

TC 15949

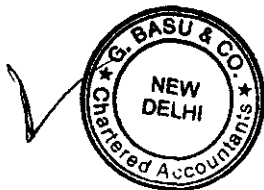
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AUDITORS' REPORT

To the Members of Dabur India Limited,

We have audited the attached Balance Sheet of Dabur India Limited as at 31st March, 2006 and its Profit & Loss Account and the Cash Flow Statement for the year ended on that date attached thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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



WEDNESDAY



A32 *A75KQMAS* 546
17/01/2007
COMPANIES HOUSE

- i. As required by the Companies (Auditors' Report) Order 2003 issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we enclose herewith in the annexure a statement of the matter specified therein.
- ii. We hereby report that the report on the accounts of Alwar and London branches audited by the branch auditors were received and properly dealt with by us while preparing our report.
- iii. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
- iv. In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of books of accounts.
- v. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
- vi. Balance Sheet and Profit & Loss Account have been prepared in due compliances of Accounting Standards referred to in sub section (3C) of section 211 of Companies Act, 1956.
- vii. On the basis of written representations received from the directors as on 31st March, 2006 and taken on record by the Board of Directors, we report that none of the directors of the company is disqualified for the Office of the director within the meaning of section 274 (1) (g) of the Companies Act, 1956.



viii. In our opinion and according to the information and explanations given to us, the said accounts read with other notes appearing in Schedule "P" give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of Balance Sheet, of the State of Affairs of the company as at 31st March, 2006, and,
- b) In the case of Profit and Loss Account, of the Profit for the year ended on that date; and
- c) In the case of cash flow statement, of the cash flows for the year ended on that date.

For G Basu & Co
Chartered Accountants


S.LAHIRI
Partner
Membership No. 51717

New Delhi
25th April 2006



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

- 1 a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The fixed assets have been physically verified by the Management at reasonable intervals. No material discrepancies between book records and the physical inventories have been noticed on such verification.
- c. Fixed assets disposed of during the year were not material enough to affect the going concern identity of the company.
- 2 a. The inventories have been physically verified at reasonable intervals 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.
- d. 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 a. The company has granted unsecured advances of the nature of loan aggregating Rs.3000 lacs to two body corporates covered in register maintained under section 301 of the act. However, total number of advances at any point of time during the year was three involving maximum due of Rs. 3500 lacs.
- b. Terms and conditions of the loans are prima-facie not prejudicial to the interest of the company.
- c. As has been stated to us, due dates of realization of principal due of existing loans are yet to commence.
- d. The company has not taken any loan, secured or unsecured from companies, firms and other parties covered in register under section 301 of the Act maintained by the company.

4. In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the company and the nature of its business for purchase of inventory and fixed assets and on the sale of goods. During the course of our audit no major weakness has been noticed in the internal controls. We have not observed any failure on the part of the company to correct major weakness in internal control system.
- 5 a) Based on audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
- b) According to information and explanations given to us, the transactions of purchase and sale of goods/services made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to information and explanations given to us, the company has complied with the provisions of section 58A and 58AA or any other relevant provision of the Act and rules framed thereunder where applicable. Neither CLB nor RBI or National Company Law Tribunal or any other Tribunal/court has passed any adverse order against company.
7. In our opinion the company has an internal audit system commensurate with it's size and nature of its business.
8. On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under section 209 (i) (d) of the Companies Act, 1956 in respect of products of the company covered under the rules under said section have been maintained. However we are neither required to carry out nor have carried out any detailed examination of such accounts and records.
- 9 .a) According to information and explanations given to us, the company is depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance , income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues to the extent applicable to it.
- b) There is no disputed due on account of wealth tax, service tax and cess. Dues on account of Sales Tax/ Income Tax/ Excise Duty disputed by the company and not being paid, vis-à-vis forums where such disputes are pending are mentioned below.



