance Cost".

## 62. ASSETS DISCARDED/WRITTEN DOWN

	Current Year	Previous Year
a) Fixed Asset discarded	<b>0.39</b>	0.34
b) Finished goods written down	<b>29.23</b>	33.82

- 63.** Pursuant to the purchase agreement executed by the company for acquisition of a unit under a deal of slump sale involving consideration money of ₹ 15, it inherited fixed assets worth ₹ 14.67 and other noncurrent assets worth ₹ 0.18, current assets worth ₹ 0.24 and current liabilities for amounting to ₹ 0.09 from one of its' contract manufacturers situated at Plot no.16, Sector-2, II E, Pantnagar, Uttarakhand.

- 64.** (a) Figures for the previous year have been rearranged/ regrouped as and when necessary in terms of current year's grouping.  
(b) Figures are rounded off to nearest rupees in crores.

As per our report of even date attached

for **G. BASU & CO.**

Chartered Accountants  
Firm Regn. No. 301174E

**ANIL KUMAR**

Partner  
Membership No. 9390  
Place : New Delhi  
Date : 29th April, 2014

For **DABUR INDIA LIMITED**

**DR ANAND BURMAN**  
Chairman  
**A K JAIN**  
VP (Finance) and  
Company Secretary

**P D NARANG**  
Whole Time Director  
**LALIT MALIK**  
Chief Financial Officer

**SUNIL DUGGAL**  
Whole Time Director

# CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITORS' REPORT

To,

### The Board of Directors of Dabur India Limited

We have audited the accompanying consolidated financial statements of Dabur India Limited ('the Company') and its subsidiaries, which comprise the consolidated balance sheet as at 31 March 2014, the consolidated statement of profit and loss and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation

of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Also consolidated herein on proportionate basis in applicable of AS-27 are the unaudited accounts of Forum I Aviation Limited, a domestic jointly controlled corporate entity, the parent company being one of the joint ventures therein. Proportionate total net assets, profit and net cash flow amounting to ₹ 7.70, ₹ 0.72 and ₹ 0.19 respectively of the jointly controlled corporate entity have been consolidated with this financial statement on the basis of accounts of said entity as certified by its management which has not been audited by us.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 the Company as at 31 March 2014;
- (b) In the case of the consolidated statement of profit and loss account, of the profit for the year ended on that date; and
- (c) In the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For **G.Basu & Co.**

Chartered Accountants

Firm's registration number: 301174E

**Anil Kumar**

Partner

Place: New Delhi

Membership number: 9390

Date: 29th April, 2014



# CONSOLIDATED BALANCE SHEET

AS AT 31<sup>ST</sup> MARCH, 2014

(All amounts in ₹ crores, unless otherwise stated)

Sl. No	Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>1. Shareholder's Funds</b>			
	a) Share Capital	3	<b>174.38</b>	174.29
	b) Reserves and Surplus	4	<b>2,481.58</b>	1,920.92
	<b>2. Minority Interest</b>	5	<b>15.91</b>	12.06
	<b>3. Non-current liabilities</b>			
	a) Long Term borrowings	6	<b>260.40</b>	539.93
	b) Deferred Tax Liabilities (Net)	7	<b>44.83</b>	36.21
	c) Other long term liabilities	8	-	0.12
	d) Long-term provisions	9	<b>40.89</b>	48.82
	<b>4. Current Liabilities</b>			
	a) Short-term borrowings	10	<b>447.74</b>	611.42
	b) Trade payables	11	<b>1,096.53</b>	716.74
	c) Other current liabilities	12	<b>479.42</b>	432.54
	d) Short-term provisions	13	<b>270.10</b>	215.49
	<b>Total</b>		<b>5,311.78</b>	4,708.54
<b>II</b>	<b>ASSETS</b>			
	<b>1. Non-current assets</b>			
	a) Fixed Assets	14		
	i) Tangible assets		<b>1,132.99</b>	945.68
	ii) Intangible assets		<b>633.91</b>	636.20
	iii) Capital work-in-progress		<b>21.71</b>	92.57
	b) Non-current investments	15	<b>424.69</b>	163.17
	c) Long-term loans and advances	16	<b>24.54</b>	43.36
	d) Other non-current assets	17	<b>18.07</b>	138.49
	<b>2. Current assets</b>			
	a) Current investment	18	<b>651.78</b>	765.45
	b) Inventories	19	<b>972.29</b>	844.44
	c) Trade receivables	20	<b>675.30</b>	484.13
	d) Cash and cash equivalents	21	<b>519.38</b>	361.81
	e) Short-term loans and advances	22	<b>132.01</b>	173.91
	f) Other current assets	23	<b>105.11</b>	59.33
	<b>Total</b>		<b>5,311.78</b>	4,708.54
	Summary of significant accounting policies	2		
	Contingent Liabilities, capital and other commitments	24,25		

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

As per our report of even date attached

for **G. BASU & CO.**

Chartered Accountants  
Firm Regn. No. 301174E

**ANIL KUMAR**

Partner  
Membership No. 9390  
Place : New Delhi  
Date : 29th April, 2014

For **DABUR INDIA LIMITED**

**DR ANAND BURMAN**  
Chairman

**A K JAIN**  
VP (Finance) and  
Company Secretary

**P D NARANG**  
Whole Time Director

**LALIT MALIK**  
Chief Financial Officer

**SUNIL DUGGAL**  
Whole Time Director



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

(All amounts in ₹ crores, unless otherwise stated)

Sl. No	Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
(I)	<b>Gross Revenue from sale of products</b>		<b>7,132.65</b>	6,199.76
	Less : Excise Duty		(59.44)	(53.38)
	Net Revenue from sale of products		<b>7,073.21</b>	6,146.38
	Sale of services		0.17	0.30
	Other operating Revenues		21.05	22.42
	Revenue from operations	27	<b>7,094.43</b>	6,169.10
(II)	<b>Other Income</b>	28	<b>131.46</b>	108.86
(III)	<b>Total Revenue (I +II)</b>		<b>7,225.89</b>	6,277.96
(IV)	<b>Expenses</b>			
	Cost of materials consumed	29	<b>2,739.04</b>	2,422.11
	Purchase of stock in trade	30	<b>704.44</b>	572.14
	Changes in inventories of FG , WIP & Stock in Trade	31		
	Finished Goods		(26.43)	(2.48)
	Work in Progress		5.93	(0.87)
	Stock in trade		(22.95)	28.23
	Employee benefits expenses	32	<b>607.67</b>	498.91
	Finance cost	33	<b>54.15</b>	58.90
	Depreciation	34	<b>97.49</b>	84.72
	Other Expenses	35	<b>1,930.30</b>	1,663.30
	<b>Total Expense</b>		<b>6,089.64</b>	5,324.96
(V)	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>1,136.25</b>	953.00
(VI)	<b>Exceptional Items</b>		-	(4.66)
(VII)	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>1,136.25</b>	948.34
(VIII)	<b>Extraordinary Items</b>		(0.72)	0.08
(IX)	<b>Profit before tax (VII - VIII)</b>		<b>1,135.53</b>	948.42
(X)	<b>Tax expense</b>			
	(1) Current tax		210.17	172.78
	(2) Deferred Tax		8.62	8.81
	(3) Earlier year tax		0.29	1.04
(XI)	<b>Profit/(Loss) for the year from continuing operations (IX - X)</b>		<b>916.45</b>	765.79
(XII)	<b>Minority Interest</b>		<b>2.53</b>	2.37
(XIII)	<b>Profit after Minority Interest</b>		<b>913.92</b>	763.42
(XIV)	<b>Earnings per equity share in ₹ ( before Extraordinary items)</b>			
	(1) Basic		5.25	4.38
	(2) Diluted		5.21	4.35
(XV)	<b>Earnings per equity share in ₹ (after Extraordinary items)</b>			
	(1) Basic		5.24	4.38
	(2) Diluted		5.21	4.35
	Summary of Significant Account Policies	2		

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

As per our report of even date attached

for **G. BASU & CO.**

Chartered Accountants  
Firm Regn. No. 301174E

**ANIL KUMAR**

Partner  
Membership No. 9390  
Place : New Delhi  
Date : 29th April, 2014

For **DABUR INDIA LIMITED**

**DR ANAND BURMAN**  
Chairman

**A K JAIN**  
VP (Finance) and  
Company Secretary

**P D NARANG**  
Whole Time Director

**LALIT MALIK**  
Chief Financial Officer

**SUNIL DUGGAL**  
Whole Time Director



# CONSOLIDATED STATEMENT OF CASH FLOW (PURSUANT TO AS- 3) INDIRECT METHOD

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

(All amounts in ₹ crores)

	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>A.</b>	<b>Cash Flow From Operating Activities</b>		
	Net Profit Before Tax	1,135.53	948.42
Add:			
	Depreciation	97.49	84.72
	Loss on Sale of Fixed Assets	1.70	3.74
	Fixed Assets Discarded	0.57	0.34
	Deferred Employee Compensation Amortized	26.36	27.68
	Provision For Contingent Liability	3.12	0.60
	Interest	32.97	39.52
	Unrealised Loss/(Gain) on Financial Instruments	-	(5.28)
	Unrealised Loss / (Gain) in Foreign Exchange	14.55	(18.44)
		176.76	132.88
		1,312.29	1,081.30
Less:			
	Interest Received	92.12	77.47
	Profit on Sale of Investment	17.02	9.56
	Profit on Sale of Assets	1.15	110.29
	Operating Profit Before Working Capital Changes		87.03
	Working Capital Changes		994.27
	(Increase)/Decrease in Inventories	(127.86)	(19.94)
	(Increase)/Decrease in Trade & Other Receivables	(187.02)	(41.07)
	Increase/(Decrease) in Trade Payables and Other Payables	397.37	104.81
	(Increase)/Decrease in Working Capital	82.49	43.80
	Cash Generated From Operating Activities	1,284.49	1,038.07
	Tax Paid	183.42	168.53
	<b>Cash Used(-)/(+Generated From Operating Activities (A)</b>	<b>1,101.07</b>	<b>869.54</b>
<b>B.</b>	<b>Cash Flow From Investing Activities</b>		
	Acquisition of Fixed Assets	(215.44)	(240.98)
	Sale of Fixed Assets	2.39	17.18
	Purchases of Investment	(6,445.50)	(4,784.50)
	Interest Received	95.31	54.17
	Proceed of Sale of Investments	6,455.96	4,330.08
	<b>Cash Used(-)/(+Generated In Investing Activities (B)</b>	<b>(107.28)</b>	<b>(624.05)</b>
<b>C.</b>	<b>Cash Flow From Financing Activities</b>		
	Proceeds From Share Capital & Premium	0.05	0.04
	Repayment(-)/Proceeds (+) of Long Term Loan	(279.52)	135.49
	Repayment(-)/Proceeds(+) From Short Term Secured Loan	211.44	(0.30)
	Repayment(-)/Proceeds(+) From Short Term Unsecured Loans	(375.14)	(52.06)
	Payment of Dividend	(278.78)	(243.43)
	Corporate Tax on Dividend	(47.41)	(39.58)
	Interest Paid	(34.33)	(34.14)
	<b>Cash Used(-)/(+Generated) In Financing Activities (C)</b>	<b>(803.69)</b>	<b>(233.98)</b>
	<b>Net Increase(+) / Decrease (-) In Cash And Cash Equivalents (A+B+C)</b>	<b>190.10</b>	<b>11.51</b>
	<b>Cash and Cash Equivalents Opening Balance</b>	<b>123.10</b>	<b>111.59</b>
	<b>Unrealised Gain/(Loss) on Foreign Currency</b>	<b>2.78</b>	<b>(1.89)</b>
	<b>Cash and Cash Equivalents Closing Balance</b>	<b>310.42</b>	<b>124.99</b>
	<b>Cash and Cash Equivalents (Year End)</b>	<b>310.42</b>	<b>124.99</b>
	<b>Balances with Banks without Restatement</b>	<b>281.93</b>	<b>114.28</b>
	<b>Cheques / Drafts in Hand</b>	<b>10.11</b>	<b>1.04</b>
	<b>Cash-in-Hand</b>	<b>18.38</b>	<b>9.67</b>

As per our report of even date attached

for **G. BASU & CO.**

Chartered Accountants  
Firm Regn. No. 301174E

**ANIL KUMAR**

Partner  
Membership No. 9390  
Place : New Delhi  
Date : 29th April, 2014

For **DABUR INDIA LIMITED**

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Whole Time Director

**LALIT MALIK**  
Chief Financial Officer

**SUNIL DUGGAL**  
Whole Time Director

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

### 1. COMPANY INFORMATION

Dabur India Limited (the 'Company') is a domestic public limited company and is listed on the Bombay Stock Exchange [BSE], National Stock Exchange [NSE] and MCX Stock Exchange [MCX]. The company is one of the leading FMCG players dealing in Consumer Care and Food Products. The Company has manufacturing facilities across the length & breadth of the country and Research and Development center in U.P. (Sahibabad), selling arrangements being primarily in India through independent distributors except for institutional sales which are handled directly.

### 2. 2.1 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1.1 Basis for preparation of accounts

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 pronouncement of ICAI, provisions of the Companies Act and guidelines issued by SEBI as applicable.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956.

#### 2.1.2 Use of Estimates

Indian GAAP enjoins management to make estimates and assumptions that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to years, the financial statement relate to. Actual result could differ from such estimates. Any revision in accounting estimates 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.

### 2.2 Principles of Consolidation

- i) Consolidated herein are the accounts of:-
  - Dabur India Limited (the parent company)
  - 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)

- 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 (U.K.) 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.)
- 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 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% & 1% of stake wherein are held by Dabur International Ltd. and Dabur Egypt Ltd. respectively)
- Dermoviva Skin Essentials INC (a wholly owned subsidiary body corporate incorporated in USA, 97.79% and 2.21% stakes wherein are held by Dabur International Ltd. & Dabur India Ltd. respectively)
- Namaste Laboratories LLC (a wholly owned subsidiary body corporate, incorporated in USA, 100% right wherein is exercised by Dermoviva Skin Essentials INC)
- Urban Laboratories International LLC (a wholly owned subsidiary body corporate incorporated in USA, 100% right wherein is exercised by Namaste Laboratories LLC)
- Hair Rejuvenation and Revitalization Nigeria Ltd. (a wholly owned subsidiary body corporate incorporated in Nigeria, 100% right wherein is



(All amounts in ₹ crores, except share data)

- exercised by Urban Laboratories International LLC)
- Healing Hair Laboratories International LLC (a wholly owned body corporate incorporated in USA, 100% rights wherein is exercised by Namaste Laboratories LLC)
  - Namaste Cosmeticos Ltda. (a wholly owned body corporate incorporated in Brazil, 100% rights wherein is exercised by Namaste Laboratories LLC)
  - Two wholly owned overseas subsidiary body corporate incorporated in Turkey named Hobi Kozmetik and RA Pazarlama, 100% stake in each is held by Dabur International Ltd.
  - Dabur Lanka Pvt Ltd (a wholly owned subsidiary body corporate incorporated in Sri Lanka, 100% stake wherein is held by Dabur International Ltd.)
  - Dabur Consumer Care Pvt Ltd (a wholly owned subsidiary body corporate incorporated in Sri Lanka, 100% stake wherein is held by Dabur International Ltd.)
  - Dabur Tunisie (a wholly owned subsidiary body corporate incorporated in Tunisia, 99% stake wherein is held by Dabur International Ltd. and 1% held by Dabur (UK) Ltd.)
- ii) In addition to the above, proportionately consolidated herein is the accounts of Forum 1 Aviation Ltd. (a domestic corporate entity jointly controlled by parent company with others, stake of parent company being 16.67% therein) on the basis of un-audited results.
- iii) The consolidated financial statements have been prepared on the basis of AS-21, under pooling of interest method read with the following basic assumptions:
- (a) 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.
  - (b) Entities joining business combination during the year / earlier years were accounted for at immediate post merger /amalgamation / acquisition point in terms of note no. 2.16 which provides their initial basis of worth of assets, liabilities & reserves for consolidation. Subsequent accountal thereon remain on line to line basis.
  - (c) 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.
- (d) In respect of foreign subsidiaries, rise in the value of stake of parent company in terms of reporting currency upto the date of commercial production (i.e. the date, their assets were due for capitalization) on account of exchange fluctuation has been credited to capital reserve. Subsequent generation of reserve other than that of the nature of capital reserve including gain/ loss arising on account of translating the transactions of the year, year-end assets and liabilities of the foreign subsidiaries for the purpose of consolidating with parent company's assets at exchange rates ruling on year-end-date has been recognized as reserve specifically earmarked for the purpose.
- iv) 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.
- v) 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 only. 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, along with other segments of reserve attributable to minorities has been disclosed in the consolidated financial statement separately from liability and equity of shareholders of parent company.

### **2.3 Translation of overseas subsidiaries from foreign currencies to reporting currency**

All 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 monthly rate respectively on the basis of non-integral operational approach under revised AS-11 thereby accounting for aggregate of net impact in exchange fluctuation in these regards as exchange reserve shown under broad head of "Reserve and Surplus".

### **2.4 Recognition of Income and Expenses**

- (a) Sales and purchases are accounted for on the basis of passing of title to the goods.
- (b) Sales comprise of sale price of goods including excise duty but exclude trade discount and Sales tax/Vat.

(All amounts in ₹ crores, except share data)

- (c) Income/ loss from future trading of commodities, forming part of inputs, is to be recognized at the closing point of the contract. For option contracts, loss if any occurs on balance sheet date is recognized. However profit, if any, accruing on open contracts on balance sheet date is ignored.
- (d) All the other incomes have been accounted for on accrual basis.