Sales Tax :-

Rs. in lacs

| Name of Statute | Nature of the dues | Amount | Period to which the amount relates | Forum where the dispute is pending |
|-----------------|---------------------------------|--------|------------------------------------|-------------------------------------|
| Sales Tax | Demand on Hajmola Candy | 27.78 | 1996-97 | Sales Tax Tribunal |
| -do- | -do- | 25.88 | 1997-98 | Dy. Commissioner (appeal) Sales Tax |
| -do- | -do- | 27.05 | 1998-99 | -do- |
| -do- | -do- | 70.35 | 1999-2000 | -do- |
| -do- | Classification of Hajmola Candy | 12.36 | 2000-01 | Dy. Commissioner (Appeal) Sales Tax |
| -do- | Classification of Hajmola Candy | 4.88 | 2002-03 | Dy. Commissioner (Appeal) Sales Tax |
| -do- | Non Submission Of CST Form | 9.63 | 2002-03 | |
| -do- | Sales Tax on Stock Transfer | 28.60 | 1991-2002 | Sales Tax Tribunal |
| -do- | Classification of L.D.M. | 89.00 | 1990-93 | High Court |
| -do- | Classification of L.D.M. | 1.44 | 1993-94 | High Court |
| -do- | Classification of Gulabari | 0.74 | 1999-00 | Dy. Commissioner Appeals |
| -do- | Classification of LDM | 0.03 | 2000-01 | Dy. Commissioner Appeals |
| -do- | Short payment of VAT | 117.63 | 2001-02 | Dy. Commissioner |
| -do- | Short payment of VAT | 120.09 | 2002-03 | Dy. Commissioner |
| -do- | Short payment of Entry tax | 0.57 | 2002-03 | Dy. Commissioner Appeals |
| -do- | Intt. On TOT & Surcharge | 2.84 | 2001-02 | Dy. Commissioner Appeal |
| -do- | Intt. On TOT & Surcharge | 3.70 | 2002-03 | Dy. Commissioner appeal |
| -do- | Rejection of branch transfer | 0.49 | 1986-87 | High Court |
| -do- | Check Post Matter | 0.45 | 1997-98 | Dy. Commissioner Appeals |
| -do- | Rejection of branch transfer | 7.20 | 1991-92 | Dy. Commissioner Appeals |
| -do- | Demand on Excise matter u/s 21 | 0.43 | 1998-99 | Dy. Commissioner Assessment |



| | | | | |
|-------|--------------------------------------|-------|---------|-----------------------------|
| -do- | C.S.D. claim rejected. | 31.90 | 2000-01 | Tribunal |
| -do- | CSD claim rejected | 9.86 | 2001-02 | Tribunal |
| -do- | Check Post | 0.14 | 2004-05 | Dy. Commissioner Assessment |
| -do- | Check Post | 0.37 | 2004-05 | Tribunal |
| -do- | Check Post | 0.42 | 2004-05 | Dy. Commissioner assessment |
| -do- | Check Post | 0.60 | 2004-05 | Dy. Commissioner Assessment |
| -do- | Excise Information dispute | 40.00 | 2000-01 | High Court |
| --do- | Form 18A disputed | 0.45 | 1999-00 | Dy. Commissioner |
| -do- | Non-filing of Form-F | 0.60 | 1998-99 | Dy. Commissioner |
| -do- | Dispute on Taxability of Coconut Oil | 4.47 | 2001-02 | |

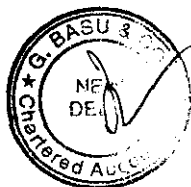
Income Tax :-

Rs. in lacs

| Name of the Statute | Nature of the dues | Amount | Period to which the amount relates | Forum where dispute is pending |
|---------------------|------------------------|--------|------------------------------------|--------------------------------|
| Income Tax | Demand u/s 263/143(3) | 34.80 | 1998-99 | ITAT |
| -do- | Demand u/s 263/143 (3) | 138.87 | 2002-03 | CIT (A) (III) |

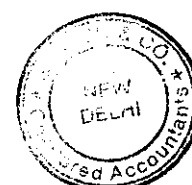
Excise Duty :-

| Name of the Statute | Nature of the dues | Amount | Period to which the amount relates | Forum where dispute is pending |
|---------------------|---|--------|------------------------------------|---------------------------------|
| Excise Duty | Classification of Anmol Coco-nut Oil | 514.60 | 1993-2001 | Dy. Commissioner |
| -do- | Classification of Saunf Ka Ark/ Clove Oil | 23.44 | 1998-2004 | Commissioner- Appeals |
| -do- | Modvat on Cap-ital goods | 0.82 | 1996 | Dy. Commissioner |
| -do- | Modvat on in-puts (57H) | 2.42 | 1998 | Tribunal |
| -do- | Hajmola Candy | 113.07 | 2004-05 | Commissioner Appeals/High Court |
| -do- | Classification on Animal Feed supplement | 174.75 | 1994-2003 | Commissioner- Appeals |



| | | | | |
|------|-----------------------------------|--------|-----------|------------------------|
| -do- | Post manufacturing expenses | 0.30 | 2002-2003 | Tribunal |
| -do- | Post manufacturing expenses | 0.38 | 2004-05 | Commissioner |
| -do- | Classification of Janma Ghunti | 388.96 | 1994-2000 | Commissioner |
| -do- | Import of Honey | 1.78 | 2000 | Commissioner – Appeals |
| -do- | Removal of Input | 5.91 | 2000-01 | Commissioner- Appeals |
| -do- | MOT charges | 0.23 | 2003 | Tribunal |
| -do- | Post Manufacturing expenses | 67.55 | 2000-03 | Commissioner- Appeals |
| -do- | Post manufacturing expenses | 42.02 | 2000-03 | Commissioner- Appeals |
| -do- | Valuation of Paclitaxel | 963.99 | 1995-2000 | Settlement Commission |
| -do- | Valuation of Docetaxel/Paclitaxel | 498.34 | 1997-2003 | Tribunal |

10. Based on the audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank or debenture holder.
11. The company has not granted any loan or advance secured by pledge of share, debenture or other security.
12. Based on our examination of the records and evaluations of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts relating to shares, securities, debentures and other investments dealt in by the company and timely entries have been made in the records. We also report that the company has held the shares, securities, debentures and other investments in its own name except for those pending transfer in Company's name.
13. The company has given guarantees for loans taken by others from banks or financial institutions. The terms and conditions there-of are not prima facie prejudicial to the interest of the company.
14. The term loans taken by the company have been applied for the purpose for which they were raised.
15. No fund raised on short term basis has been used by the company for long term investment.
16. The company has made preferential allotment of shares under their ESOP scheme to the parties covered in the register maintained under section 301 of the



Companies Act, 1956 during the year. The price at which these shares were issued are not prima-facie prejudicial to the interest of the company.