## **2.5 Fixed Assets**

- (a) Fixed assets are stated at carrying amount i.e. cost less accumulated depreciation.
- (b) Cost includes freight, duties, taxes and other expenses incidental to acquisition and installation.
- (c) Depreciation on Fixed Assets has been provided on straight line method at rates specified in Schedule XIV of the Companies Act, 1956 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, Katni unit, Alwar unit and Narendarpur unit and for Motor Vehicles where depreciation has been provided for on written down value methods at the rates specified in the aforesaid Schedule.
- (d) Fixed Assets purchased for less than ₹0.0005 have been depreciated at the rate of 100%.
- (e) Patents and trademarks are being amortized over the period of ten years on straight line basis.
- (f) Software's are being amortized over the period of five years on straight line basis.
- (g) For New Projects, all direct expenses and direct overheads(excluding services provided by employees in company's regular payroll) are capitalized.
- (h) 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.
- (i) During sale of fixed assets, any profit earned towards excess of sale value over gross block of assets (i.e. balancing charge) is transferred from profit & loss account to capital reserve.
- (j) 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.
- (k) 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.

- (l) Stores and fixtures in H & B Stores Limited are amortized over a period of eight years.
- (m) Leasehold improvements in H & B Stores Ltd. are amortized over the lower of estimated useful life or lease period.

## **2.6 Impairment/discarding of Assets**

- (a) 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 terms 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.
- (b) Apart from test of impairment within the meaning of AS-28, individual tangible fixed assets of various Cash Generating Units (CGUs) are identified for writing down on the ground of obsolescence, damage, redundancy & un-usability at the year end.
- (c) Further the company has assessed recoverable value of each CGUs and each intangible asset 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.

## **2.7 Investment**

Investments that are readily realizable and are intended to be held for not more than one year from the reporting date are classified as "Current investments". All other investments are classified as "Non-current investments".

Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost. A provision for diminution is made to recognize a decline other than temporary in the value of non current investments.

Investments in subsidiaries, Joint Ventures and Associates are held for long term and valued at cost reduced by diminution of permanent nature therein, if any.

No profit or losses of subsidiaries are accounted for.

## **2.8 Research and Development Expenditure**

Revenue expenditure on research & development is expensed as incurred including contribution towards scientific research expenses.



(All amounts in ₹ crores, except share data)

## 2.9 Inventories

Inventories are valued at the lower of cost or net realizable value. Basis of determination of cost remains as follows:

- (a) Raw Material, Packing Material, Stores & Spares : Moving Weighted Average Basis
- (b) Work-in-progress : Cost of Input plus Overhead upto the stage of completion
- (c) Finished Goods : Cost of Input plus Appropriate Overhead

## 2.10 Deferred Entitlement on Leave Travel Concession

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

## 2.11 Retirement Benefits

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

### a. Defined Benefit Plans:

- i) Leave Salary of employees on the basis of actuarial valuation as per AS 15.
- ii) Post separation benefits of Directors on the basis of actuarial valuation as per AS 15.
- iii) Gratuity Liability on the basis of actuarial valuation as per AS 15.

### b. Defined Contribution Plans:

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

## 2.12 Income Tax and Deferred Tax

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.

## 2.13 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.

## 2.14 Foreign Currency Translation

- (a) 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 statement of profit and loss.
- (b) Impact of currency fluctuation on current assets/ current or outside liabilities of individual entities with reference to currency of reporting in countries of their incorporation are charged to revenue.

## 2.15 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 with corresponding debit in deferred Employee Compensation under ESOP appearing as negative item as part of shareholder's fund as per guidelines to the effect issued by SEBI.

- (a) With the exercise of option and consequent issue of equity share, corresponding ESOP outstanding is transferred to share premium account.
- (b) 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.
- (c) Entitlement of option rises proportionately with the issuance of bonus. Nominal value of shares against enhanced options is financed by the company at the point of exercise of such option by employees against utilization of general reserve/ security premium.
- (d) Deferred employees compensation under ESOP is amortized on straight line method over the vesting period.

## 2.16 Business combinations

### i) 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.

(All amounts in ₹ crores, except share data)

### **ii) 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.

- iii) 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.

### **2.17 Segment Reporting**

The Company identifies primary segments based on the pre-dominant sources of risk effects and returns depending on organization and of the management

and internal financial reporting system. The operating segments are the segments for which separate financial information are available and operating profit/loss there from are evaluated regularly by the management for allocation of resources and assessment of performance.

Revenue, expenses, assets and liabilities which relate to the company as a whole which are not allocable to segments on direct and/or reasonable basis have been included under "unallocated revenue/ expenses/assets/liabilities".

### **2.18 Operating Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals for operating leases are charged to statement of profit & loss on accrual basis in accordance with the respective lease agreements.

### **2.19. Earnings per Share**

Basic Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## **3. SHARE CAPITAL**

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>Authorized</b> 2070000000 [March 31,2013 : 2070000000] equity shares of ₹ 1 each	<b>207.00</b>	207.00
<b>Issued, Subscribed and fully paid up</b> 1743813073 [March 31,2013 : 1742935011] equity shares of ₹ 1 each	<b>174.38</b>	174.29

## **4. RESERVE AND SURPLUS**

Capital Reserve	<b>21.59</b>	21.19
Investment Revaluation Reserve	-	4.49
Securities Premium Reserve	<b>37.95</b>	30.21
Legal Reserve	<b>14.93</b>	14.93
Special Fund	<b>3.14</b>	3.14
Employee Housing Reserve Fund	<b>6.09</b>	6.09
ESOP Outstanding (Net of Deferred Employee Compensation ₹ 3.63 PY ₹ 29.17)	<b>88.92</b>	70.48
Exchange Fluctuation Reserve	<b>-142.06</b>	-116.54
General Reserve	<b>180.12</b>	108.76
Surplus / (deficit)	<b>2,270.90</b>	1,778.17
<b>Total</b>	<b>2,481.58</b>	1,920.92



(All amounts in ₹ crores, except share data)

**Footnotes:**

- Legal reserve & entire special reserve represents statutory reserve inherited from two subsidiaries all incorporated in Turkey, having joined the group during financial year 2010-11 which has been retained as above against corresponding debit in the amalgamation adjustment account.
- Reconciliation of Exchange Fluctuation reserve (pursuant to Clause 40(b) of AS-11)

	2013-14	2012-13
Opening Balance	(116.54)	(74.68)
Exchange Gain against translation of fixed assets *	22.65	22.64
Exchange Loss against others	(50.12)	(65.14)
	<b>(144.01)</b>	<b>(117.18)</b>
Transferred to Minority Interest	1.95	0.64
Closing Balance	(142.06)	(116.54)

\* Closing balance of fixed assets of overseas subsidiaries has been translated in terms of year end exchange rate thereby adding to exchange fluctuation reserve by ₹ 22.65 (PY ₹ 22.64)

- Reserve & Surplus has been netted off by Interim Dividend ₹ 153.02 (PY ₹ 131.67), Proposed Dividend ₹ 204.02 (PY ₹ 173.33) and Bonus issue of ₹ 0.04 (PY ₹ 0.04).

**5. MINORITY INTEREST**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
Share Capital	7.77		7.77	
Share Premium	0.09		0.09	
General Reserve	0.11		0.11	
Exchange Fluctuation Reserve	1.95		0.64	
Surplus	5.99		3.45	
<b>Total</b>	<b>15.91</b>		12.06	

**6. LONG TERM BORROWING**

Nature of Borrowing	As at 31st March, 2014			As at 31st March, 2013		
	Secured	Unsecured	Total	Secured	Unsecured	Total
i) Term Loans - From Bank	194.92	–	194.92	539.09	–	539.09
ii) Deferred Sales Tax Liabilities	–	–	–	–	0.84	0.84
iii) Other loans & advances	–	65.48	65.48	–	–	–
<b>Total</b>	<b>194.92</b>	<b>65.48</b>	<b>260.40</b>	539.09	0.84	539.93

**Footnote:** There is no default in repayment of principal loan or interest thereon.

**7. DEFERRED TAX LIABILITIES (NET)**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
<b>Deferred Tax Liability :</b>				
Depreciation			71.26	57.82
Restatement of Financial Assets/Liabilities			–	1.90
<b>Less: Deferred Tax Assets :</b>				
Provision for Disputed Liabilities	1.57		0.92	
Provision for Service Benefits	12.40		12.56	
Provision for Doubtful Advances	0.43		0.28	
Provision for Doubtful Debts	5.77		4.12	
Unrealized loss on Financial Instruments	–		0.18	
Business Loss	0.90		–	
Others	5.36	26.43	5.45	23.51
<b>Net Deferred Tax Liability</b>			<b>44.83</b>	36.21
<b>(Decrease)/Accretion in Deferred Tax Liability</b>			<b>8.62</b>	8.81

**Footnote:**

Deferred tax assets recognized against unabsorbed loss relates to a US based subsidiary, having inter alia subsidiaries incorporated in USA, former being liable to fiscal obligation on profit/loss of subsidiaries apart from its own operating results. Sustaining of loss is for temporary period part of which has regularly been offset by net surplus generated by its subsidiaries thereby virtually confirming sustainability of loss at given period of time in future.

These attributes to recognition of deferred tax asset against relevant unabsorbed loss.

(All amounts in ₹ crores, except share data)

## 8. OTHER LONG TERM LIABILITIES

Particulars	As at 31st March, 2014	As at 31st March, 2013
Security Deposits	-	0.12
<b>Total</b>	<b>-</b>	<b>0.12</b>

## 9. LONG TERM PROVISIONS

For Retirement Benefits (Directors)	<b>40.14</b>	42.74
For Leave encashment	-	0.64
For Gratuity	-	5.44
For Severance Compensation	<b>0.75</b>	-
<b>Total</b>	<b>40.89</b>	<b>48.82</b>

## 10. SHORT TERM BORROWINGS

Nature of Borrowing	Secured	Unsecured	Total	Secured	Unsecured	Total
(i) Cash credits from bank	<b>116.19</b>	-	<b>116.19</b>	22.47	160.01	182.48
(ii) Packing Credit Loan from Banks	-	<b>26.50</b>	<b>26.50</b>	-	168.27	168.27
iii) Other Loans from Banks	<b>117.74</b>	<b>187.25</b>	<b>304.99</b>	-	210.67	210.67
(iv) Commercial Papers	-	-	-	-	50.00	50.00
(v) Bank overdrafts	-	<b>0.06</b>	<b>0.06</b>	-	-	-
<b>Total</b>	<b>233.93</b>	<b>213.81</b>	<b>447.74</b>	22.47	588.95	611.42

**Footnote 1:** There is no default in repayment of principal loan or interest thereon.

## 11. TRADE PAYABLES

Particulars	As at 31st March, 2014	As at 31st March, 2013
Creditors for Goods and Services	<b>966.96</b>	636.82
Acceptances	<b>129.57</b>	79.92
<b>Total</b>	<b>1,096.53</b>	716.74

## 12. OTHER CURRENT LIABILITIES

Component of term loan repayable within a year	<b>242.97</b>	106.30
Unpaid dividends	<b>4.81</b>	4.59
Creditors for Capital Goods	<b>9.32</b>	10.26
Security Deposits	<b>6.82</b>	5.31
Advances from Customers	<b>10.96</b>	13.18
Interest accrued but not due on loans	<b>2.33</b>	3.70
Statutory Liabilities	<b>92.68</b>	69.62
Other payables	<b>109.53</b>	219.58
<b>Total</b>	<b>479.42</b>	432.54

## 13. SHORT TERM PROVISIONS

For Leave Encashment	<b>6.53</b>	3.66
For Gratuity Payable	<b>7.38</b>	1.83
For Post Separation Benefit of Director.	<b>0.35</b>	0.35
For Taxation (net of advance tax ₹ 354.58, PY ₹ 127.52)	<b>9.39</b>	2.18
For Other Provision	<b>8.39</b>	2.74
For Disputed Liabilities	<b>34.04</b>	31.40
For Proposed Dividend	<b>174.38</b>	148.15
For Dividend Tax	<b>29.64</b>	25.18
<b>Total</b>	<b>270.10</b>	215.49



(All amounts in ₹ crores, except share data)

## 14. FIXED ASSETS

S.No	Particulars of Assets	Gross Block				Depreciation / Amortisation				Net Block						
		Gross Cost/ Value as on 01.04.13	Acquisition	Business Combination	Other Adjustment	Sub Total	Sale / adjustment during this year (-)	Exchange Gain/(Loss)	Gross Balance as on 31.03.14	Total as on 01.04.13	Sale / Adjustment during this year (-)	Exchange Gain/(Loss)	Total as on 31.03.14	W&DV as on 31.03.14	W&DV as on 31.03.13	
<b>(i) Tangible Assets</b>																
	Land:Leashold	18.87	4.29	0.04	-	4.33	-	0.53	23.73	1.68	0.36	-	0.02	2.06	21.67	
	Land:Freehold	57.22	-	3.39	0.05	3.44	-	1.04	61.70	-	-	-	-	-	61.70	57.22
	Building	513.07	20.01	19.21	47.93	87.15	0.94	5.48	604.76	111.65	17.98	0.49	1.07	130.21	474.55	401.42
	Plant & Equipment	747.88	39.59	46.11	59.13	144.83	4.91	12.34	900.14	326.05	61.02	3.41	6.21	389.87	510.27	421.83
	Furniture & Fixtures	60.02	5.92	4.76	0.77	11.45	1.23	9.00	79.24	35.83	5.98	0.87	2.51	43.45	35.79	24.19
	Vehicles	23.81	5.67	0.71	0.56	6.94	4.02	0.40	27.13	12.78	3.59	3.16	0.17	13.38	13.75	11.03
	Office Equipment	45.99	4.75	1.68	0.98	7.41	4.98	0.05	48.47	33.19	4.61	4.60	0.01	33.21	15.26	12.80
<b>Total</b>		<b>1,466.86</b>	<b>80.23</b>	<b>75.90</b>	<b>109.42</b>	<b>265.55</b>	<b>16.08</b>	<b>28.84</b>	<b>1,745.17</b>	<b>521.18</b>	<b>93.54</b>	<b>12.53</b>	<b>9.99</b>	<b>612.18</b>	<b>1,132.99</b>	<b>945.68</b>
<b>(ii) Intangible Assets</b>																
	Goodwill	621.45	-	-	-	-	-	-	621.45	0.05	-	-	-	0.05	621.40	621.40
	Brands/Trademarks	15.59	-	-	-	-	-	-0.72	14.87	10.99	1.05	-	-0.08	11.96	2.91	4.60
	Computer Software	29.06	2.26	0.02	-	2.28	-	-0.04	31.30	18.86	2.90	-	-0.06	21.70	9.60	10.20
<b>Total:</b>		<b>666.10</b>	<b>2.26</b>	<b>0.02</b>	<b>-</b>	<b>2.28</b>	<b>-</b>	<b>-0.76</b>	<b>667.62</b>	<b>29.90</b>	<b>3.95</b>	<b>-</b>	<b>-0.14</b>	<b>33.71</b>	<b>633.91</b>	<b>636.20</b>
<b>(iii) Capital Work-in-progress</b>																
	Capital Work-in-progress	92.57	10.04	24.06	-	34.10	109.42	4.46	21.71	-	-	-	-	-	21.71	92.57
	<b>Grand Total (i+ii+iii)</b>	<b>2,225.53</b>	<b>92.53</b>	<b>99.98</b>	<b>109.42</b>	<b>301.93</b>	<b>125.50</b>	<b>32.54</b>	<b>2,434.50</b>	<b>551.08</b>	<b>97.49</b>	<b>12.53</b>	<b>9.85</b>	<b>645.89</b>	<b>1,788.61</b>	<b>1,674.45</b>
<b>Previous Year</b>		<b>2,171.29</b>	<b>87.36</b>	<b>147.41</b>	<b>-</b>	<b>234.77</b>	<b>194.18</b>	<b>28.65</b>	<b>2,240.53</b>	<b>503.30</b>	<b>84.72</b>	<b>15.93</b>	<b>6.01</b>	<b>566.08</b>	<b>1,674.45</b>	

(All amounts in ₹ crores, except share data)

## 15. NON-CURRENT INVESTMENT

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>(I) Trade Investment (unquoted):</b>		
<b>Investment in fully paid equity Instruments</b>		
A Sanat Products Ltd	<b>1.05</b>	1.05
(CY: 50000 shares: PY: 50000 shares of face value of ₹ 100 each)		
B Dabon International Ltd. (Joint Venture)	<b>0.27</b>	0.27
(CY: 270000 shares: PY: 270000 shares of face value of ₹ 10 each)		
C Shivalik Solid Waste Management Ltd	<b>0.02</b>	0.02
(CY: 18000 shares: PY: 18000 shares of face value of ₹ 10 each)		
<b>(II) Other than trade</b>		
<b>a) Investment in Government or Trust Shares / Securities (unquoted)</b>		
A National Saving Certificates	<b>0.02</b>	0.02
<b>b) Investment in Bonds (quoted)-Fully paid</b>		
A Power Finance Corporation	<b>52.73</b>	30.79
(CY: 142393 units: PY: 142393 units of face value of ₹ 1000 each)		
(CY: 500 units: PY: 500 units of face value of ₹ 100000 each)		
(CY: 350 units: PY: 100 units of face value of ₹ 1000000 each)		
B Rural Electricification Corporation	<b>98.78</b>	40.13
(CY: 183715 units: PY: 183715 units of face value of ₹ 1000 each)		
(CY: 800 units: PY: 200 units of face value of ₹ 1000000 each)		
C NHAI Bonds	<b>3.71</b>	3.95
(CY: 37086 units: PY: 37086 units of face value of ₹ 1000 each)		
D Indian Railway Finance Corporation	<b>15.88</b>	16.76
(CY: 158753 units: PY: 158753 units of face value of ₹ 1000 each)		
E Exim Bonds	<b>63.30</b>	–
(CY: 650 units: PY: Nil units of face value of ₹ 1000000 each)		
F Power Grid Corporation Bonds	<b>29.32</b>	–
(CY: 200 units: PY: Nil units of face value of ₹ 1000000 each)		
(CY: 80 units: PY: Nil units of face value of ₹ 1250000 each)		
G HDFC Ltd	<b>9.51</b>	–
(CY: 100 units: PY: Nil units of face value of ₹ 1000000 each)		
H LIC Housing Finance Limited	<b>15.34</b>	–
(CY: 150 units: PY: Nil units of face value of ₹ 1000000 each)		
<b>c) Investment in Bonds (Unquoted)-Fully paid</b>		
A Indian Overseas Bank	<b>12.15</b>	–
(CY 18750 units :PY : Nil units of face value ₹ 1631 each )		
B Syndicate Bank	<b>12.04</b>	–
(CY 18750 units :PY : Nil units of face value ₹ 1631 each )		
C Axis Bank	<b>11.94</b>	–
(CY 18750 units :PY : Nil units of face value ₹ 1631 each )		
D Union Bank of India	<b>11.67</b>	–
(CY 18750 units :PY : Nil units of face value ₹ 1631 each )		
E Egyptian Treasury Bills	<b>20.08</b>	6.97
<b>d) Investment in non-convertible debentures (unquoted)-Fully paid</b>		
A NCD of Shriram Transport Finance Co.	<b>2.31</b>	27.32
(CY : 23126 units : PY: 23126 units of face value of ₹ 1000 each )		
(CY: Nil units : PY: 250 units of face value of ₹ 1000000 each)		