17. The Company has not issued any secured debenture during the year.
18. The Company has not raised any fund through public issue during the year
19. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
20. Other clauses of the order are not applicable to the Company.

For G. BASU & CO.
Chartered Accountants



S. LAHIRI
Partner

Membership No 51717

New Delhi
25th April 2006



| SCHEDULE | | AS AT 31ST MARCH 2006 (Rs. in lacs) | | AS AT 31ST MARCH 2005 (Rs. in lacs) | |
|---|----|---|------------|---|------------|
| SOURCES OF FUNDS : | | | | | |
| SHAREHOLDERS' FUNDS: | | | | | |
| A) SHARE CAPITAL | A | 5,733.03 | 44,786.87 | 2,864.20 | 33,807.35 |
| B) RESERVES AND SURPLUS | B | 39,053.84 | | 30,943.15 | |
| LOAN FUNDS: | | | | | |
| A) SECURED LOANS | C | 1,923.23 | 2,057.52 | 1,570.38 | 4,862.98 |
| B) UNSECURED LOANS | D | 134.29 | | 3,292.60 | |
| DEFERRED TAX LIABILITY | EE | | 1,671.50 | | 1,277.51 |
| TOTAL | | | 48,515.89 | | 39,947.84 |
| APPLICATION OF FUNDS : | | | | | |
| FIXED ASSETS : | | | | | |
| (A) GROSS BLOCK | F | 34,129.37 | 19,883.68 | 32,672.44 | 19,160.61 |
| (B) LESS : DEPRECIATION | | 14,245.69 | | 13,511.83 | |
| (C) NET BLOCK | | | | | |
| INVESTMENTS | G | | 27,507.77 | | 27,094.25 |
| DEFERRED TAX ASSETS | EE | | 131.74 | | 137.75 |
| CURRENT ASSETS, LOANS AND ADVANCES: | | | | | |
| (A) INVENTORIES | H | 11,560.90 | 28,436.22 | 12,802.57 | 25,197.18 |
| (B) SUNDRY DEBTORS | | 2,694.25 | | 4,928.27 | |
| (C) CASH & BANK BALANCES | | 3,804.41 | | 1,065.38 | |
| (D) LOANS & ADVANCES | | 10,376.66 | | 6,400.96 | |
| | | | | | |
| LESS: CURRENT LIABILITIES AND PROVISIONS | EA | | | | |
| (A) LIABILITIES | | 19,342.06 | 30,731.00 | 23,838.05 | 32,222.99 |
| (B) PROVISIONS | | 11,388.94 | | 8,384.94 | |
| | | | | | |
| NET CURRENT ASSETS | | | (2,294.78) | | (7,025.81) |
| MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED) | IA | | 3,287.48 | | 581.04 |
| NOTES TO ACCOUNTS | | | | | |
| TOTAL | | | 48,515.89 | | 39,947.84 |