(All amounts in ₹ crores, except share data)

Particulars		As at 31st March, 2014	As at 31st March, 2013
B NCD of Fullerton India Credit Co Ltd (CY: Nil units : PY: 100 units of face value of ₹ 1000000 each)		-	10.16
C NCD of Bajaj Finance Ltd (CY: 5 units : PY: Nil units of face value of ₹ 10000000 each)		5.22	-
<b>e) Investment in Zero Coupon Bonds (unquoted)-Fully paid</b>			
A Bajaj Finance Limited (CY: 250 units : PY: Nil units of face value of ₹ 1000000 each)		29.76	-
B Tata Capital Finance Services Limited (CY: 250 units : PY: Nil units of face value of ₹ 1000000 each)		29.86	-
<b>f) Investment in Fixed Deposits with others (unquoted)-Fully paid</b>			
A FD with Mahindra & Mahindra		-	16.00
B FD with IL&FS		-	10.00
<b>Total</b>		424.96	163.44
<b>Less: Provision for diminution in carrying cost</b>		0.27	0.27
<b>Net Amount</b>		424.69	163.17

## 16 LONG TERM LOANS AND ADVANCES

Advance Payment of Tax (Net of provision of ₹ 272.73, PY: ₹ 272.73)	Considered Good	1.77	1.58
Capital Advance	Considered Good	13.52	14.19
Balance with Govt Authorities	Considered Good	9.25	27.59
<b>Total</b>		24.54	43.36

## 17 OTHER NON CURRENT ASSETS

Amalgamation Adjustment Account	18.07	19.06
Bank Deposit maturing after 12 months	-	119.43
<b>Total</b>	18.07	138.49

**Footnote:** Amalgamation Adjustment Account refers to adjustment of retaining statutory and compulsory reserves of entities merged in the earlier years under Purchase method.

## 18 CURRENT INVESTMENT

<b>Other than trade-Fully paid</b>			
<b>(I) Mutual funds (Quoted)</b>			
A) Taurus Mutual Fund (CY: Nil units : PY: 53196 units of face value of ₹ 1000 each)		-	10.79
B) JP Morgan Mutual Fund (CY: Nil units : PY: 4115329 units of face value of ₹ 10 each)		-	5.27
C) Reliance Mutual Fund (CY: Nil units : PY: 12330678 units of face value of ₹ 10 each) (CY: 289773 units : PY: Nil units of face value of ₹ 1000 each)		59.44	22.87
D) HDFC Mutual Fund (CY: Nil units : PY: 1910234 units of face value of ₹ 10 each)		-	5.15
E) Bank of Baroda Pioneer Investments (CY: Nil units : PY: 106185 units of face value of ₹ 1000 each)		-	14.26
F) Peerless Mutual Fund (CY: Nil units : PY: 23915001 units of face value of ₹ 10 each)		-	30.95
G) AIG - Pine Bridge (CY: Nil units : PY: 35631 units of face value of ₹ 1000 each)		-	5.07

(All amounts in ₹ crores, except share data)

<b>Particulars</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
H) DWS Mutual Fund (CY: 2721178 units : PY: 21027062 units of face value of ₹ 10 each)	<b>7.27</b>	30.78
I) IDFC(SCB) Mutual Fund (CY: Nil units : PY: 11132550 units of face value of ₹ 10 each)	-	20.90
J) UTI Mutual Fund (CY: 4170.1758 units : PY: 4123925 units of face value of ₹ 10 each)	<b>0.08</b>	5.27
K) DSP BlackRock Mutual fund (CY: Nil units : PY: 112186 units of face value of ₹ 1000 each)	-	21.49
	(CY: Nil units : PY: 1605464 units of face value of ₹ 10 each)	
L) ICICI Prudential Mutual Fund (CY: Nil units : PY: 4618938 units of face value of ₹ 10 each)	-	10.42
M) Kotak Mutual Fund (CY: Nil units : PY: 3717805 units of face value of ₹ 10 each)	-	15.10
N) SBI Mutual Fund (CY: Nil units : PY: 3468946 units of face value of ₹ 10 each)	-	5.11
O) UNION KBC Mutual Fund (CY: 77898 units : PY: Nil units of face value of ₹ 1000 each)	<b>10.00</b>	-
P) JM Financial Mutual Fund (CY: 4523889 units : PY: Nil units of face value of ₹ 10 each)	<b>4.44</b>	-
Q) L&T Mutual Fund (CY: 60804 units : PY: Nil units of face value of ₹ 1000 each)	<b>6.17</b>	-
<b>II) Commercial Papers (Unquoted)</b>		
A) Reliance Capital Limited of the face value of ₹ 50 crores (PY: Face value of ₹ 100 crores)	<b>45.41</b>	92.64
B) Morgan Stanley India of the face value of ₹ Nil (PY: Face value of ₹ 100 crores)	-	91.98
C) Kotak Mahindra Prime Ltd of the face value of ₹ 25 crores (PY: Face value of ₹ 40 crores)	<b>22.68</b>	36.40
D) Kotak Mahindra Investments Ltd of the face value of ₹ 50 crores (PY: Face value of ₹ Nil crores)	<b>46.78</b>	-
E) Reliance Home Finance Ltd of the face value of ₹ Nil (PY: Face value of ₹ 25 crores)	-	23.40
F) Fullerton India Credit Co Ltd of the face value of ₹ 75 crores (PY: Face value of ₹ 40 crores)	<b>68.34</b>	37.04
G) First Blue Home Finance Ltd. of the face value of ₹ Nil (PY: Face value of ₹ 10 crores)	-	9.55
H) IDFC Ltd of the face value of ₹ 25 crores (PY: Face value of ₹ Nil crores)	<b>24.20</b>	-
I) Tata Capital of the face value of ₹ 25 crores (PY: Face value of ₹ Nil crores)	<b>23.49</b>	-
J) ICICI Securities Ltd of the face value of ₹ 25 crores (PY: Face value of ₹ Nil crores)	<b>22.71</b>	-
<b>III) Certificate of Deposits (Unquoted)</b>		
A) Andhra Bank of the face value of ₹ 50 crores (PY: Face value of ₹ Nil crores)	<b>48.84</b>	-



(All amounts in ₹ crores, except share data)

Particulars	As at 31st March, 2014	As at 31st March, 2013
<b>(IV) Non-convertible debentures (unquoted)</b>		
A) NCD of LIC Housing Finance (CY : 400 units : PY: Nil units of face value of ₹ 1000000 each )	<b>42.11</b>	-
B) NCD of Reliance Capital Limited (CY : 250 units : PY: Nil units of face value of ₹ 1000000 each )	<b>25.88</b>	-
C) NCD of Shriram Transport Finance Co. (CY : 450 units : PY: Nil units of face value of ₹ 1000000 each )	<b>45.91</b>	-
D) NCD of Fullerton India Credit Co Ltd (CY: 100 units : PY: Nil units of face value of ₹ 1000000 each)	<b>10.03</b>	-
<b>(V) Fixed Deposits with others (Unquoted)</b>		
A) FD with IL&FS	<b>87.00</b>	73.00
B) FD with Mahindra & Mahindra	<b>16.00</b>	3.00
C) FD with PNB Housing Finance Ltd.	-	120.01
D) FD with Shriram Transport Finance Co.	-	5.00
E) FD with HDFC Ltd	<b>35.00</b>	65.00
F) FD with Diwan Housing Finance	-	5.00
<b>Total</b>	<b>651.78</b>	765.45

## 19. INVENTORIES

Raw Materials	<b>311.74</b>	284.70
Packing Materials	<b>151.57</b>	122.44
Work-in-Progress	<b>98.76</b>	104.69
Finished goods	<b>322.06</b>	267.92
Stock-in-trade	<b>86.08</b>	63.37
Stores & spares	<b>2.08</b>	1.32
<b>Total</b>	<b>972.29</b>	844.44

## 20. TRADE RECEIVABLES

<b>Unsecured:</b>		
Debts outstanding for a period exceeding six months since due date for payment		
considered good	<b>15.17</b>	5.33
considered doubtful	<b>21.75</b>	17.72
	<b>36.92</b>	23.05
Less: Provision for doubtful debts	<b>21.75</b>	17.72
	<b>15.17</b>	5.33
Other debts: considered good	<b>660.13</b>	478.80
<b>Total</b>	<b>675.30</b>	484.13

## 21. CASH & CASH EQUIVALENTS

<b>A. Cash and Cash Equivalents</b>		
Cash in hand	<b>18.38</b>	9.67
Cheques / drafts in hand	<b>10.11</b>	1.04
<b>Balances with Banks</b>		
Current Accounts	<b>108.82</b>	107.82
Term Deposit maturing within three months	<b>171.10</b>	-
<b>Total (A)</b>	<b>308.41</b>	118.53
<b>B. Other Bank Balances</b>		
Term Deposit maturing after three months but before twelve months	<b>206.17</b>	238.71
Unpaid Dividend Account	<b>4.80</b>	4.57
<b>Total (B)</b>	<b>210.97</b>	243.28
<b>C. Fixed Deposit maturing after 12 months</b>		
<b>Total (A+B+C)</b>	<b>519.38</b>	481.24
<b>Less: Fixed Deposit maturing after 12 months</b>	-	119.43
<b>Total Cash &amp; Bank Balances</b>	<b>519.38</b>	361.81

(All amounts in ₹ crores, except share data)

## 22. SHORT TERM LOANS & ADVANCES

Particulars		As at 31st March, 2014	As at 31st March, 2013
Advances to Suppliers	Considered good	22.41	41.80
	Considered Doubtful	1.27	0.86
		23.68	42.66
	Less: Provision for doubtful advance	1.27	0.86
		22.41	41.80
Advances to Employees	Considered good	8.03	6.87
	Considered Doubtful	0.20	0.20
		8.23	7.07
	Less: Provision for doubtful advance	0.20	0.20
		8.03	6.87
Balance with Excise Authorities	Considered good	38.14	39.08
Others	Considered good	38.89	58.09
Advance Payment of Tax (Net of provision of ₹ 4.7, PY: ₹ 93.61)	Considered good	3.61	10.72
Deposit with others	Considered good	20.93	17.35
<b>Total</b>		<b>132.01</b>	173.91

## 23. OTHER CURRENT ASSETS

Unsecured and Considered Good		
Interest accrued on FDs, CP's, CD's and Govt Bonds	33.67	36.86
Excess of Planned assets towards leave encashment over obligations	-	2.24
Export Incentives Receivables	3.84	6.66
Other Receivables	67.60	13.57
<b>Total</b>	<b>105.11</b>	59.33

## 24. CONTINGENT LIABILITIES

Claims against the company not acknowledged as debts:		
1) Civil cases filed against the company	22.93	7.60
2) Claims by employees	1.03	0.58
3) Excise duty/ Service tax matters	136.53	78.11
4) Sales tax matters	20.43	14.85
5) Income tax matters	10.98	0.89
<b>Total</b>	<b>191.90</b>	102.03

## 25. CAPITAL COMMITMENT

a) <b>Capital Commitments:</b> Estimated Amount of Contract in capital account remaining to be executed and not provided for	44.91	51.94
b) <b>Other commitments:</b> Bank Guarantees	44.38	34.99
c) <b>Letter of credits</b>	53.62	38.97
d) <b>Bills discounted</b>	23.34	39.70
<b>Total</b>	<b>166.25</b>	165.60

(All amounts in ₹ crores, except share data)

## 26. INFORMATION PURSUANT TO AS 29 - Brief particulars of provisions on disputed Liabilities:

Nature of Liability	Particulars of dispute	Opening Provision	Provision made during the period	Provision adjusted during the period	Closing Provision	Forum where the dispute is pending
Sales Tax	Classification of Laldant Manjan	0.36	-	-	0.36	Filed review application in High Court
Entry Tax	Entry tax on car	0.01	-	-	0.01	Appeal pending before the Dy. Commissioner
Sales Tax	Classification of Hajmola Candy	0.28	-	-	0.28	Appeal pending before S T Appellate
Sales Tax	Tax paid purchases reject from Lucky Lab	0.29	-	-	0.29	Pending before High Court
Sales Tax	Diff of Rate Ex BCL-BHPL (First point taxability issue)	0.48	0.28	-	0.76	Appeal pending before Appellate Comm.
Sales Tax	Short payment / interest on Sales Tax-BHPL	0.06	-	-	0.06	Appeal pending before DC Appeal
Excise	Hajmola Candy classification matter	1.09	-	-	1.09	Tribunal
Excise	Capital Goods removal	0.30	-	-	0.30	DC Appeal
Service Tax	Service Tax Distribution (ISD)	28.53	-	-	28.53	Tribunal
Sales Tax	Classification of Sanifresh	-	0.74	0.47	0.27	Pending before Asst. Commissioner
Sales Tax	South Zone VAT liability on rate difference	-	0.23	-	0.23	Pending before Asst. Commissioner
Entry Tax	Prov of Entry Tax Difference Orissa	-	0.50	-	0.50	Asst. Commissioner of Appellate
Sales Tax	Classification of Chywanprash - J&K	-	0.50	-	0.50	Deputy Commissioner of Appellate
Income Tax	Assessment Pending		0.86	-	0.86	
		<b>31.40</b>	<b>3.11</b>	<b>0.47</b>	<b>34.04</b>	

- 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) Withdrawal of provision relates to crystallization of liability in actual & subsequently payment made by company in relevant context.
- iii) Provisions are made herein for medium risk oriented issues as a measure of abundant precaution.
- iv) Remote risk possibility of further cash outflow is presumed pertaining to contingent liabilities listed in point 24 & 25 above.

## 27. REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>A Sale of Products</b>	<b>7,132.65</b>	6,199.76
<b>B Sale of Services</b>	<b>0.17</b>	0.30
<b>C Other Operating Revenues</b>	<b>21.05</b>	22.42
Capital Subsidy	-	-
Export Subsidy	<b>4.43</b>	6.89
Sale of Scrap	<b>14.17</b>	13.51
Miscellaneous Receipts	<b>2.45</b>	2.02
<b>D Less: Excise Duty</b>	<b>(59.44)</b>	(53.38)
<b>Total</b>	<b>7,094.43</b>	6,169.10

## 28. OTHER INCOME

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A Interest Income	92.12	77.47
B Net gain/(loss) on sale of Current Investments (other than trade)	16.31	9.56
C Revaluation (gain)/ loss on Investments	0.72	6.00
D Gain on Sale of Fixed Assets	1.15	-
E Miscellaneous Receipts	11.44	8.49
F Rent Received	9.72	7.34
<b>Total</b>	<b>131.46</b>	<b>108.86</b>

## 29. COST OF MATERIAL CONSUMED

A Raw material consumed	1,708.47	1,539.45
B Packing material consumed	1,030.57	882.66
<b>Total</b>	<b>2,739.04</b>	<b>2,422.11</b>

## 30. PURCHASE OF STOCK IN TRADE

Purchase of Goods	704.44	572.14
<b>Total</b>	<b>704.44</b>	<b>572.14</b>

## 31. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Opening Inventories		
Finished Goods	295.63	265.44
Work in Progress	104.69	103.82
Stock-in-trade	63.12	91.60
Closing Inventories		
Finished Goods	322.06	267.92
Work in Progress	98.76	104.69
Stock-in-trade	86.07	63.37
<b>Total</b>	<b>(43.45)</b>	<b>24.88</b>

## 32. EMPLOYEE BENEFIT EXPENSES

A Salaries, Wages and Bonus	493.51	397.21
B Contribution to Provident and Other Funds	39.54	37.47
C Workmen and Staff Welfare	29.07	21.14
D Director's Remuneration	19.19	15.41
E ESOP Expenses (Amortisation of Deferred Employees Compensation under ESOP)	26.36	27.68
<b>Total</b>	<b>607.67</b>	<b>498.91</b>

## 33. FINANCE COST

A Interest Expense	32.97	34.94
B Bank Charges	6.63	6.78
C Net (gain)/loss on foreign currency transaction	14.55	17.18
<b>Total</b>	<b>54.15</b>	<b>58.90</b>



(All amounts in ₹ crores, except share data)

### 34. DEPRECIATION & AMORTISATIONS

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Depreciation on Tangible Fixed Assets	93.51	80.49
Amortisation of Intangible Fixed Assets	3.98	4.23
<b>Total</b>	<b>97.49</b>	<b>84.72</b>

### 35. OTHER EXPENSES

1 Increase/(Decrease) in excise duty component of non duty paid inventory	(0.24)	0.21
2 Power and Fuel	78.89	75.61
3 Stores and Spares Consumed	23.72	21.26
4 Repair to Building	5.13	5.39
5 Repair to Plant and Machinery	12.46	9.22
6 Repair to Others	17.18	15.62
7 Processing Charges	30.15	29.18
8 Rates and taxes	11.17	9.07
9 Rent	58.40	54.15
10 Insurance	16.86	14.48
11 Sales Tax	36.31	28.93
12 Freight and Forwarding Charges	155.17	126.65
13 Commission, Discount and Rebate	91.24	76.60
14 Advertisement and Publicity	999.67	836.98
15 Travel and Conveyance	66.62	58.22
16 Legal and Professional	51.33	47.78
17 Telephone and Fax Expenses	8.65	7.57
18 Security Expenses	11.07	9.53
19 General Charges	225.90	205.85
20 Director's Fees	0.12	0.11
21 Auditor's Remuneration	2.56	2.31
22 Donation	10.28	8.16
23 Provision for Doubtful Advances	0.40	-
24 Research & Development Expenditure	7.84	7.10
25 Provision for Doubtful Debts	4.03	7.99
26 Loss on Sale of Fixed Assets	1.70	4.09
27 Fixed Assets Discarded	0.57	0.34
28 Net Loss on Trading	-	0.30
29 Provision for liabilities disputed	3.12	0.60
<b>Total</b>	<b>1,930.30</b>	<b>1,663.30</b>

### 36. BUILDING CONSTRUCTED ON LEASEHOLD LAND INCLUDED IN THE VALUE OF BUILDING SHOWN IN FIXED ASSETS SCHEDULE.

Particulars	As at 31st March, 2014	As at 31st March, 2013
Cost	206.78	192.41
Written Down	158.16	152.30

**37.** Loan and Advances includes ₹ 0.49 (Previous year ₹ 0.49) paid to Excise Authorities on behalf of Sharda Laboratories Limited, now known as SBL Limited, in respect of excise duty demand of ₹ 0.68 raised by the District Excise Officer, Ghaziabad, against the parent 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 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 ₹ 0.49 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 ₹ 0.21 along with interest demanded by the Excise Authorities. During the year 1991-92 the parent company had received a refund of ₹ 0.06 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.