V.C. BURMAN
CHAIRMAN

P.D. NARANG
DIRECTOR

SUNIL DUGGAL
DIRECTOR

As per our report of
even date attached
for G.BASU & CO.
CHARTERED ACCOUNTANTS

A.K.JAIN

ADDL. G.M. (FINANCE) & COMPANY SECRETARY

PLACE : NEW DELHI
DATE : 25TH APRIL 2006

S. LAHIRI
PARTNER



DABUR INDIA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2006

| SCHEDULE | FOR THE YEAR ENDED 31ST MAR 2006 (Rs.in lacs) | FOR THE YEAR ENDED 31ST MAR 2005 (Rs.in lacs) |
|--|--|--|
| INCOME : | | |
| SALES LESS RETURNS | 136,968.29 | 126,871.51 |
| OTHER INCOME | 535.02 | 1,150.32 |
| TOTAL INCOME | 137,503.31 | 128,021.83 |
| EXPENDITURE : | | |
| COST OF MATERIALS | 57,511.22 | 54,365.36 |
| EXCISE DUTY | 2,689.48 | 4,248.86 |
| MANUFACTURING EXPENSES | 3,745.55 | 2,919.46 |
| PAYMENTS TO AND PROVISIONS FOR EMPLOYEES | 9,830.78 | 8,208.56 |
| SELLING AND ADMINISTRATIVE EXPENSES | 39,394.05 | 39,488.95 |
| FINANCIAL EXPENSES | 565.87 | 429.57 |
| MISCELLANEOUS EXPENDITURE WRITTEN OFF | 426.24 | 149.33 |
| DEPRECIATION | 1,904.59 | 1,709.92 |
| TOTAL EXPENDITURE | 116,667.78 | 111,520.01 |
| BALANCE BEING OPERATING NET PROFIT BEFORE TAXATION | 21,435.53 | 16,501.82 |
| PROVISION FOR TAXATION | | |
| CURRENT | 1,808.11 | 1,300.00 |
| DEFERRED | 400.00 | 399.83 |
| FRINGE BENEFIT | 370.25 | 0.00 |
| NET PROFIT AFTER TAXATION AND BEFORE EXTRAORDINARY ITEMS | 18,857.17 | 14,801.99 |
| EXTRAORDINARY ITEM (PROFIT/(LOSS) ON LONG TERM TRADE INVESTMENTS | 51.20 | |
| NET PROFIT AFTER TAXATION AND EXTRAORDINARY ITEM | 18,908.37 | 14,801.99 |
| BALANCE BROUGHT FORWARD | 12,522.97 | 8,112.18 |
| PROVISION FOR TAXATION OF EARLIER YEARS WRITTEN BACK | 28.61 | 0.00 |
| PROVISION FOR TAXATION FOR EARLIER YEAR | 7.62 | (5.30) |
| TRANSFERRED FROM CAPITAL REDEMPTION RESERVE | 56.93 | 0.00 |
| TRANSFERRED FROM INVESTMENT ALLOWANCE RESERVE | 0.00 | 82.58 |
| TRANSFERRED FROM INVESTMENT DEPOSIT RESERVE | 0.00 | 182.50 |
| | 31,509.26 | 23,173.94 |
| APPROPRIATIONS | | |
| INTERIM DIVIDEND | 4,299.29 | 2,862.89 |
| PROPOSED FINAL DIVIDEND | 5,733.03 | 4,296.30 |
| CORPORATE TAX ON INTERIM DIVIDEND | 602.97 | 374.14 |
| CORPORATE TAX ON PROPOSED DIVIDEND | 804.06 | 602.56 |
| TRANSFERRED TO CAPITAL RESERVE | 19.27 | 0.00 |
| TRANSFERRED TO GENERAL RESERVE | 2,550.00 | 2,515.08 |
| BALANCE CARRIED OVER TO BALANCE SHEET | 17,500.64 | 12,522.97 |
| | 31,509.26 | 23,173.94 |
| EARNING PER SHARE (IN RS.) (FACE VALUE RS 1/- EACH) | | |
| BASIC | 3.30 | 2.58 |
| DILUTED | 3.27 | 2.57 |
| NO OF SHARES | | |
| BASIC | 573,149,195 | 572,839,426 |
| DILUTED | 577,524,999 | 575,809,845 |
| NOTES TO ACCOUNTS | | |

V.C. BURMAN
CHAIRMAN

P.D. NARANG
DIRECTOR

SNIL DUGGAL
DIRECTOR

A.K. JAIN

ADDL. G.M.(FINANCE) CUM COMPANY SECRETARY

As per our report of
even date attached
for G. BASU & CO.
CHARTERED ACCOUNTANTS

S. LAHIRI
Partner

PLACE: NEW DELHI
DATED: 25TH APRIL 2006



DABUR INDIA LIMITED
STATEMENT OF CASH FLOW (PURSUANT TO AS-3 ISSUED BY ICAI)

Rs. Lacs

| PARTICULARS | FOR THE YEAR ENDED 31st March 2006 | | FOR THE YEAR ENDED 31st MARCH 2005 | |
|--|---------------------------------------|-------------|---------------------------------------|--------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| <u>NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS</u> | | 21,435.53 | | 16,501.82 |
| <u>ADD:</u> | | | | |
| DEPRECIATION | 1,904.59 | | 1,709.92 | |
| LOSS ON SALE OF FIXED ASSETS | (69.33) | | 4.18 | |
| MISCELLANEOUS EXP. WRITTEN OFF | 426.24 | | 149.34 | |
| MISCELLANEOUS EXP. WRITTEN OFF(INCLUDED IN DIRECTOR REMUN. | 369.67 | | 195.91 | |
| INTEREST | 565.87 | | 429.57 | |
| | | 3,197.03 | | 2,488.92 |
| | | 24,632.57 | | 18,990.74 |
| <u>LESS:</u> | | | | |
| DIVIDEND RECEIVED | 0.48 | | 160.13 | |
| PROFIT ON SALE OF INVESTMENT | 96.09 | | 407.38 | |
| PROFIT ON SALE OF ASSETS | 69.33 | | 0.00 | |
| | | 165.90 | | 567.51 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | 24,466.67 | | 18,423.23 |
| <u>WORKING CAPITAL CHANGES</u> | | | | |
| INCREASE/(DECREASE) IN INVENTORIES | (1,241.67) | | 1,850.64 | |
| INCREASE/(DECREASE) IN DEBTORS | (2,234.83) | | 768.42 | |
| DECREASE/(INCREASE) IN TRADE PAYABLES | 4,552.00 | | (7,498.63) | |
| INCREASE/(DECREASE) IN WORKING CAPITAL | | 1,075.51 | | (4,879.57) |
| CASH GENERATED FROM OPERATING ACTIVITIES | | 23,391.16 | | 23,302.80 |
| INTEREST PAID | 563.68 | | 439.34 | |
| TAX PAID | 2,186.09 | | 1,277.09 | |
| CORPORATE TAX ON DIVIDEND | 1,205.54 | | 887.60 | |
| | | 3,955.31 | | 2,604.03 |
| CASH USED(-)/(+)GENERATED FOR OPERATING ACTIVITIES (A) | | 19,435.85 | | 20,698.77 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| PURCHASE OF FIXED ASSETS | | (3,324.80) | | (5,607.94) |
| SALE OF FIXED ASSETS | | 785.73 | | 227.56 |
| PURCHASES OF INVESTMENT INCLUDING INVESTMENT IN SUBSIDIARIES | | (6,279.88) | | (152,824.68) |
| SALE OF INVESTMENTS | | 6,067.63 | | 143,260.48 |
| DIVIDEND RECEIVED | | 0.48 | | 160.13 |
| CASH USED(-)/(+)GENERATED FOR INVESTING ACTIVITIES (B) | | (2,750.83) | | (14,784.45) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| PROCEEDS FROM SHARE CAPITAL & PREMIUM | | 2.31 | | 1.71 |
| REPAYMENT(-)/PROCEEDS(+) OF LONG TERM SECURED LIABILITIES | | (257.87) | | (230.49) |
| REPAYMENT(-)/PROCEEDS(+) FROM SHORT TERM LOANS | | 606.72 | | (8.50) |
| REPAYMENT (-)/PROCEEDS(+) FROM DEPOSITS | | (44.97) | | 25.93 |
| REPAYMENT(-)/PROCEEDS(+) FROM OTHER UNSECURED LOANS | | (3,151.40) | | 1,215.10 |
| PAYMENT OF OTHER ADVANCES | | (2,532.61) | | (290.65) |
| PAYMENT OF DIVIDEND | | (8,570.82) | | (6,855.46) |
| CASH USED(-)/(+)GENERATED IN FINANCING ACTIVITIES (C) | | (13,944.63) | | (6,837.66) |
| NET INCREASE(+)/DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C) | | 2,740.39 | | (124.34) |
| CASH AND CASH EQUIVALENTS OPENING BALANCE | | 1,065.38 | | 1,188.72 |
| CASH AND CASH EQUIVALENTS CLOSING BALANCE | | 3,804.41 | | 1,065.38 |



SCHEDULE-A

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2006

SHARE CAPITAL

| | AS AT 31ST MARCH 06 (Rs.in lacs) | AS AT 31st MARCH 2005 (Rs.in lacs) |
|---|--|--|
| AUTHORISED : | | |
| 1250000000 EQUITY SHARES OF RE.1 EACH (PREVIOUS YEAR 500000000 EQUITY SHARES OF RE. 1) | 12,500.00 | 5,000.00 |
| | 12,500.00 | 5,000.00 |
| ISSUED AND SUBSCRIBED: | | |
| 573302784 EQUITY SHARES OF RE.1 EACH FULLY CALLED UP (PREVIOUS YEAR-286419713EQUITY SHARES OF RE. 1) | 5,733.03 | 2,864.20 |
| | 5,733.03 | 2,864.20 |

NOTES :

1. AUTHORIZED SHARE CAPITAL DURING THE YEAR INCREASED BY Rs. 7500 LACS
2. EQUITY SHARES ISSUED & SUBSCRIBED INCLUDES FOLLOWING ISSUES FOR CONSIDERATION OTHER THAN CASH :-
 - a). 4548000 EQUITY SHARES OF RS.10 EACH FULLY PAID UP WERE ISSUED PURSUANT TO THE SCHEME OF AMALGAMATION (WITHOUT PAYMENT BEING RECEIVED IN CASH).
 - b) 18202080 EQUITY SHARES OF RS.10 EACH FULLY PAID UP WERE ISSUED AS BONUS SHARES IN WAY OF CAPITALISATION OF FREE RESERVES TO SHAREHOLDERS IN THE RATIO OF 4 EQUITY SHARES FOR EVERY SHARE HELD AS ON 1ST DECEMBER, 1993.
 - c). DURING THE YEAR THE COMPANY HAS ISSUED 286651392 EQUITY OF Re.1 EACH SHARES BY WAY OF ALLOTMENT AGAINST EACH ONE SHARE HELD BY A SHAREHOLDER.
3. PURSUANT TO SECTION 94 OF COMPANIES ACT 1956, EQUITY SHARES OF RS. 10 WERE SUB-DIVIDED IN EQUITY SHARES OF RE. 1/- EACH ON DEC 15, 2000 BY WAY OF ISSUE OF 10 SHARES AGAINST EACH SHARE FORMERLY HELD BY A SHAREHOLDER.
4. 231679 (PREVIOUS YEAR 170661) EQUITY SHARES OF RE. 1 EACH WERE ISSUED DURING THE YEAR 2005-06 UNDER EMPLOYEES STOCK STOCK SCHEME".
5. 6691484 (PREVIOUS YEAR 1534740) EQUITY SHARES OF RS. 1 EACH ARE OUTSTANDING UNDER "EMPLOYEE STOCK OPTION SCHEME" AS ON 31ST MARCH 2006