(All amounts in ₹ crores, except share data)

### 38. EMPLOYEE RELATED DUES :

Particulars		Gratuity (funded)	Leave Salary (funded)	Post Separation benefits of Director	Total
<b>A. Defined Benefit Plan</b>					
<b>Expenses recognized during the period:</b>					
A. Past Service Cost	CY PY	- -	- -	- -	- -
B. Current Service Cost	CY PY	<b>6.39</b> 5.04	<b>4.59</b> 4.23	<b>1.15</b> 1.16	<b>12.13</b> 10.43
C. Interest Cost	CY PY	<b>3.50</b> 2.78	<b>1.46</b> 1.17	<b>3.37</b> 3.24	<b>8.33</b> 7.19
D. Expected return on Plan Assets	CY PY	<b>-3.25</b> -2.45	<b>-1.27</b> -0.81	- -	<b>-4.52</b> -3.26
E. Accumulated Loss/(Gain)	CY PY	<b>1.50</b> 4.14	<b>-1.32</b> 1.65	<b>-0.84</b> -3.53	<b>-0.66</b> 2.27
F. Total expenses recognized during the year (A+B+C+D+E)	CY PY	<b>8.14</b> 9.51	<b>3.46</b> 6.25	<b>3.68</b> 0.87	<b>15.28</b> 16.63
<b>B. Reconciliation of opening &amp; closing balances of obligations:</b>					
I. Obligation as on 01.04.2013	CY PY	<b>45.90</b> 34.84	<b>18.27</b> 14.67	<b>39.63</b> 40.50	<b>103.80</b> 90.00
II. Past service cost	CY PY	- -	- -	- -	- -
III. Current service cost	CY PY	<b>6.60</b> 5.07	<b>4.59</b> 1.78	<b>1.15</b> 4.62	<b>12.34</b> 11.47
IV. Interest cost	CY PY	<b>3.65</b> 2.78	<b>1.46</b> 1.17	<b>3.37</b> 3.24	<b>8.48</b> 7.19
V. Actuarial (Gain)/ Loss	CY PY	<b>1.68</b> 4.74	<b>-1.44</b> 1.79	<b>-0.84</b> -3.53	<b>-0.60</b> 3.01
VI. Settlement	CY PY	<b>-3.10</b> -3.55	<b>-3.44</b> -3.64	<b>-2.82</b> -1.74	<b>-9.36</b> -8.93
VII. Obligation as on 31.03.2014	CY PY	<b>54.73</b> 43.87	<b>19.44</b> 15.77	<b>40.49</b> 43.09	<b>114.66</b> 102.74
<b>C. Change in Plan Assets :</b> (Reconciliation of opening and closing balances)					
I. Fair Value of Plan Assets as on 01.04.2014	CY PY	<b>38.16</b> 26.82	<b>13.72</b> 8.78	- -	<b>51.88</b> 35.60
II. Expected Return on Plan Assets	CY PY	<b>3.37</b> 2.45	<b>1.27</b> 0.81	- -	<b>4.64</b> 3.26
III. Actuarial Gain/ (Loss)	CY PY	<b>0.18</b> 0.60	<b>-0.12</b> 0.14	- -	<b>0.06</b> 0.74
IV. Employer Contribution	CY PY	<b>8.30</b> 9.01	<b>0.50</b> 6.25	- -	<b>8.80</b> 15.26
V. Settlement	CY PY	<b>-2.65</b> -2.28	<b>-2.45</b> -2.26	- -	<b>-5.10</b> -4.54
VI. Fair value of Plan Assets as on 31.03.2014	CY PY	<b>47.36</b> 36.60	<b>12.92</b> 13.72	- -	<b>60.28</b> 50.32
<b>D. Closing Obligation vis-a-vis Planned Assets</b>					
(i) Obligation as on 31.03.2014	CY PY	<b>54.73</b> 43.87	<b>19.44</b> 15.78	<b>40.49</b> 43.09	<b>114.66</b> 102.74
(ii) Fair value of planned assets as on 31.03.2014	CY PY	<b>47.36</b> 36.60	<b>12.92</b> 13.72	- -	<b>60.28</b> 50.32
Deficit/Surplus	CY PY	<b>7.37</b> 7.27	<b>6.52</b> 2.06	<b>40.49</b> 43.09	<b>54.38</b> 52.42
<b>E. Investment details of plan assets as on 31.03.2014:</b> 100% reimbursement right from insurance company for fund managed by it					
<b>F. Actuarial Assumption:</b>					
i) Financial Assumption					
Discount Rate (%)			8.50%		
Estimated rate of return on plan assets (%)			9.00%		
Salary escalation rate			10.00%		



(All amounts in ₹ crores, except share data)

- 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 into 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. CY- Current year, PY - Previous year
- L. Defined Contribution Plan

Company's contribution to different defined contribution plans

Particulars	2013-14	2012-13
Provident Fund	11.96	11.51
Employees State Insurance	1.72	1.69
Employees Superannuation Fund	3.99	4.03
Payroll taxes	0.00	1.92
401K Match	1.40	1.24
<b>Total</b>	<b>19.07</b>	<b>20.39</b>

### 39 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 : **Forum 1 Aviation Ltd**
- (ii) Key Management Personnel (KMP) : **(Whole Time Directors)**

1. P D Narang 2. Sunil Duggal 3. Sidharth Burman 4. Mohit Burman 5. Gaurav Burman 6. Saket Burman
7. Amit Burman 8. Mohit Malhotra 9. Anoop Sharma 10. Mete Buyurgan (upto 25.05.2013) 11. Feridun Cem Birdinc
12. H S Bedi 13. R S Rana 14. Sikander Tiwana 15. Gary Gardner (upto 11.06.2013) 16. Shahrukh Khan

#### (c) Related Parties Transactions

Related Parties Transactions Consolidated as on 31.03.2014

Particulars	JV/ Partnership	Key Management Personnel	Relatives of Key Management Personnel	Total	Outstanding as on 31.03.2014
<b>(A) Profit &amp; Loss A/C</b>					
1. General Expenses	<b>4.68</b> (5.42)	- -	- -	<b>4.68</b> (5.42)	<b>0.57</b> (0.52)
2. Interest Received on Security	<b>0.02</b> (0.03)	- -	- -	<b>0.02</b> (0.03)	- -
3. Remuneration/Pension	- -	<b>22.20</b> (16.16)	- -	<b>22.20</b> (16.16)	- -
4. Employee Stock Option Scheme	- -	<b>12.50</b> (10.88)	- -	<b>12.50</b> (10.88)	<b>12.50</b> (10.88)
5. Reimbursement of expenses	- -	- -	<b>0.68</b> (0.56)	- -	- -
6. Staff Welfare	- -	- -	<b>0.03</b> (0.02)	<b>0.03</b> (0.02)	- -
<b>(B) Balance Sheet*</b>					
7. Security Deposit	- -	- -	- -	-	<b>0.38</b> (0.38)
<b>(C) Off Balance Sheet Item*</b>					
8. Guarantees & Collaterals	- -	- -	- -	-	<b>7.14</b> (7.14)
*Previous Balance as on 31.03.2013					

\*Previous Balance as on 31.03.2013

**Footnotes:**

- A. Item no. 1 refers to Joint Venture Expenses to JCE (Forum 1 Aviation Ltd.)
- B. Item no. 2 refers to interest on security deposit given by Forum 1 Aviation Ltd
- C. Item no. 3 refers to remuneration paid to key managerial personnel
- D. Item no. 6 refers to family pension paid to V.C. Burman
- E. Item no. 8 relates to guarantee bond furnished by parent company on behalf of Forum 1 Aviation Ltd

**40.** The parent company's freehold land situated at Sahibabad measuring about 7.58 acres was acquired by U.P. Government under Land Acquisition Act and the State Government had allotted and given possession of about 4.72 acres of land on lease to the company in lieu of acquired land. The company has filed a claim for compensation of ₹ 5.72 before the Office of Special Land Acquisition Officer, Ghaziabad against the land so acquired. However, keeping in view the generally accepted accounting practice, the same claim has not been considered in the books of accounts.

#### 41. INFORMATION (TO THE EXTENT APPLICABLE) PURSUANT TO AS 19 ISSUED BY ICAI

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	14.34 (0.87)	55.41 (2.72)	66.51 0.00
	Cars	0.68 (0.88)	0.80 (1.24)	0.00 0.00

- ii) Lease rent debited to Profit & Loss account of the year ₹ 4.92 (Previous year ₹ 4.56)
- iii) Irrevocable lease agreement relates to machine & vehicle, lease period not exceeding five years in respect of any arrangement
- iv) Figures in bracket relates to previous year

**42.** Exchange Gain works out to ₹ 33.87 (Previous Year ₹ 34.18) and exchange loss ₹ 48.42 (Previous year ₹ 51.36) which has been debited to Profit & Loss Account in Finance cost.

#### 43. 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 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. The stake of the company in the joint venture arrangement is 16.67% (PY 14.28%)
- (b) Parent company's commitment towards revenue expenditure of the JCE amounting to ₹ 4.68 (Previous year ₹ 5.42) 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 31.03.2014 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 31.03.2014 is incorporated herein

Particulars	31.03.2014	31.03.2013
Secured Loan	<b>1.60</b>	2.47
Creditors	<b>0.65</b>	0.62
Security Deposits	<b>0.38</b>	0.38
Fixed Assets	<b>6.92</b>	6.30
Investment	<b>0.08</b>	-
Advance to employee	<b>0.01</b>	-
Cash & Bank	<b>0.31</b>	0.24
Debtors	<b>0.27</b>	0.63
Other Advances	<b>2.75</b>	2.36



(All amounts in ₹ crores, except share data)

### Income and Expenses for the year ended as on 31<sup>st</sup> March, 2014 is incorporated herein:

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>Income</b>		
Misc Receipt (include revenue from flying ₹ 4.83, previous year ₹ 5.25)	<b>4.84</b>	5.26
<b>Total</b>		<b>4.84</b>
<b>Expenses</b>		
Operation Expenses	<b>1.43</b>	1.97
Payment to and provision for employees	<b>0.67</b>	0.55
Administrative Expenses	<b>1.75</b>	1.51
Financial Expenses	<b>0.27</b>	0.39
<b>Total</b>		<b>4.12</b>
Profit (forms part of profit in Consolidated Profit & Loss A/c)	<b>0.72</b>	0.84

- (d) Parent company has furnished guarantee bond for ₹ 7.14 to banks of the JCE against its share of Commitment against loan obtained by the JCE for acquisition of aircraft which forms part of note no.24

### 44. A. DEFERRED EMPLOYEE COMPENSATION UNDER ESOP

Particulars	As at 31st March, 2014	As at 31st March, 2013
Opening Balance	<b>29.17</b>	53.84
Addition during the year	<b>0.77</b>	5.95
Less: Cancelled during the year	<b>0.13</b>	4.11
	<b>29.81</b>	55.68
Less: Amortised during the year	<b>26.18</b>	26.51
<b>Closing Balance</b>	<b>3.63</b>	29.17

### B. ESOP OUTSTANDING

Opening Balance	<b>99.65</b>	105.09
Addition during the year	<b>0.77</b>	5.95
	<b>100.42</b>	111.04
Less: Deletion during the year	<b>0.13</b>	4.11
Less: Allotted during the year	<b>7.74</b>	7.28
<b>Total</b>	<b>92.55</b>	99.65

### 45. INFORMATION ON SUBSIDIARIES PURSUANT TO CLAUSE (IV) OF GENERAL CIRCULAR NO. - 2/2011 DATED 8<sup>th</sup> FEBRUARY 2011 ISSUED BY MCA

Name of Subsidiaries	Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment (excluding investment in subsidiary)	Turnover	Profit before Taxation	Provision for Taxation	Profit after Tax	Proposed Dividend
<b>Domestic:</b>												
H & B Stores Ltd	INR	-	43.11	-23.96	31.93	31.93	-	71.71	-3.89	-	-3.89	-
<b>Overseas:</b>												
Dabur Nepal Pvt Ltd	NPR	0.62	4.99	146.36	375.83	375.83	-	542.09	38.00	8.45	29.55	-
Dabur International Ltd	AED	16.31	12.95	473.09	933.64	933.64	47.83	882.36	166.75	0.09	166.65	-
Asian Consumer Care Pvt Ltd	Taka	0.77	31.84	15.06	89.23	89.23	-	100.08	11.67	4.59	7.08	-
African Consumer Care Ltd	Naira	0.36	18.47	21.13	52.33	52.33	-	54.86	4.03	1.32	2.72	-
Dabur Egypt Ltd	EGP	8.61	2.53	120.00	183.51	183.51	20.08	229.36	42.42	10.79	31.64	-
Dabur (UK) Ltd	USD	59.92	2.44	-0.29	2.15	2.15	-	-	-	-	-	-
Asian Consumer Care Pakistan (Pvt) Ltd	PKR	0.61	5.40	-0.17	23.11	23.11	-	49.23	4.34	1.67	2.67	-
Naturelle LLC	AED	16.31	3.93	5.73	180.50	180.50	-	415.85	0.94	-	0.94	-
Dermovia Skin Essentials INC	USD	59.92	114.89	-35.46	495.60	495.60	-	-	10.26	-1.77	12.03	-
Dabur Egypt Trading Ltd	EGP	8.61	0.04	-	0.04	0.04	-	-	-	-	-	-
Hobi Kozmetik	TRL	27.31	41.02	85.20	174.40	174.40	-	157.37	10.48	3.51	6.97	-
RA Pazarlama	TRL	27.31	2.48	0.43	49.52	49.52	-	163.42	-0.87	0.12	-0.99	-
Dabur Lanka (Pvt.) Ltd	LKR	0.46	41.18	-2.95	103.40	103.40	-	12.60	-6.11	0.15	-6.27	-
Namaste Laboratories LLC	USD	59.92	-	128.98	210.24	210.25	-	579.95	17.43	-0.13	17.56	-
Urban Laboratories International LLC	USD	59.92	-	-1.66	17.80	17.80	-	19.94	-14.69	1.06	-15.75	-
Hair Rejuvenation & Revitalization Nigeria Ltd	USD	59.92	0.39	-0.01	0.43	0.43	-	-	-	-	-	-
Healing Hair Laboratories International LLC	USD	59.92	-	-	-	-	-	-	-	-	-	-
Namaste Cosmeticos Ltda	USD	59.92	0.81	-2.32	0.10	0.10	-	0.24	-1.64	-	-1.64	-
Dabur Consumer Care Ltd Lanka	LKR	0.46	0.94	-0.42	0.81	0.81	-	0.31	-0.34	-	-0.34	-
Dabur Tunisie	TND	37.88	0.04	-0.40	1.14	1.14	-	-	-0.41	-	-0.41	-



(All amounts in ₹ crores, except share data)

#### 46. CHANGE IN ACCOUNTING PRACTICE

Pursuant to the withdrawal of mandatory status of AS-30, 31 & 32, the applicability of the same has been discontinued in current financial year. As a result, investments held for sale in non-current category have been accounted for at cost and current investments at lower of cost and market value. This contributed to reduction in profit (shown under extra-ordinary item) and value of current investment by ₹ 0.72 each, also there is decrease in value of non-current investment by ₹ 0.66 and net worth by ₹ 1.38 for the current period ended 31st March'14.

#### 47. INFORMATION PURSUANT TO AS-17 ISSUED BY ICAI

Particulars	Consumer Care Business		Foods		Retail		Others		Unallocated		Total Consolidated	
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
<b>REVENUE</b>												
External Sales	5988.02	5141.89	878.25	744.88	71.71	59.97	135.23	199.64	-	-	7073.21	6146.38
Inter-segment sales	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	5988.02	5141.89	878.25	744.88	71.71	59.97	135.23	199.64	-	-	7073.21	6146.38
<b>RESULT</b>												
Segment result	1330.33	1147.98	139.65	115.05	(4.64)	(9.53)	8.82	14.91	-	-	1474.16	1268.41
Unallocated corporate expenses	-	-	-	-	-	-	-	-	375.88	333.98	375.88	333.98
Operating profit	1330.33	1147.98	139.65	115.05	(4.64)	(9.53)	8.82	14.91	(375.88)	(333.98)	1098.28	934.43
Interest expense	-	-	-	-	-	-	-	-	54.15	58.90	54.15	58.90
Interest income	-	-	-	-	-	-	-	-	(92.12)	(77.47)	(92.12)	(77.47)
Income Tax(Current + Deferred)	-	-	-	-	-	-	-	-	219.08	182.63	219.08	182.63
Profit from ordinary activities	1330.33	1147.98	139.65	115.05	(4.64)	(9.53)	8.82	14.91	(557.00)	(498.04)	917.17	770.37
Exceptional item/Extraordinary Items	-	-	-	-	-	-	-	-	-0.72	0.08	-0.72	-4.58
Minority Interest	-	-	-	-	-	-	-	-	2.53	2.37	2.53	2.37
<b>Net profit</b>	<b>1330.33</b>	<b>1147.98</b>	<b>139.65</b>	<b>115.05</b>	<b>(4.64)</b>	<b>(9.53)</b>	<b>8.82</b>	<b>14.91</b>	<b>(558.82)</b>	<b>(500.49)</b>	<b>913.92</b>	<b>763.42</b>
<b>OTHER INFORMATION</b>												
	As on 31/03/14	As on 31/03/13	As on 31/03/14	As on 31/03/13	As on 31/03/14	As on 31/03/13	As on 31/03/14	As on 31/03/13	As on 31/03/14	As on 31/03/13	As on 31/03/14	As on 31/03/13
Segment assets	2,339.43	2,048.18	620.86	508.04	31.93	28.84	44.89	46.70	-	-	3,037.11	2,631.76
Unallocated corporate assets	-	-	-	-	-	-	-	-	2,256.60	2,287.42	2,256.60	2,287.42
<b>Total assets</b>	<b>2,339.43</b>	<b>2,048.18</b>	<b>620.86</b>	<b>508.04</b>	<b>31.93</b>	<b>28.84</b>	<b>44.89</b>	<b>46.70</b>	<b>2,256.60</b>	<b>2,287.42</b>	<b>5,293.71</b>	<b>4,919.18</b>
Segment liabilities	727.38	751.27	310.05	248.41	12.79	11.00	13.28	14.54	-	-	1,063.50	1,025.22
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	1,592.32	1,816.82	1,592.32	1,816.82
<b>Total liabilities</b>	<b>727.38</b>	<b>751.27</b>	<b>310.05</b>	<b>248.41</b>	<b>12.79</b>	<b>11.00</b>	<b>13.28</b>	<b>14.54</b>	<b>1,592.32</b>	<b>1,816.82</b>	<b>2,655.82</b>	<b>2,842.04</b>
Capital Expenditure	131.50	185.32	46.90	18.79	0.95	1.36	1.69	2.03	34.40	33.48	215.44	240.98
Depreciation	55.95	43.51	18.46	15.15	1.31	1.90	2.45	4.53	19.32	19.63	97.49	84.72
Non-cash expenses other than depreciation	-	-	-	-	-	-	-	-	26.36	27.68	26.36	27.68

#### 48. EARNINGS PER SHARE

Particulars	As at 31st March, 2014	As at 31st March, 2013
Net Profit After Tax	<b>913.92</b>	763.42
Add: Extra ordinary Expenses/Income	(0.72)	0.08
Profit before consideration of Extraordinary items	<b>914.64</b>	763.34
Weighted average number of Equity Shares outstanding	<b>1,743,645,856</b>	1,742,766,010
Basic Earnings Per Share [Face Value of ₹ 1 each]	<b>5.25</b>	4.38
Add: Weighted number of potential equity shares on account of Employees Stock Options	<b>12,181,008</b>	11,742,887
Weighted average number of Equity Shares outstanding [inclusive dilutive ESOP shares outstanding]	<b>1,755,826,864</b>	1,754,508,896
Diluted Earnings Per Share [Face value of ₹ 1 each]	<b>5.21</b>	4.35
Profit after consideration of Extraordinary items	<b>913.92</b>	763.42
Basic Earnings Per Share [Face Value of ₹ 1 each]	<b>5.24</b>	4.38
Diluted Earnings Per Share [Face value of ₹ 1 each]	<b>5.21</b>	4.35



(All amounts in ₹ crores, except share data)

#### 49. ASSETS DISCARDED/WRITTEN DOWN

Particulars	Current Year	Previous Year
Fixed Assets	0.39	0.34
Finished goods Written down	29.23	33.82

50. Pursuant to the purchase agreement executed by the company for acquisition of a unit under a deal of slump sale involving consideration money of ₹ 15, it inherited fixed assets worth ₹ 14.67 and other noncurrent assets worth ₹ 0.18, current assets worth ₹ 0.24 and current liabilities for amounting to ₹ 0.09 from one of its' contract manufacturers situated at Plot no.16, Sector-2, II E, Pantnagar, Uttarakhand.

51. a) Grouping and heads of accounts of the subsidiaries have been rearranged in terms of presentation of those of parent company as and when necessary.  
 b) Figures for the previous year have been rearranged/ regrouped as and when necessary in terms of current year's grouping.  
 c) Figures are rounded off to nearest rupees crores.

As per our report of even date attached

for **G. BASU & CO.**

Chartered Accountants  
Firm Regn. No. 301174E

**ANIL KUMAR**  
Partner  
Membership No. 9390  
Place : New Delhi  
Date : 29th April, 2014

For **DABUR INDIA LIMITED**

**DR ANAND BURMAN**  
Chairman  
**A K JAIN**  
VP (Finance) and  
Company Secretary

**P D NARANG**  
Whole Time Director

**LALIT MALIK**  
Chief Financial Officer

**SUNIL DUGGAL**  
Whole Time Director



# BUSINESS RESPONSIBILITY REPORT

## ABOUT DABUR

Dabur India Limited is a leading Indian consumer goods company with interests in Hair Care, Oral Care, Skin Care, Health Care, Home Care and Foods. From its humble beginnings in the bylanes of Calcutta way back in 1884 as an Ayurvedic medicines company, Dabur India Ltd has come a long way today to become a leading consumer products manufacturer in India and it has been dedicated to providing nature-based solutions for a healthy and holistic lifestyle.

Through our comprehensive range of products, we touch the lives of all consumers, in all age groups, across all social boundaries. And this legacy has helped us develop a bond of trust with our consumers. That guarantees you the best in all products carrying the Dabur name .

## ABOUT THIS REPORT

The Securities and Exchange Board of India (SEBI) as per its circular dated 13th August 2012 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of company's Annual Report for top 100 listed entities based on market capitalisation at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles. Following is the second Business Responsibility Report of our company which is based on the format suggested by SEBI in its circular. This report can be treated as a supplement to our detailed business responsibility report for 2013-14 (available at: <http://www.dabur.com/BR-Report-2013-14>) which is also based on the 9 Principles enshrined in the NVGs.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

### 1. Corporate Identity Number

(CIN) of the Company : L24230DL1975PLC007908

### 2. Name of the Company

: Dabur India Limited

### 3. Registered address

: 8/3, Asaf Ali road,

New Delhi 110002

### 4. Website

: [www.dabur.com](http://www.dabur.com)

### 5. E-mail id

: [corpcomm@dabur.com](mailto:corpcomm@dabur.com)

### 6. Financial Year reported

: 2013-14

### 7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Dabur is a Fast-Moving Consumer Goods (FMCG) company and operates in key consumer product categories like hair care, oral care, health care, skin care, home care & foods. Our product portfolio includes over 250 herbal/ayurvedic products.

Three principle products of the company with ITC code are:

Product Description	ITC Code No.
Ayurvedic Medicines	30049001
Hair Oils	33059001
Dentrifrices	33061000

### 8. List three key products/services that the Company manufactures/provides (as in balance sheet):

Dabur's product portfolio can be broadly categorised into:

- Health care products
- Consumer care products which includes home & personal care
- Foods consisting of fruit-based beverages and culinary pastes business

Health care products include health supplements, digestives, honey, over-the-counter (OTC) products, and ayurvedic ethicals. Home & Personal Care products include hair care, skin & body care, oral care and home care.

Some of our leading brands include Dabur Chyawanprash, Dabur Honey and Real range of fruit juices.

### 9. Total number of locations where business activity is undertaken by the Company

#### i. Number of International Locations (Provide details of major 5)

Details of Dabur's international business is given below:

Sl. No	Key geographies by total overseas sales	Major products/categories
1	Middle East - Kingdom of Saudi Arabia (KSA) and United Arab Emirates (UAE)	Hair oils, hair creams, Vatika styling hair gels, shampoos (Vatika shampoo) and toothpastes
2	Africa - Egypt and Nigeria	Hair oils, hair creams, conditioning and treatment products and toothpastes
3	Asia (ex-India) - Nepal, Bangladesh and Pakistan	Foods, hair oils, shampoos, digestives and home care
4	U.S.A.	Specialized hair care products - relaxer kits, hair conditioners, moisturizers, shampoos and gels
5.	Turkey	Shampoos, hair conditioner, body wash and baby care



Major international manufacturing locations include Nepal, Bangladesh, UAE, Nigeria, Egypt and Turkey.

#### **ii. Number of National Location**

Dabur has manufacturing plants in 12 locations across the country.

State/Union Territory	Location
Himachal Pradesh	Baddi
Uttarakhand	Rudrapur
Uttar Pradesh	Sahibabad (Ghaziabad)
Jammu & Kashmir	Jammu
Rajasthan	Alwar, Newai
Madhya Pradesh	Pithampur, Katni
Maharashtra	Nashik
West Bengal	Narendrapur, Siliguri (New Jalpaiguri)
Dadra and Nagar Haveli	Silvassa

Dabur's regional offices are situated at Ghaziabad, Mumbai, Hyderabad, Kolkata

#### **10. Markets served by the Company – Local/State/National/International**

Dabur has global footprint and serves both – National and International markets.

### **SECTION B: FINANCIAL DETAILS OF THE COMPANY**

- 1. Paid up Capital (INR) :** 174.38 crore
- 2. Total Turnover (INR) :** 4870.1 crore
- 3. Total profit after taxes (INR) :** 672.1 crore
- 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :** 3.07 % of PAT
- 5. List of activities in which expenditure in 4 above has been incurred:**

Eradicating extreme hunger & poverty
Combating diseases
Ensuring Environmental Sustainability
Employment enhancing vocational skills training
Promotion of Education
Promoting gender equality and empowering women
Reducing child mortality & improving maternal health
Social Business Projects
Other activities, including contribution towards Disaster management, its mitigation & relief

### **SECTION C: OTHER DETAILS**

#### **1. Does the Company have any Subsidiary Company/Companies?**

The details of subsidiary companies are given below:

Name	Category*
African Consumercare Limited, Nigeria	(Foreign WOS)
Asian Consumer care Pakistan (Pvt) Ltd., Pakistan	(Foreign Subsidiary)
Asian Consumer care Pvt Ltd., Dhaka	(Foreign Subsidiary)
Dabur (UK) Ltd., UK	(Foreign WOS)
Dabur Consumer Care (Private)Limited, Srilanka	(Foreign WOS)
Dabur Egypt Ltd., Egypt	(Foreign WOS)
Dabur Egypt Trading Co. Ltd., Egypt	(Foreign WOS)
Dabur International Ltd., UAE	(Foreign WOS)
Dabur Lanka (Pvt.) Ltd, Sri Lanka	(Foreign WOS)
Dabur Nepal Pvt. Ltd., Nepal	(Foreign Subsidiary)
Dabur Tunisie, Tunisia	(Foreign WOS)
Dermoviva Skin Essentials Inc.	(Foreign WOS)
H & B Stores Limited	(Domestic WOS)
Hair Rejuvenation & Revitalization Nigeria Ltd.	(Foreign WOS)
Healing Hair Lab International LLC, USA	(Foreign WOS)
Hobi Kozmetik	(Foreign WOS)
Namaste Cosmeticos Ltda, Brazil	(Foreign WOS)
Namaste Laboratories	(Foreign WOS)
Naturelle LLC, UAE	(Foreign WOS)
Ra Pazarlama	(Foreign WOS)
Urban Lab International LLC, USA	(Foreign WOS)

\*WOS-Wholly Owned Subsidiary

#### **2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

The subsidiary companies operate in different geographies and conduct their own BR initiatives.

#### **3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [ Less than 30%, 30-60%, More than 60%]**

Dabur actively engages with its business associates through its BR initiatives.

Entity	Initiative	% of entity
Suppliers (small farmers)	We directly engage with local & small producers for procuring inputs for our supply of rare herbs and medicinal plants through our green house projects. (Details in response to question 4 in Section E, Principle 2)	< 30%
Distributors	Distributors - We actively engage with our distributors to build their capacity through workshops and training sessions.	<30%
B2B customers	We organize customized education programmes for our B2B customers like beauty parlors, doctors etc.	<30%
Suppliers and distributors	The Direct Touch policy (Whistle Blower & Protection Policy) applies to business associates (suppliers, stockists and dealers) as well. This provides a platform to business associates for reporting unethical business practices without fear of reprisal.	>60%

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

#### (a) Details of the Director/Directors responsible for implementation of the BR policy/policies

Implementation of BR policies is the responsibility of the Corporate Social Responsibility Committee of the Board.

DIN	Name	Designation
02318948	Dr Ajay Dua	Independent Director
00021581	Mr. P. D. Narang	Executive Director
00041825	Mr. Sunil Duggal	Executive Director
01924770	Mr. Sanjay Kumar Bhattacharyya	Independent Director

#### (b) Details of the BR head

Sl. No.	Particulars	Details
1.	DIN (if applicable)	00042902
2.	Name	Ashok Kumar Jain
3.	Designation	V.P. Finance & Company Secretary
4.	Telephone number	011-42786000
5.	e-mail id	ashokj@dabur.com



## 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sl. No.	Questions	Principle 1 Ethics, transparency & accountability	Principle 2 Sustainability in life-cycle of product	Principle 3 Employee well-being	Principle 4 Stakeholder engagement	Principle 5 Promotion of human rights	Principle 6 Environmental protection	Principle 7 Responsible public policy advocacy	Principle 8 Inclusive growth	Principle 9 Customer value
1	Do you have a policy/policies for	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
2	Has the policy been developed in consultation with relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
3	Does the policy conform to any national / international standards? If yes, specify.	NA	NA	Yes, OHSAS 18001	NA	NA	Yes, ISO 14001	NA	NA	NA
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	Yes, Board of Director	Yes, CEO	Yes, CEO	Yes, CEO	Yes, CEO	Yes, CEO	NA	Yes, CEO	Yes, CEO
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes
6	Indicate the link for the policy to be viewed online			No	Partial	Yes	Yes	No	NA	No
		1. Code of ethics and conduct: <a href="http://www.dabur.com/en/investors1/Policies/codeofconduct-slidesnew.pdf">http://www.dabur.com/en/investors1/Policies/codeofconduct-slidesnew.pdf</a>	Whistle blower and protection policy: <a href="http://www.dabur.com/en/investors1/Policies/Direct-Touch-2014.pdf">http://www.dabur.com/en/investors1/Policies/Direct-Touch-2014.pdf</a>	Whistle blower and protection policy: <a href="http://www.dabur.com/en/investors1/Policies/Direct-Touch-2014.pdf">http://www.dabur.com/en/investors1/Policies/Direct-Touch-2014.pdf</a>	Whistle blower and protection policy: <a href="http://www.dabur.com/en/investors1/Policies/Direct-Touch-2014.pdf">http://www.dabur.com/en/investors1/Policies/Direct-Touch-2014.pdf</a>	2. Whistle blower and protection policy: <a href="http://www.dabur.com/en/investors1/Policies/Direct-Touch-2014.pdf">http://www.dabur.com/en/investors1/Policies/Direct-Touch-2014.pdf</a>	2. Dividend policy: <a href="http://www.dabur.com/en/investors1/Policies/Dividend%20Policy.pdf">http://www.dabur.com/en/investors1/Policies/Dividend%20Policy.pdf</a>	3. Investors Policy: <a href="http://www.dabur.com/en/investors1/Policies/Investors-Policy-2013.pdf">http://www.dabur.com/en/investors1/Policies/Investors-Policy-2013.pdf</a>	4. Policy on Rights of Shareholders <a href="http://www.dabur.com/investors%20Relation-Corporate%20Governance-%20Shareholder%20Services">http://www.dabur.com/investors%20Relation-Corporate%20Governance-%20Shareholder%20Services</a>	
7	Has the policy been communicated to the relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes
8	Does the company have an in-house structure to implement the policy?	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	No	No	Yes, OHSAS 18001 certification	No	No	Yes, ISO 14001 certification	NA	No	No

**2A. If answer to Sl. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

Sl. No	Question	Principle 7: Responsible public policy advocacy
1	The company has not understood the Principles	–
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	–
3	The company does not have financial or manpower resources available for the task	–
4	It is planned to be done within next 6 months	–
5	It is planned to be done within the next 1 year	–
6	Any other reason (please specify)	Dabur is a member of various industrial and trade bodies and is part of task forces and forums within these bodies. We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue and hence do not feel such a policy is necessary given our way of doing business.