SCHEDULE-B

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2006
RESERVES AND SURPLUS

| | AS AT 31ST MARCH 2006 (Rs. in lacs) | | AS AT 31st MARCH 2005 (Rs. in lacs) | |
|--|--|------------------|--|------------------|
| CAPITAL RESERVE : | | | | |
| AS PER LAST ACCOUNT | 1,628.36 | | 1,628.36 | |
| ADD : TRANSFERRED FROM PROFIT & LOSS ACCOUNT | 19.27 | 1,647.63 | - | 1,628.36 |
| SHARE PREMIUM ACCOUNT | 5,758.08 | | 5,665.90 | |
| LESS : ALLOTMENT OF BONUS SHARES | 2,866.51 | | - | |
| | 2,891.57 | | 5,665.90 | |
| ADD: PREMIUM ON ISSUE OF SHARES | 159.88 | 3,051.45 | 92.18 | 5,758.08 |
| CAPITAL REDEMPTION RESERVE : | | | | |
| AS PER LAST ACCOUNT | 56.93 | | | 56.93 |
| LESS : TRANSFERRED TO PROFIT & LOSS ACCOUNT | 56.93 | 0.00 | | |
| GENERAL RESERVE : | | | | |
| AS PER LAST ACCOUNT | 10,061.14 | | 7,546.06 | |
| ADD : TRANSFERRED FROM PROFIT & LOSS ACCOUNT | 2,550.00 | 12,611.14 | 2,515.08 | 10,061.14 |
| PROFIT AND LOSS ACCOUNT | | 17,500.64 | | 12,522.98 |
| EMPLOYEE STOCK OPTION SCHEME OUTSTANDING | | | | |
| AS PER LAST ACCOUNT | 915.66 | | 728.81 | |
| ADD: ADDITION DURING THE YEAR | 3,503.78 | | 279.03 | |
| | 4,419.44 | | 1,007.84 | |
| LESS: DELETION DURING THE YEAR | 176.46 | 4,242.98 | 92.18 | 915.66 |
| | | | | |
| TOTAL | | 39,053.84 | | 30,943.15 |



SCHEDULE-C**ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2006****SECURED LOANS**

| | AS AT 31ST MARCH 06 (Rs.in lacs) | AS AT 31st MARCH 2005 (Rs.in lacs) |
|--|--|--|
| A. TERM LOANS : | | |
| PICUP UNDER TRADE TAX LOAN SCHEME | 755.22 | 1,009.09 |
| SECURED BY: | | |
| a) LOAN AMOUNTING TO RS. 1338.72 (IN TERM OF ORIGINAL AGREEMENT) FIRST CHARGE ON THE MOVABLE AND IMMOVABLE ASSETS INLCUDING PLANT AND MACHINERY OF THE COMPANY (PRESENT AND FUTURE) SITUATED AT PLOT NO. 5/1 AND 5/13, SITE IV INDUSTRIAL AREA SAHIABAD GHAZIABAD | | |
| b) LOAN AMOUNTING TO RS. 125.00 (IN TERM OF ORIGINAL AOREEMENT) FIRST CHARGE ON IMMOVABLE ASSETS (PRESENT AND FUTURE) OF THE COMPANY SITUATED AT PLOT NO. 5/1 AND 5/13, SITE IV INDUSTRIAL AREA SAHIBABAD GHAZIABAD | | |
| SECOND CHARGE ON MOVABLE ASSETS INCLUDING PLANT AND MACHINERY OF THE COMPANY (PRESENT AND FUTURE) LOCATED AT PLOT NO. 22 SITE IV, INDUSTRIAL AREA, SAHIBABAD, GHAZIABAD | | |
| SHORT TERM LOANS - FROM BANKS : | 1,168.01 | 561.29 |
| SECURED BY : | | |
| HYPOTHECATION OF INVENTORIES AND BOOK DEBTS RANKING PARI-PASSU AMONG PUNJAB NATIONAL BANK , STANDARD CHARTERED BANK LTD, HONGKONG & SHANGHAI BANKING CORPORATION LTD., STATE BANK OF INDIA,ABN AMRO BANK, IDBI BANK LTD UNITED BANK OF INDIA, CITI BANK NA, AND HDFC BANK LTD | | |
| | 1,923.23 | 1,570.38 |



SCHEDULE-D**ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 200**
UNSECURED LOANS

| | AS AT 31ST MARCH 06 (Rs.in lacs) | AS AT 31st MARCH 2005 (Rs.in lacs) |
|--|---|---|
| SECURITY DEPOSIT FROM DEALERS AND OTHERS | 9.00 | 15.92 |
| OTHER LOANS : | | |
| BOOK OVERDRAFT OF CURRENT ACCOUNT WITH BANKS | 125.29 | 470.75 |
| COMMERCIAL PAPERS | - | 2,000.00 |
| EXTERNAL COMMERCIAL BORROWINGS -ABN AMBRO BANK | - | 805.93 |
| TOTAL | 134.29 | 3,292.60 |