**3. Governance related to BR**

**Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

The CSR committee was formed during the year and it meets every quarter.

**Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Company publishes its Business Responsibility Report annually. Report for financial year 2013-14 is available online at <http://www.dabur.com/BR-Report-2013-14>.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### PRINCIPLE 1

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

Ethics and transparency are fundamental pillars which underline our business activities. As a responsible and leading organization, Dabur does its business with utmost integrity. Dabur is committed to meeting its business needs without compromising on ethics and accountability. We exercise complete transparency in communicating our decisions that impact our stakeholders. We have following policies in place which form the foundation of our company's commitment towards ethical conduct at all levels:

- **Code of Ethics & Conduct:** Dabur has its Code of Ethics & Conducts which extends to the Board members, members of the Management Committee and all employees in and above Officers level in all of its offices/units/group/NGO but not to Joint Ventures/ suppliers/contractors. It is a must for every employee in all of the business units/subsidiaries to follow ethical professional conduct in their day to day activities. All employees have to read and understand this code and agree to abide by it.
- **Direct Touch (Whistle-Blower & Protection Policy):** This policy is applicable to not just all our directors and employees & their representative bodies but it also extends to all our business associates and security holders as well and it underlines our commitment towards robust corporate governance. This policy provides a platform to these stakeholders for reporting wrongful conduct at workplace without fear of reprisal and help in eliminating any kind of misconduct in the system. The policy also includes misconduct with respect to discrimination or sexual harassment.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

During the reporting period, Nil complaint was received under the provisions of the Direct Touch policy.

### PRINCIPLE 2

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
  - i. Dabur Chyawanprash
  - ii. Dabur Honey
  - iii. Real - range of fruit juices
- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**
  - i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Environment continues to be our key focus area and we strive to minimize our burden on natural resources through various resource efficiency initiatives. We have



started Life Cycle Analysis (LCA) of three of our key products viz. Chyawanprash, Honey & Real in order to obtain clear and comprehensive information about each of these product's ecological footprint. Cradle-to-Cradle LCA has been undertaken for these products and going forward we are targeting achieving carbon-neutrality for these products. An exercise is already underway to formulate an action plan for the same.

As an environmentally conscious company, we continue to innovate and use efficient technologies to bring down our strain on ecology. Through various initiatives and efforts we were able to reduce our water consumption by 11%, energy consumption by 3% and SOx release by 52% in the reporting year as compared to last year across all our units. We have achieved this despite our increasing production figures.

For our Real brand of juices, increasing the stack height of juice packs during transportation resulted in reducing the fuel consumption per MT of product during distribution thereby reducing our carbon footprint. Also, through our partnership with "Tetra Pak", we have been recycling packaging material post consumption.

**ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Not applicable since these products are directly consumed by our consumers without using energy or water.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

**i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, Dabur, over the years, has worked towards embedding sustainability throughout its inbound supply chain and will continue to do so.

For procuring rare species of herbs and medicinal plants which are essential ingredients for making our products, we follow a "bush-to-brand" approach and work directly with small and marginal farmers. This allows us to revive these endangered species and also promote sustainable agricultural practices in our supply chain. Inputs procured through this channel constituted around 5-10% of our total inputs purchased (by value and volume both).

We strive to reduce the weight and volume of the materials we use for packaging, support initiatives to recycle and use recycled materials.

In the area of ethical sourcing, we discourage the use of forced labour and child labour at our business associates' premises.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

**If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, Dabur actively engages with local & small producers for procuring inputs for its supply of rare herbs and medicinal plants which go into the production of its ayurvedic products. Our continuous engagement with the community has not only helped revive a host of these endangered species, but also helped secure our supply and even establish a sustainable source of livelihood for these forest-based communities. This has also resulted in weeding out middlemen, thereby ensuring higher monetary benefits for the communities. Local farmers also gain through continuous transfer of scientific knowledge through training programmes, workshops and field demos. By directly engaging with the farmers and weeding out the middlemen, Dabur can more effectively engage them in sustainable resource management.

In India, our agronomical endeavour spreads over 16 states, stretched over an area of 1,018 acres. It also involves over thousand beneficiary farmers / families who have been linked to our program via contract farming mode. State-wise summary (in alphabetical order) of number of farmers involved under contract farming projects and the respective area under cultivation is given below. These include both agronomy initiatives with farmers and forest-based initiatives involving tribal communities.

Sl. No.	States	Coverage in acres	No. of beneficiaries/ Farmers
1.	Andhra Pradesh	75	20
2.	Andaman Islands	Experimental	--
3.	Arunachal Pradesh	23	--
4.	Chhattisgarh	Forest-based	10
5.	Gujarat	15	33
6.	Himachal Pradesh	137	174
7.	Jharkhand	1	--
8.	Kerala	15	41
9.	Madhya Pradesh	Forest-based	--
10.	Maharashtra	102	89
11.	Orissa	20	35
12.	Rajasthan	187	173
13.	Tamil Nadu	55	150
14.	Uttarakhand	128	163
15.	Uttar Pradesh	225	151
16.	West Bengal	35	105

While we have been working with small & marginal farmers for some time now, this year we moved a step forward and roped in average families in our sustainability initiative. The experiment was undertaken in Kerala, where almost every house has its own kitchen garden where these families grow rubber trees, coconut and a host of spices. We gave 50,000 Pippali climbers to 5,000 families for planting in their kitchen gardens. We also trained them on aspects concerning plucking the spikes and drying techniques. When the spikes are ready, Dabur buys back the dry spikes from these families, resulting in additional income for these households.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)**

In terms of recycling, our efforts and achievements have been as follows:

- Recycling of Tetra Pak packaging material post consumption: Of all used tetra packs picked by the pickers for recycling, around 60% are of Real juice. The percentage of Tetra Pak packaging material recycled is more than 10% of the material used.
- Recycling of herbal waste generated during production as fuel for boilers. The percentage of herbal waste recycled is more than 10% of the waste generated and it also reduces GHG emission.

Our Environment & Quality policy outlines our focus on - reduce, reuse and recycle. While we are pursuing energy efficiency in our factories and increasing the amount of renewable energy we use, at the same time recycling of waste generated during production is taken up actively across all our production units. We regularly seek opportunities to increase the use of recycled materials as production inputs.

As far as recycling packaging material is concerned, we are working in partnership with our packaging supplier Tetra Pak and are recycling post consumption discarded products. The packs are first emptied, collected and bundled and are then sent for recycling to the paper mill. No chemicals are added during the process.

Also, non-hazardous waste generated during production is recycled and reused within the plants as fuel for boiler, which reduces the fossil fuel consumption. We also have a biogas plant to generate methane from waste which is then used in canteen as fuel.

We have attained zero waste water discharge at 9 of 12 of our production units and efforts are underway to achieve the same at the remaining units. We also got effluent treatment plants installed at all our units. To add to water

conservation, we also have our rain water harvesting projects.

### PRINCIPLE 3

**1. Please indicate the Total number of employees**

Company	Permanent employees
Dabur India Limited	3988
H&B Stores Limited	123
International Business Division	2271
<b>Total employees</b>	<b>6382</b>

**2. Please indicate the Total number of employees hired on temporary/contractual/casual basis**

Company	Temporary/Contractual / Casual employees
Dabur India Limited	5405
H&B Stores Limited	97
International Business Division	421
<b>Total employees</b>	<b>5923</b>

**3. Please indicate the Number of permanent women employees**

416

**4. Please indicate the Number of permanent employees with disabilities**

Dabur does not follow differential recruitment policy based on employees demographic details and physical abilities. Hence, this number is not tracked.

**5. Do you have an employee association that is recognized by management?**

Yes, we have an employee association which is registered under Trade Union Act, 1926 in Kolkata and Birganj (Nepal)

**6. What percentage of your permanent employees is members of this recognized employee association?**

Less than 10%

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sl. No.	Category	No. of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil



**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Permanent Employees	60%
Permanent Women Employees	100%
Casual/Temporary/Contractual Employees	20%
Employees with Disabilities	Included under permanent employees

**PRINCIPLE 4**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes, Dabur has mapped its internal and external stakeholders. We recognise employees, communities surrounding our operations, business associates (network of suppliers, stockists and dealers), customers, shareholders/investors and regulatory authorities as our key stakeholders.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes, Dabur identifies communities (with a focus on women and children from these communities) around our manufacturing facilities and small farmers in our inbound supply chain as disadvantaged, vulnerable & marginalized stakeholders.

Additionally, we have installed robust mechanisms to continuously engage with all our stakeholders (internal and external). This helps us in identifying their needs and priorities and allows us to serve these needs accordingly. We are committed towards proactively engaging with all our employees, communities, business associates and customers who may be disadvantaged, vulnerable or marginalized.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

Yes, Dabur regularly undertakes initiatives to serve the interest of its disadvantaged, vulnerable and marginalized stakeholders. These are briefly described below:

Stakeholder group	Initiatives
Employees	<ul style="list-style-type: none"> <li>• Code of Ethics &amp; Conduct and Direct Touch policy (Whistle Blower &amp; Protection Policy) protects employees against any kind of discrimination based on caste, religion, geography, educational or social background, gender etc.</li> <li>• Training and awareness programmes for the safety of our women employees.</li> </ul>

Communities around manufacturing facilities	<ul style="list-style-type: none"> <li>• Development and deployment of need-based community programmes in the areas of health, education, skill development, sanitation, livelihood etc. as part of corporate social responsibility (CSR) initiatives.</li> </ul>
Business associates	<ul style="list-style-type: none"> <li>• Direct engagement with small and marginal farmers through contract farming of rare herb species. This provides an avenue for sustainable livelihood generation and capacity building for small farmers and forest-based communities.</li> <li>• Direct Touch policy (Whistle Blower &amp; Protection Policy) extends to business associates as well.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Strategies for targeting fake products and packaging manufacturers and label printers through raids in collaboration with local authorities and network of business associates as counterfeit products in the market pose a risk to customers as well.</li> <li>• Member of FICCI's CASCADE Committee.</li> </ul>

**PRINCIPLE 5**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

At Dabur, issues related human rights are covered under the Code of Ethics & Conduct and the Direct Touch policy (Whistle Blower & Protection Policy). The Direct Touch policy applies not just to employees (employees in and above Officers level) of the group (including SUNDISH, the CSR arm of Dabur) but to business associates (suppliers, stockists and dealers) as well. We do not deal with any supplier/contractor if it is in violation of human rights and we do not employ any person below the age of eighteen as per our recruitment policy. We also prohibit the use of forced or compulsory labour at all our units and discourage the same with our business associates.

The Code of Ethics & Conduct and the Direct Touch policy discourage violation of human rights and provide a fair and a transparent mechanism for reporting any such violation. The Direct Touch team consists of three senior personnel who investigate the complaint and recommend a corrective action to the management within 30 days of receipt of disclosure. The management acts immediately

based on the recommendation. In case of non-response, the employee or business associate can directly approach the chairman of the Audit Committee. The system is designed to ensure confidentiality and protect the complainant from being victimised. False allegations are also dealt with disciplinary action in accordance with company rules, policies, and procedures. The Direct Touch team maintains a log of all disclosures received and reports the summary of such disclosures and action recommended/taken to the Audit Committee on a quarterly basis.

The Audit Committee of the Board of Directors periodically reviews the existence and functioning of the Direct Touch Policy and is also empowered to amend this policy in line with the requirements of applicable laws, rules and regulations.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaints were received pertaining to human rights violation during the reporting period FY 2013-14.

## PRINCIPLE 6

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others**

Dabur's Environment and Pollution control policy and Quality policy pertaining to Principle 6 extend to Dabur and its subsidiaries but do not cover joint ventures, suppliers and contractors.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Climate change, global warming and environmental degradation pose unique challenges as well as opportunities for Dabur. We take pride in positioning ourselves as an ecologically sensitive organization. We are continually investing in new technologies, implementing process improvements and innovating. To make progressive strides and guide us in our endeavour, we have deployed a dedicated team for devising and implementing strategies for managing these risks and opportunities. As a result of their efforts, 11 of our manufacturing units are already ISO 14001 certified for Environment Management Systems. We have also set concrete targets that we aim to fulfil by 2015:

- To reduce our GHG emissions by 35% considering 2011-12 as the baseline
- To achieve carbon-neutrality in the life cycle of Chyawanprash, Honey & Real Juice
- To increase our renewable energy portfolio by 25% as compared to 2011-12

- To improve energy efficiency by 20% as compared to 2011-12
- To distribute 10% of our product through rail
- To increase use of bio friendly material in packaging by 25% as compared to 2011-12

Information on our environmental initiatives is available on our webpage and in our business responsibility report.

<http://www.dabur.com/About%20Dabur-Vision>

[http://www.dabur.com/en/Investors1/Annual\\_reports/2011-12/Dabur-BR-Report-2012.pdf](http://www.dabur.com/en/Investors1/Annual_reports/2011-12/Dabur-BR-Report-2012.pdf)

**3. Does the company identify and assess potential environmental risks? Y/N**

Sustainable development is at the core of our operations which is also outlined in our Environment & Pollution control policy. This is further reinforced by sound environmental management systems practiced across our manufacturing units.

We are doing aspect-impact analysis at our manufacturing units to assess the potential environmental risks and subsequently actions are taken to mitigate the identified risks.

The process to identify potential environmental risks involves following steps:

- Consider all operations of the department
- Consider the process flow of each such operation and divide it into different activities, so that each activity can be considered separately for identifying the releases & discharges, land intake, visual impact, resource consumption, health & safety risk
- While dividing operations into activities, consider:
  - ♦ Activities - for eg. handling of hazardous materials, receiving, storage, processing, disposal etc.
  - ♦ Services - for eg. transportation, maintenance, washing, conditioning, etc.
- Classify activities into "Direct" and "Indirect"
  - ♦ Direct: Those which are under the direct control of the organization
  - ♦ Indirect: Those which are not under the organization's direct control, but over which it can be expected to have an influence
- Identify aspects of each activity by considering the following inputs:
  - ♦ Use of raw materials, consumables, etc. (in case of natural resource), use of a non bio-degradable material (for possible material substitutions)
  - ♦ Use of water
  - ♦ Use of energy



The above steps will result in a score and if that score is above 100 then that risk is considered as significant. Management programme is then formulated to address the identified risk and is executed in time in order to eliminate that risk.

**4. Does the company have any project related to Clean Development Mechanism? if so, provide detail there of, in about 50 words or so. If Yes, whether any environmental compliance report is filed?**

No, we have not registered any project related to Clean Development Mechanism.

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

We firmly believe that business success and ecological impact are not mutually exclusive and that one can reduce its impact on environment and at the same time meet its business requirements. We strive to be at the forefront in investing in efficient technologies and process improvement measures that prove to be a fit for achieving our targets. Where possible we are replacing with more energy efficient equipments, lighting fixtures and also using translucent roofing streets to use solar light during day time, thereby reducing electricity usage.

We are seeking opportunities in the field of solar and wind power energy in order to achieve our renewable energy targets. We have adopted solar street lights at our plants and a pilot project of solar power plant is being implemented at our corporate office.

We are also switching to cleaner fuels and have already started using agro based waste as a fuel in some of our units for steam generation. Methane gas generated from our effluent treatment plant is used as a fuel. We also use piped natural gas (PNG), a cleaner alternative, at our Sahibabad factory to reduce the use of diesel.

Expanding green cover through plantation drives is another activity that we undertake on an ongoing basis and have declared 1st Jan as a Tree Plantation day at manufacturing locations.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

In the reporting year, the emissions, solid waste and effluent generated were all within the limits as prescribed by CPCB or SPCB.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Dabur did not receive any legal notice from CPCB or SPCB in the reporting period.

### PRINCIPLE 7

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.**

Yes, Dabur is a member of several industrial and trade bodies. These are listed below:

- (a) Confederation of Indian Industry (CII)
- (b) Federation of Indian Chambers of Commerce and Industry (FICCI)
- (c) Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- (d) PHD Chamber of Commerce and Industry (PHDCCI)
- (e) Indian Beverage Association (IBA)

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Dabur is part of various task forces and forums within the above listed industrial and trade bodies. We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue. In the past, we have participated in forums pertaining to:

- Corporate Governance
- Consumer interest
- Tackling counterfeiting

### PRINCIPLE 8

**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, Dabur supports the principles of inclusive growth and equitable development through not just its corporate social responsibility initiatives but through its core business as well.

Our business approach puts "Planet, People and Profits" at the core and this essentially forms the keystone of everything we do. Through our brand led initiatives, we continuously aim at delivering our commitment to health & well being of every household we impact. We run campaigns on strengthening immunity (Immune India initiative linked to our brand Dabur Chyawanprash), awareness on harmful impacts of mosquito bites ("Say no to mosquito" campaign linked to our brand Odomos) and school health programmes on dental hygiene (linked to our brand Dabur Red). These brand led initiatives embrace the business approach cited above.

Our green house projects for procuring rare species of herbs and medicinal plants directly from small and marginal farmers not only allow us to secure our supply of endangered species of herbs but also provide a sustainable source of livelihood to these forest based communities. These projects entail additional benefits of capacity building of farmers through trainings on sustainable farming methods by our research and development wing and preservation of biodiversity by avoiding unmanaged collection and exploitation of these rare and endangered herbs.

We also work towards targeting fake and counterfeit products available in the market as these pose a serious risk to our customer's well being as well.

Through our CSR arm - Sustainable Development Society or SUNDESH, a voluntary non-profit organization registered under the Society Registration Act 1860, we strive to enhance the lives of communities that surround our operations. The initiatives driven through SUNDESH focus on health, education, livelihood-linked skill development, financial inclusion and empowerment through formation of Self Help Groups (SHGs), village development and veterinary services.

## **2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

Programmes pertaining to Principle 8 are developed and executed by:

- In-house teams– For business linked initiatives like brand-connected health and awareness programmes for consumers in both rural and urban areas, contract farming projects with small and marginal farmers and forest-based communities.
- SUNDESH – For community-focused initiatives around areas of operation.
- External NGOs (International and national), government structures – For delivering programmes through SUNDESH, we often collaborate with bodies like Care India, World Health Organization (WHO), Women and Child Development Department, District Rural Development Agencies (DRDAs) etc.
- Other organizations: Foundations – We also collaborate with private foundations.

## **3. Have you done any impact assessment of your initiative?**

Yes, Dabur internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the program in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

## **4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Dabur's contribution towards community development projects during the reporting period (2013-14) is INR 20.65 crore. This includes the goods distributed through NGO amongst society INR. 8.47 crore; and INR 12.18 crore used in various activities done by the company.

Details of community initiatives are given below:

Area	Intervention
Eradicating Hunger, Poverty & Malnutrition	<ul style="list-style-type: none"> <li>• Distributed juice packs, glucose</li> <li>• Distribution of food products</li> </ul>
Promotion of Education	<ul style="list-style-type: none"> <li>• Support for Right to Education for underprivileged kids</li> <li>• School Support Programme</li> <li>• Non-formal education classes for underprivileged children and adults</li> </ul>
Promoting Gender Equality & Empowering Women	<ul style="list-style-type: none"> <li>• Adult literacy centres for women</li> <li>• Established Nari Shakti Kendras which run capability and vocational skill enhancement programmes on cutting &amp; tailoring, mehndi application, beautician services</li> <li>• Promoting Self-Help Groups for women</li> </ul>
Reducing Child Mortality & improving Maternal Health	<ul style="list-style-type: none"> <li>• Health camps for women &amp; baby care</li> <li>• Preventive health care awareness campaigns and vaccination drives</li> <li>• Integrated nutrition and health project for reducing infant mortality and child malnutrition</li> </ul>
Combating Diseases & Promoting Healthcare	<ul style="list-style-type: none"> <li>• Immune India campaign</li> <li>• Zero tolerance drive against mosquitoes</li> <li>• Health camps</li> <li>• Oral hygiene camps</li> <li>• Commenced Dabur Wellness Centre</li> <li>• Distribution of medicines &amp; health supplements</li> <li>• AIDS awareness Camps</li> <li>• Community health post</li> <li>• Mobile medical vans</li> <li>• Eye care camps</li> <li>• Promoting preventing health care and sanitation</li> </ul>
Ensuring Environment Sustainability	<ul style="list-style-type: none"> <li>• Bio-resource development for protecting endangered herbs and plant species</li> <li>• Plantation drives</li> </ul>
Employment enhancing vocational skills	<ul style="list-style-type: none"> <li>• vocational training and skill development classes</li> <li>• Promotion of Self Help Groups (SHGs) with the support from NABARD and DRDA and linking these SHGs with banks</li> <li>• Bee-Keeping Training</li> </ul>
Social Business Projects	<ul style="list-style-type: none"> <li>• Veterinary Services</li> <li>• training to tribals, villagers &amp; farmers for cultivating rare herbs</li> </ul>
Other Activities	<ul style="list-style-type: none"> <li>• Water project - water tap line at Baddi under Public-Private-Community Partnership</li> <li>• Contribution towards relief funds-towards relief and rehabilitation work following the mass devastation caused by last year's flood in Uttrakhand</li> </ul>



**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

At Dabur, all our businesses and manufacturing units continuously engage with communities surrounding their operations through surveys and focused meetings. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are thus designed and delivered in a transparent manner in line with inputs from the community itself. We also try to create sustainable infrastructure/programmes through institution building (SHGs, Joint Liability Groups (JLGs)). This is done to ensure flow of benefits to communities even if Dabur is unable to support the programme in the future. This ensures successful adoption by communities to the extent possible.

**PRINCIPLE 9**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Nil consumer complaints are pending as on the end of financial year 2013-14. A Total of 30 number of consumer complaints were received during 2013-14 and all were disposed off.

80% of consumer cases (4 in number) are pending as on the end of financial year (2013-14). A total of 5 number of consumer cases were received during 2013-14 and 1 of these was disposed off.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Yes, Dabur displays product information on the label for the benefit of the consumer, over and above what is mandated by local laws like Bureau of Indian Standards (BIS) Act and Drugs and Cosmetics (D&C) Act. This additional information is provided to enhance the value consumers can derive from the product and to ensure safe and appropriate use. The additional information on the product label relates to various active ingredients contained in the product, their proven clinical benefits, consumer grievance redressal mechanisms, directions for use (including pictorial depiction), safety, caution etc. and varies from product to product. We also actively inform consumers about how to differentiate between genuine and fake products and how to identify damage in sealed products. A few examples from our product portfolio are given below:

- Odomos (a personal application mosquito repellent) - Apart from the mandatory label requirements, we provide additional information on safety aspects of the product. Information on certification by paediatricians including reference to the journal/publication is provided on the

label. This allows the consumer to access additional information on the safety studies done on the product.

- Sani Fresh (Liquid toilet cleaner): We provide pictorial information on direction of use. We also inform the consumers about the safety of the product for use in septic tanks and provide explanation for the guaranteed germ kill claim made on the label.
- Odonil (Air freshener in the form of sprays and blocks): We provide pictorial information on direction of use to ensure that consumer derives maximum utility from the product.
- Oral Care products – Red, Meswak, Promise and Babool (Tooth paste & powder): We provide information on herbal ingredients & their mode of action, history of herbs, direction of use & information about clinical tests conducted.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?**

Details	No. of cases filed in the last five years	No. of cases pending as on end of financial year 2013-14	Remarks
Alleged Unfair trade practices	3	1	2 cases have been resolved
Alleged Irresponsible advertising	24	NIL	All complaints disposed off
Alleged Anti-competitive behaviour	NIL	NIL	No complaints were received on account of anti-competitive behaviour

**4. Did your company carry out any consumer survey/consumer satisfaction trends?**

Yes, as part of our stakeholder engagement strategy, Dabur engages with its consumers on an ongoing basis and conducts methodical research on their satisfaction with respect to our products and advertisements. These surveys are conducted through established third party market research firms. We undertake regular brand tracking exercises to assess brand preference scores and impact of our advertisements. Blind product tests are also conducted to gauge consumer satisfaction vis-a-vis products of our competitors. Similar research is also conducted with our sales channel that includes professional partners like ayurvedic doctors, beauty parlour owners etc.

# NOTICE

Notice is hereby given that the 39th Annual General Meeting of the members of Dabur India Limited will be held on Tuesday, the 22nd July, 2014 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 31<sup>st</sup> March, 2014 and Profit and Loss Account for the year ended on that date along with the reports of Auditors and Directors thereon; and
  - the audited consolidated Balance Sheet of the Company as at 31<sup>st</sup> March, 2014 and consolidated Profit and Loss Account for the year ended on that date.
2. To confirm the interim dividend already paid and declare final dividend on equity shares for the financial year ended 31st March, 2014.
3. To appoint a Director in place of Mr. Mohit Burman (DIN: 00021963) who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Sunil Duggal (DIN: 00041825) who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s G Basu & Co., Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

## SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:-  
 "RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. P NVijay (DIN: 00049992), Non-Executive Independent Director of the Company, who retires by rotation at the ensuing Annual General Meeting, be and is hereby reappointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years with effect from the date of this Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019."
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:-  
 "RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Dr. S Narayan (DIN: 00094081), Non-Executive Independent Director of the Company, who retires by rotation at the ensuing Annual General Meeting, be and is hereby reappointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years with effect from the date of this Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019."

the Company, who retires by rotation at the ensuing Annual General Meeting, be and is hereby reappointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years with effect from the date of this Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:-  
 "RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. R C Bhargava (DIN: 00007620), Non-Executive Independent Director of the Company, whose present term of office (as per the Companies Act, 1956) is liable to retirement by rotation, be and is hereby reappointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years with effect from the date of this Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019."
9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:-  
 "RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Albert Wiseman Paterson (DIN: 00767744), Non-Executive Independent Director of the Company, whose present term of office (as per the Companies Act, 1956) is liable to retirement by rotation, be and is hereby reappointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years with effect from the date of this Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019."
10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:-  
 "RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Dr. Ajay Dua (DIN: 02318948), Non-Executive Independent Director of the Company, whose present term of office (as per the Companies Act, 1956) is liable to retirement by rotation, be and is hereby reappointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years with effect from the date of this Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019."



11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:  
 "RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Sanjay Kumar Bhattacharyya (DIN: 01924770), Non-Executive Independent Director of the Company, whose present term of office (as per the Companies Act, 1956) is liable to retirement by rotation, be and is hereby reappointed as a Non-Executive Independent Director of the Company, not subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years with effect from the date of this Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019."
12. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:  
 "RESOLVED THAT in accordance with the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the relevant Rules made thereunder, the consent of the Company be and is hereby accorded to the holding of the office of Whole Time Director in Dabur International Limited, a wholly owned subsidiary of the Company, by Mr. Saket Burman (DIN: 05208674), Director of the Company, on such remuneration and terms and conditions as set out in the explanatory statement attached to this notice."
13. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:  
 "RESOLVED THAT in supersession of the earlier resolution passed, pursuant to section 293(1) (a) of the Companies Act, 1956, at the 35<sup>th</sup> Annual General Meeting of the Company held on 31<sup>st</sup> August, 2010, the consent of the company be and is hereby accorded to the Board of Directors of the company under Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), to mortgage and /or create charge on all the immovable and movable properties or such assets of the company wherever situate, present and future and/or with power to enter upon and take possession of the assets of the company in certain events on such terms and conditions and at such time or times and in such form or manner as it may think fit, to or in favour of Financial Institutions/ Banks/ Trustees for the Debenture holders/ lenders of Euro Convertible Bonds (ECBs) issued/ proposed to be issued, for an aggregate nominal value not exceeding ₹40,00,00,00,000/- (Rupees four thousand crores only) to secure the Term Loans/ Debentures/ ECBs/ together with interest, costs, charges, expenses, and other monies including premium payable in this connection in terms of the agreement to be entered into between the company and Financial Institutions/ Banks/ Trustees for the Debenture holders/ lenders of Euro Convertible Bonds (ECBs), such security to rank pari- passu with, or second or subservient

to, the mortgages and / or charges already created or to be created by the company or in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board."

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

14. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:  
 "RESOLVED THAT in supersession of the earlier resolution passed (pursuant to section 293(1)(d) of the Companies Act, 1956) at the 35<sup>th</sup> Annual General Meeting of the company held on 31<sup>st</sup> August, 2010, the consent of the company be and is hereby accorded to the Board of Directors of the company under Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), to borrow any sum or sums of money from time to time at their discretion, for the purpose of business of the company, notwithstanding that the money or moneys to be borrowed together with moneys already borrowed by the company, apart from temporary loans obtained from the company's bankers in the ordinary course of business, may exceed the aggregate of the paid up share capital and free reserves of the company, provided however, that the total amount so borrowed shall not exceed ₹ 40,00,00,00,000/- (Rupees four thousand crores only)."  
 "RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all acts, deeds matters and things and to execute all documents, writings as may be necessary, proper or desirable or expedient to give effect to this resolution."
15. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:  
 "RESOLVED THAT pursuant to provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any member by the company by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed, the consent of the company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the shareholder for delivery of such document to him, through a particular mode of services mentioned above provided such

request along with requisite fee has been duly received by the company at least one week in advance of the dispatch of document by the company and that no such request shall be entertained by the company post the dispatch of such document by the company to the shareholder."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, directors or key managerial personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

By Order of the Board  
for DABUR INDIA LIMITED

Regd. Office:

8/3, Asaf Ali Road,  
New Delhi - 110 002  
29th April, 2014

(A K JAIN)  
V P (Finance)  
& Company Secretary

## NOTES

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item no. 6 to 15 of the notice set out above is annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 39TH ANNUAL GENERAL MEETING.
3. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
4. Every member entitled to vote at the meeting, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the company.
5. The Share Transfer Books and Register of Members of the Company will remain closed from Tuesday, July 1, 2014 to Tuesday, July 8, 2014 (both days inclusive).
6. A. Members holding shares in physical form are requested to notify/send the following to the Registrar & Transfer

Agent (RTA) of the Company Karvy Computershare Pvt Ltd., 305, New Delhi House, 27, Barakhamba Road, New Delhi-110001:-

- i) their bank account details in order to receive payment of dividend through electronic mode,
  - ii) **their email id**, in case the same have not been sent earlier, for the purpose of receiving the communication electronically,
  - iii) any change in their address/e-mail id/ECS mandate/bank details,
  - iv) 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.
- B. Members holding shares in 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.
  - C. Kindly note that as per SEBI Circular CIR/MRD/DP/10/2013 dated March 21, 2013 it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/update your correct bank account details with the Company/RTA/Depository Participant, as the case may be.
  7. 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.
  8. 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.
  9. In accordance with section 20 of the Companies Act, 2013 service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report for the year ended March 31, 2014 has been sent to all the members whose email address(es) are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. Further, in terms of SEBI Circular No. CIR/CFD/DIL/7/2011 dated 05.10.2011 the hard copies of Abridged Annual Report have been sent to all other members who have not registered their email address(es).
- Members, who have not yet registered their email address with the Company/RTA/Depository Participant, are requested to do the same at the earliest by submitting duly filled in "e-Communication Registration Form" (available on our website [www.dabur.com](http://www.dabur.com) in Investor Centre Section)



to the Company/RTA. Members can also submit their form along with Attendance Slip at the Registration Counter at AGM. Members holding shares in dematerialized form are requested to register their email address with their Depository Participant only. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, free of cost.

The Notice of the 39th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website [www.dabur.com](http://www.dabur.com) for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours.

10. The Shareholders/Proxies are requested to produce at the Registration Counter(s) the attendance slip duly completed and signed, for admission to the meeting hall.

However, in case of non-receipt of Notice of Annual General Meeting, members are requested to write to the Company at its registered office for issuing the duplicate of the same or download the same from Company's website [www.dabur.com](http://www.dabur.com).

11. 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 for replying at the meeting.
12. 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 dividends (interim dividend II is under process of being transferred) for the financial year 2006-2007. Members who have not yet encashed their dividend warrants for the financial year 2007-2008 (interim & final dividend) and for the financial year 2006-2007 (final dividend) for erstwhile Femcare Pharma Limited (now merged with Dabur India Limited) onwards are requested to make their claims to the Company immediately. Members may please note that no claim shall lie against 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.

Further the Company has also uploaded the information regarding all Unclaimed Dividends in respect of the financial years 2006-07 to 2012-13 (interim), updated upto the date of 38th Annual General Meeting held on 17th July, 2013, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investor Centre" on the website of the Company viz. [www.dabur.com](http://www.dabur.com). Shareholders may kindly check the said information and if any dividend amount is appearing as unpaid against their name, they are requested to lodge their claim, duly supported by relevant documents to the company before expiry of seven years from the date it is lying in the unpaid dividend account.

13. As a measure of economy, copies of Annual Report will not be distributed at the venue of the Annual General Meeting. Members are, therefore, requested to bring their own copies of the Annual Report to the meeting.
14. Details under Clause 49 of the Listing agreement with the Stock exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, is separately annexed hereto. The Directors seeking appointment/re-appointment have furnished the declaration under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as required under section 164(2) of the Companies Act, 2013.
15. All the documents referred to in the accompanying Notice 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. The Register of Directors' and Key Managerial Personnel & their Shareholding and the Register of Contracts & Arrangements in which directors are interested shall be open for inspection at the meeting to any person having right to attend the meeting.
16. The certificate from Auditors of the Company certifying that the Employee Stock Option Scheme of the Company is being implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in accordance with the resolutions passed by the General Body Meetings will be placed at the Annual General Meeting.
17. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Registrar & Transfer Agents of the Company the prescribed Form SH.13 for nomination and Form SH.14 for cancellation/ variation as the case may be. The Forms can be downloaded from our website [www.dabur.com](http://www.dabur.com). Members holding shares in demat mode may contact their respective Depository Participant (DP) for availing this facility.
18. **Voting through electronic means:**
  - i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, a member may exercise his right to vote by electronic means (e-voting) in respect of the resolutions contained in this notice.
  - ii) The Company is providing e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of Karyv Computershare Private Limited ("Karyv") as the Authorised Agency to provide e-voting facilities.
  - iii) The Board of Directors have appointed **Mr. Sanjay Agarwal, Chartered Accountant** in practice and Partner of M/s Agarwal & Ahluwalia, Chartered Accountants, C-60, First Floor, South Extension, Part – I, New Delhi – 110049 as **the Scrutinizer**, for conducting the e-voting process in a fair and transparent manner.
  - iv) Members are requested to carefully read the instructions for e-voting before casting their vote.

- v) The e-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for e-voting :

<b>Commencement of e-voting</b>	<b>From 09:00 a.m. (IST) on July 16, 2014</b>
<b>End of e-voting</b>	<b>Upto 06:00 p.m. (IST) on July 18, 2014</b>

- vi) The cut-off date (i.e. the record date) for the purpose of e-voting is June 13, 2014.