NOTES:

1. MAXIMUM AMOUNT OF COMMERCIAL PAPAERS OUTSTANDING DURING THE PERIOD RS. 5000
(PREVIOUS YEAR RS. 2000)

2 EXTERNAL COMMERCIAL BORROWINGS REPAYBLE WITHIN A YEAR RS NIL (PREVIOUS YEAR
Rs.805.93)



SCHEDULE-2A

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2006

CURRENT LIABILITIES AND PROVISIONS

| | AS AT 31ST MARCH 2006 (Rs. in lacs) | | AS AT 31st MARCH 2005 (Rs. in lacs) | |
|--|---|-----------|---|-----------|
| A CURRENT LIABILITIES : | | | | |
| ACCEPTANCE | 4,933.26 | | 9388.39 | |
| AMOUNT DUE TO SSI UNITS (GOODS) | 1,037.21 | | 873.87 | |
| CREDITORS FOR GOODS | 2,574.26 | | 2731.76 | |
| CREDITORS FOR EXPENSES AND OTHER LIABILITIES | 10,594.82 | | 10627.95 | |
| ADVANCES FROM CUSTOMERS | 51.24 | | 53.71 | |
| INTEREST ACCRUED BUT NOT DUE ON LOANS | 4.33 | | 2.14 | |
| DEPOSITS - OTHERS | 12.65 | | 47.24 | |
| INVESTOR EDUCATION AND PROTECTION FUND TO BE CREDITED BY : | | | | |
| UNPAID DIVIDEND | 121.19 | | 96.42 | |
| UNPAID MATURED PUBLIC DEPOSIT | 7.53 | | 10.69 | |
| INTEREST ACCURED ON PUBLIC DEPOSIT | 5.57 | | 5.88 | |
| | | 19,342.06 | | 23,838.05 |
| E PROVISIONS : | | | | |
| FOR DIVIDEND (PROPOSED) - FINAL | 5,733.03 | | 4,296.30 | |
| FOR CORPORATE TAX ON PROPOSED FINAL DIVIDEND | 804.06 | | 602.56 | |
| FOR STAFF WELFARE | 480.00 | | 360.00 | |
| FOR LEAVE SALARY | 18.50 | | 208.09 | |
| FOR TAXATION : | | | | |
| BROUGHT FORWARD | 2,917.99 | | 2,171.59 | |
| PROVISION FOR THE YEAR | 2,178.36 | | 1,300.00 | |
| | 5,096.35 | | 3,471.59 | |
| ADJUSTED DURING YEAR | 743.00 | | 553.60 | |
| | 4,353.35 | 11,388.94 | 2,917.99 | 8,384.94 |
| | | 30,731.00 | | 32,222.99 |



5 D. Value of raw materials, stores and spares parts consumed

| | Raw Material | | | | Packing Material, Stores & Spares | | | |
|------------|--------------|--------|------------|--------|-----------------------------------|--------|------------|--------|
| | 31.03.2006 | | 31.03.2005 | | 31.03.2006 | | 31.03.2005 | |
| | Value | % | Value | % | Value | % | Value | % |
| Imported | 188.52 | 0.73 | 308.64 | 1.39 | 31.56 | 0.21 | 31.75 | 0.30 |
| Indigenous | 25745.98 | 99.27 | 21953.89 | 98.61 | 14917.41 | 99.79 | 10717.58 | 99.70 |
| Total | 25934.50 | 100.00 | 22262.53 | 100.00 | 14948.97 | 100.00 | 10749.33 | 100.00 |

5 E. Net Dividend remitted in foreign currency

2005-06

2004-05

2003-04 Final Dividend to 147 shareholders on 147020 shares
 2004-05 Interim Dividend to 140 shareholders on 141000 shares
 2004-05 Final Dividend to 128 shareholders on 129000 shares
 2005-06 Interim Dividend to 110 shareholders on 111000 shares

1.94
1.66

2.06
1.41

3.60

3.47

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

31.03.2006

31.03.2005

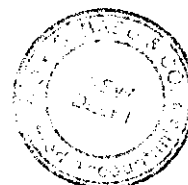
| | | |
|---|--------|--------|
| Salary | 158.45 | 286.54 |
| Commission (as computed below) | 88.64 | 38.80 |
| Contribution to Provident Fund | 19.73 | 26.92 |
| Residential Accommodation | 95.08 | 97.40 |
| Medical & Leave Travel Benefit | 4.72 | 8.12 |
| Contribution to Superannuation Fund | 23.77 | 31.62 |
| Others (Including Rs.278.50 Previous year Rs.83.55 Under stock option Scheme) | 317.15 | 220.51 |
| | 707.54 | 709.91 |