The procedure and instructions for e-voting are as under:

- a) Open your web browser during the voting period by typing the URL: <https://evoting.karvy.com>
- b) Enter the login credentials (i.e. User ID and password mentioned in the email forwarding the Notice of AGM, or mentioned on the Notice of AGM, in case email id is not registered and physical copy of the Annual Report is being received by you). Your Folio No./DP ID Client ID will be your User ID. However, if you hold shares in demat form and you are already registered with Karvy for e-voting, you shall use your existing User ID and password for casting your vote.
- c) After entering these details appropriately, click on "LOGIN".
- d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You will also be required to enter a secret question and answer of your choice to enable you to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- e) You need to login again with the new credentials.
- f) On successful login, the system will prompt you to select the Event Number for Dabur India Limited.
- g) On the voting page you will see the Resolution Description and the options "FOR/AGAINST/ABSTAIN" for voting. Enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date as mentioned above. You may also choose the option "ABSTAIN" in case you do not want to cast vote.
- h) You may then cast your vote by selecting an appropriate option and click on "Submit".
- i) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- j) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

- k) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [ana.cafirm@yahoo.co.in](mailto:ana.cafirm@yahoo.co.in) with a copy to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
- l) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. **Further, the Members who have casted their vote electronically shall not be allowed to vote again at the Meeting.**
- m) In case of any query pertaining to e-voting, please contact Karvy's toll free no. 1-800-34-54-001 or visit the FAQ's section available at Karvy's website <https://evoting.karvy.com>
- n) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being Friday, June 13, 2014.
- o) The Scrutinizer shall after the conclusion of e-voting period and before the closing of working hours on July 21, 2014 unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- p) The Scrutinizer's decision on the validity of the vote shall be final and binding.
- q) The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
- r) The result declared along with the Scrutinizer's report shall be placed on the website of the Company ([www.dabur.com](http://www.dabur.com)) and on Karvy's website (<https://evoting.karvy.com>) within 2 (two) days of passing of the resolutions at the AGM and communicated to the Stock Exchanges where the Company shares are listed.

## EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 6 & 7

As per section 149(5) of the Companies Act, 2013 the Company is required to appoint Independent Directors under section 149(4) within a period of one year from 1.4.2014 i.e. the date of commencement of the said section and Rules made there under. Since the Company had already appointed Mr. P N Vijay and Dr S. Narayan as Non-Executive Independent Directors subject to retirement by rotation in the past, in terms of Companies Act, 1956 and the Listing Agreement with the stock exchanges, and who are liable to retire by rotation in the ensuing annual general meeting, the Board of Directors in their meeting held on April 29, 2014 after consideration has recommended to reappoint the



above said directors as Non-Executive Independent Directors within the meaning of section 149 and 152 [including section 149(10)] of the new Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years with effect from the date of this Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019.

The copy of resolutions passed by the Board of Directors in its meeting held on April 29, 2014 approving the appointment of said directors for a term of 5 (five) consecutive years is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on all working days till the date of Annual General Meeting.

The Company has received declarations from Mr. P N Vijay and Dr S. Narayan that they meet the criteria of independence as prescribed under section 149 (6) of the Companies Act, 2013 and also under clause 49 of the Listing Agreement with the stock exchanges. They have further confirmed that they are not disqualified from being appointed as Director under section 164 of the said Act.

The Board of Directors are of the opinion that Mr. P N Vijay and Dr S. Narayan are persons of integrity and possess relevant expertise and experience and are eligible and fulfils the conditions specified by the Companies Act, 2013 for the position of an independent director of the Company. The Board considers that their association as Directors will be beneficial to and in the interest of the Company. The brief resume of the said Directors, 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 separately annexed hereto.

A copy of respective draft letters of appointment of Mr. P N Vijay and Dr S. Narayan as Non-Executive Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

The Board of directors recommend the special resolutions for your approval.

The said independent directors are not related to any of the directors or key managerial personnel (including relatives of directors or key managerial personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors and key managerial personnel of the Company (including relatives of directors or key managerial personnel) other than the respective Non-Executive Independent Director himself, is concerned or interested, financially or otherwise, in these resolutions.

### **Item No. 8 to11**

As per section 149(5) of the Companies Act, 2013 the Company is required to appoint Independent Directors under section 149(4) within a period of one year from 1.4.2014 i.e. the date of commencement of the said section and Rules made there under. Since the Company had already appointed Mr. R C Bhargava, Mr. Albert Wiseman Paterson, Dr. Ajay Dua and Mr. Sanjay Kumar Bhattacharyya as Non-Executive Independent Directors subject to retirement by rotation in the past, in terms of Companies Act, 1956 and the Listing Agreement with the stock exchanges, the Board of Directors in their meeting held on April

29, 2014 after consideration has recommended to reappoint the above said directors as Non-Executive Independent Directors within the meaning of section 149 and 152 [including section 149(10)] of the new Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years with effect from the date of this Annual General Meeting upto the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019."

The copy of resolutions passed by the Board of Directors in its meeting held on April 29, 2014 approving the appointment of said directors for a term of 5 (five) consecutive years is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on all working days till the date of Annual General Meeting.

The Company has received declarations from Mr. R C Bhargava, Mr. Albert Wiseman Paterson, Dr. Ajay Dua and Mr. Sanjay Kumar Bhattacharyya that they meet the criteria of independence as prescribed under section 149 (6) of the Companies Act, 2013 and also under clause 49 of the Listing Agreement with the stock exchanges. They have further confirmed that they are not disqualified from being appointed as Director under section 164 of the said Act.

The Board of Directors are of the opinion that Mr. R C Bhargava, Mr. Albert Wiseman Paterson, Dr. Ajay Dua and Mr. Sanjay Kumar Bhattacharyya are persons of integrity and possess relevant expertise and experience and are eligible and fulfils the conditions specified by the Companies Act, 2013 for the position of an independent director of the Company. The Board considers that their association as Directors will be beneficial to and in the interest of the Company.

The brief resume of the said Directors, 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 separately annexed hereto.

A copy of respective draft letters of appointment of Mr R C Bhargava, Mr. Albert Wiseman Paterson, Dr. Ajay Dua and Mr. Sanjay Kumar Bhattacharyya as Non-Executive Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

The Board of directors recommend the special resolutions for your approval.

The said independent directors are not related to any of the directors or key managerial personnel (including relatives of directors or key managerial personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors and key managerial personnel of the Company (including relatives of directors or key managerial personnel) other than the respective Non-Executive Independent Director himself, is concerned or interested, financially or otherwise, in these resolutions.

### **Item No. 12**

Mr. Saket Burman, Director of the Company is holding the office of Whole time Director in Dabur International Ltd., a wholly owned subsidiary of the Company on the remuneration and other terms and conditions as under:-

Basic Salary /Allowances : A token amount of (AED) 12 Per Annum

In addition to the above, Mr. Saket Burman is entitled to the following benefits in Dabur International Limited:-

- i) Medical reimbursement for self and family members for the actual amount incurred.
- ii) Use of Company's car for official purposes and telephone at residence (including payment for local calls and long distance calls, mobile phone, internet facility, any other means of communication facility). Use of car for private purpose and personal long distance calls shall be billed by the Company to the appointee.

The terms of appointment and remuneration given herein above be fixed, altered, varied and decreased/increased from time to time by the Board of Directors of Dabur International Ltd. as it may at its discretion deem fit so as not to exceed the limits as stated hereinabove or the limits, if any, imposed by the Government/ Statutory Authority while granting their approval, if applicable, and as may be agreed by the Board of directors of Dabur International Ltd. with Mr. Saket Burman.

The copy of resolution passed by the Board of Directors of the Dabur India Limited in its meeting held on April 29, 2014 approving the aforesaid matter is available for inspection by the members of the company at its registered office between 11.00 AM to 1.00 PM on all working days till the date of the Annual General Meeting.

The Board of directors recommends the special resolution for your approval.

Mr. Saket Burman is a Director of the Company belonging to the promoters family. He is not related to any of the directors or key managerial personnel (including relatives of directors or key managerial personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company other than Mr. Saket Burman himself, is concerned or interested, financially or otherwise, in this resolution.

### **Item No. 13**

In terms of the provisions of section 180(1) (a) of the Companies Act, 2013, the consent of the members by a special resolution is necessary to lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking the whole or substantially the whole of any such undertakings. Since mortgaging by the company of its movable or immovable properties in favour of various Financial Institutions/ Banks/ Trustees for availing terms loans/other secured borrowings is regarded as disposal of the company's properties / undertakings, it is necessary for the members to pass the resolution under section 180 (1) (a) of the Companies Act, 2013 by way of special resolution. The shareholders of the company at the 35th Annual General Meeting held on 31<sup>st</sup> August, 2010 authorised the Board of Directors of the company to mortgage/ charge properties

of the company upto a sum of ₹ 2000 crores under the then applicable section 293(1)(a) of the Companies Act, 1956.

As required by provisions of section 180(1) (a) of the Companies Act, 2013 and keeping in view the company's business requirements and its growth plans, it is considered desirable to increase the said limit to ₹ 4000 crores (Rupees four thousand crores only) in line with borrowings powers envisaged for the Board.

Accordingly, the Board of Directors recommend the resolution for your approval by way of a special resolution.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution.

### **Item No. 14**

In terms of the provisions of section 180(1) (c) of the Companies Act, 2013, the consent of the members by a special resolution is necessary to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business. The shareholders of the Company had at the 35<sup>th</sup> Annual General Meeting held on August 31, 2010, by an ordinary resolution (in accordance with the provisions of Companies Act, 1956), authorised the Board of Directors of the Company to borrow sums in excess of paid up share capital and free reserves but not at any time exceeding ₹ 2000 Crores (Rupees two thousand crore only).

As required by provisions of section 180(1)(c) of the Companies Act, 2013 and keeping in view the company's business requirements and its growth plans, it is considered desirable to increase the said limit to ₹ 4000 crores (Rupees four thousand crores only).

Accordingly, the Board of Directors recommend the resolution for your approval by way of a special resolution.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution.

### **Item No. 15**

As per the provisions of sections 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the company in its annual general meeting.

Accordingly, the Board of Directors recommend the resolution for your approval by a special resolution.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution.


**DETAILS OF DIRECTORS SEEKING APPOINTMENT /REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED FOR JULY 22, 2014**

Name of Director	Mr. Mohit Burman	Mr. Sunil Duggal	Mr. P N Vijay	Dr. S Narayan
Date of birth	20.07.1968	17.07.1957	10.07.1951	20.06.1943
Date of Appointment	23.07.2007	31.07.2000	15.05.2001	26.07.2005
Qualification	Graduated from Richmond college, London and MBA in Finance from Babson Graduate School of Business Wellesley.	BE, MBA (IIM, Kolkata)	M Sc, IIT Chennai	M.Sc-Physics, MBM Finance, M.Phill-Cambridge, Ph.D. IIT Delhi, IAS(Retd.)
Expertise in specific functional area	Mr. Mohit Burman has been instrumental 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. He is seasoned entrepreneur and is associated in various capacities with different sports franchise teams in India.	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.	Mr. P N Vijay is a leading expert in stock market. He is regular columnist in leading newspaper and financial journals.	For nearly 4 Decades (1965 to 2004) he was in public service in the State and Central Government, in development administration. Retired as economic advisor to the Prime Minister of India, he has rich experience in formulation of macro –economic policy for the government tariff and taxation policies as well as initiatives for modernizing the capital markets.
List of public companies in which outside directorship held (including foreign Companies)	1. Aviva Life Insurance Co. India Ltd 2. Dabur Ayurvedic Specialities Ltd 3. H&B Stores Ltd 4. Dabur Pharmaceuticals Ltd 5. Universal Sompo General Insurance Co.Ltd 6. Dabur International Ltd	1. African Consumer Care Ltd 2. Asian Consumer Care Private Limited 3. Dabur International Ltd 4. H&B Stores Ltd 5. Naturelle LLC 6. Dermoviva Skin Essentials Inc. 7. Hobi Kozmetik. 8. Hair Rejuvenation and Revitalization Nigeria Ltd. 9. Dabur Lanka (Pvt) Ltd 10. Dabur Nepal Private Limited. 11. Dabur Consumer Care (Pvt) Ltd. 12. Dabur Tunisie.	1. Reed Relays & Electronics India Limited. 2. Maharashtra Seamless Limited.	1. Godrej Properties Limited. 2. Apollo Tyres Ltd. 3. Seshasayee Paper and Boards Ltd. 4. India Infoline Limited. 5. Artemis Medicare Services Ltd.
Chairman/ Member of the Committee of Board of Directors of public Companies	Audit Committee:- • Aviva Life Insurance Company India Ltd. • Universal Sompo General Insurance Co.Ltd.  Nomination Committee:- • Aviva Life Insurance Company India Ltd.	Audit Committee:- • H&B Stores Ltd.  Corporate Social Responsibility Committee:- • Dabur India Limited	Stakeholders Relationship Committee:- • Dabur India Ltd.  Audit committee:- • Dabur India Ltd.  Remuneration cum Compensation Committee:- • Dabur India Ltd.	Audit Committee:- • Dabur India Ltd. • Apollo Tyres Ltd.  Remuneration cum Compensation Committee:- • Dabur India Ltd.
Shareholding in the Company	Nil	3010000 equity shares of ₹1 each (as on 31.03.2014)	Nil	Nil



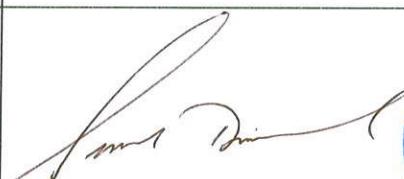
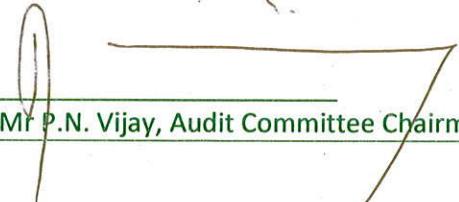
Name of Director	Mr. R C Bhargava	Mr. Albert Wiseman Paterson	Dr. Ajay Dua	Mr. Sanjay K Bhattacharyya
Date of birth	30.07.1934	07.08.1958	15.07.1947	31.10.1950
Date of Appointment	27.01.2005	30.10.2008	03.09.2009	23.07.2012
Qualification	MA in Development Economics, MS in Mathematics, IAS retired.	B.Sc. (Hons) Mathematics, ACII, Post Graduate Certificate in Education.	IAS (Retd.), M Sc (Eco), Ph. D.	B.A (Hons.) in Economics
Expertise in specific functional area	He 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 Suzuki India Limited and retired in 1997 as its CEO. At present he is Chairman of Maruti Suzuki India Ltd.	In early stages of his career he has served in various leadership roles in the actuarial, planning and strategy areas of the Aviva group. As a CEO he looked into, life insurance and pension businesses and was also responsible for a portfolio of business units of Aviva Plc. Including Turkey, Czech Republic, Romania, Hungary and India.	A retired civil servant, Dr. Dua joined the Indian Administrative Service in 1971. He has held a variety of senior assignments in the Government of Maharashtra and the Government of India. With a strong academic background and diverse work- experience Dr Dua is currently a senior business advisor / Board Member of several multinational firms.	He was the former Managing Director and Chief Credit & Risk Officer with State Bank of India. He is an astute senior level banker with over 38 years of experience spanning International and Corporate Banking across geographies, Retail Banking, Credit & Risk Management, Liability Management, Human Resource Management as CEO of three banks, including State Bank of India, State Bank of Bikaner & Jaipur and SBI (International) Mauritius.
List of public companies in which outside directorship held (including foreign Companies)	1. IL&FS Limited 2. Polaris Financial Technology Limited 3. Taj Asia Limited 4. Grasim Industries Limited 5. Maruti Suzuki India Limited 6. Thomson Press Limited 7. Ultra Tech Cement Company Limited 8. Idea Cellular Limited.	1. PT Sunlife Financial Indonesia 2. PT CIMB Sun Life.	1. Aviva Life Insurance Company India Ltd 2. Peninsula Land Limited. 3. Essar Power Limited	1. Persistent Systems Ltd 2. C&S Electric Ltd. 3. Wanbury Ltd.
Chairman/ Member of the Committee of Board of Directors of public Companies	Audit Committee • IL&FS Limited • Polaris Financial Technology Ltd. • Grasim Industries Limited • Dabur India Limited • Thomson Press Limited • Ultra Tech Cement Company Limited  Shareholders/Investors Grievance Committee:- • Maruti Suzuki India Limited • Ultra Tech Cement Company Limited	Audit Committee:- • PT CIMB Sun Life  Remuneration cum Compensation Committee:- • PT CIMB Sun Life	Audit Committee:- • Dabur India Limited • Aviva Life Insurance Company India Ltd  Stakeholder Relationship Committee • Dabur India Limited  Remuneration cum Compensation Committee:- • Aviva Life Insurance Company India Ltd  Corporate Social Responsibility Committee:- • Dabur India Limited	Audit Committee:- • Persistent Systems Ltd • Wanbury Ltd. • C&S Electric Ltd.  Shareholders/Investors Grievance Committee:- • Persistent Systems Ltd. • Wanbury Ltd.  Remuneration cum Compensation Committee:- • Persistent Systems Ltd  Corporate Social Responsibility Committee:- • Dabur India Limited
Shareholding in the Company	Nil	Nil	Nil	Nil



**Dabur India Limited**  
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Email for investors: [investors@dabur.com](mailto:investors@dabur.com)

**FORM A**

**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

1	Name of the Company	Dabur India Limited
2	Annual financial statements for the year ended.	31 <sup>st</sup> March 2014
3	Type of Audit observation	Un-qualified / Matter of Emphasis
4	Frequency of observation	Whether appeared first time ...../ repetitive ...../since how long period  N/A
5	To signed by –  *CEO/Managing Director  * CFO  * Auditor of the Company  *Audit Committee Chairman	 Mr Sunil Duggal , CEO   Mr Lalit Malik, CFO   Mr Anil Kumar, Partner of M/s G Basu & Company, Auditors   Mr P.N. Vijay, Audit Committee Chairman