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

31.03.2006

31.03.2005

| | | |
|---|----------|----------|
| Profit for the year before tax as per Profit & Loss Account | 21435.53 | 14801.82 |
| Add: Provision for Diminution in Long term Investment | 26.99 | 0.00 |
| Profit After the provision for diminution in long term inv. | 21462.52 | 14801.82 |
| Add: Managerial remuneration | 707.54 | 709.72 |
| Directors fees | 9.00 | 6.85 |
| Less: Capital Profit | 19.27 | 0.00 |
| Adjusted net profit | 22159.49 | 15518.39 |
| Commission payable: | | |
| To one non whole-time Director | 88.64 | 38.80 |



| CLASS OF GOODS | UNIT | QUANTITY | VALUE |
|---------------------------------|-------------|------------------------|------------------------|
| SUGAR AND MOLASSES | Tonnes | 14915.24 (11676.65) | 2610.45 (1820.66) |
| EDIBLE OILS | Tonnes | 10376.90 (6533.87) | 5293.98 (3705.13) |
| GIRBS, JARI BOOTI & RAW MADHU | Tonnes | 5782.65 (4698.38) | 7144.41 (7117.96) |
| CHEMICALS & PERFUMERY COMPOUNDS | Tonnes | 17378.12 (13314.55) | 8479.39 (5670.35) |
| OTHER RAW MATERIALS | Assorted | | 2406.26 (3948.43) |
| TOTAL RAW MATERIALS | | | 25934.49 (22262.53) |
| PLASTIC CONTAINERS | Pcs in Lacs | 1017.76 (869.35) | 2198.58 (1743.60) |
| PLASTIC CONTAINERS/CAPS/JAR | Pcs in Lacs | 5660.96 (3798.52) | 4914.42 (3254.45) |
| PRINTED PACKING MATERIALS | Assorted | | 3429.28 (2319.40) |
| MINUTES & LAMITUDES | Assorted | | 2134.87 (1390.47) |
| OTHER PACKING MATERIALS | Assorted | | 1539.92 (1734.02) |
| TOTAL PACKING MATERIALS | | | 14217.07 (10441.94) |



7B

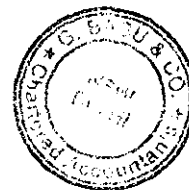
PARTICULARS IN RESPECT OF GOODS MANUFACTURED

| CLASS OF GOODS | UNIT | LICENCED CAPACITY | INSTALLED CAPACITY | PRODUCTION QTY | OPENING STOCK | | CLOSING STOCK | | SALE | |
|--------------------|-----------|----------------------|------------------------|------------------------|--------------------|----------------------|--------------------|----------------------|------------------------|-------------------------|
| | | | | | QTY | VALUE | QTY | VALUE | QTY | VALUE |
| IR OILS | KILO-LTRS | | 20000.00 (20000.00) | 13261.90 (9004.38) | 416.53 (71.08) | 475.02 (81.51) | 717.35 (416.53) | 771.14 (475.02) | 12961.09 (8658.93) | 26809.57 (17208.39) |
| YAWANPRASH | TONNES | | 22000.00 (20000.00) | 11049.86 (11151.19) | 611.47 (365.51) | 665.88 (318.08) | 248.21 (611.47) | 262.88 (665.88) | 11413.13 (10905.22) | 15006.62 (13665.36) |
| NEY | TONNES | | 6000.00 (6000.00) | 4531.64 (3746.18) | 126.71 (57.54) | 162.28 (67.69) | 142.05 (126.71) | 136.19 (162.28) | 4516.30 (3677.02) | 7814.50 (7046.99) |
| OTH POWDER & PASTE | TONNES | | 7200.00 (7200.00) | 3292.45 (1884.96) | 143.63 | 178.03 | 170.13 (143.63) | 176.29 (178.03) | 3265.96 (1741.33) | 6318.88 (3389.39) |
| JMOLA | TONNES | | 6000.00 (6000.00) | 4006.07 (3829.46) | 419.15 (272.89) | 423.62 (279.27) | 324.94 (419.15) | 506.57 (423.62) | 4100.28 (3683.19) | 7264.94 (6103.18) |
| AVA - ARISHTA | KILO-LTRS | | 12000.00 (12000.00) | 6153.92 (5642.48) | 811.67 (454.93) | 316.42 (240.50) | 556.11 (811.67) | 250.19 (316.42) | 6409.47 (5285.75) | 5315.99 (4163.31) |
| OTHERS | | | | | | 2038.74 (1667.57) | | 2113.42 (2038.74) | | 36107.81 (28754.56) |
| | | | | | | 4259.99 (2654.61) | | 4216.67 (4259.99) | | 104638.31 (80331.17) |

7C

PARTICULARS OF TRADED GOODS

| CLASS OF GOODS | UNIT | PURCHASES | | OPENING STOCK | | CLOSING STOCK | | SALE | |
|--------------------|-----------|----------------------|------------------------|--------------------|----------------------|--------------------|----------------------|----------------------|------------------------|
| | | QTY | VALUE | QTY | VALUE | QTY | VALUE | QTY | VALUE |
| AIR OILS | KILO-LTRS | 3793.95 (7828.39) | 4061.28 (8669.11) | 164.73 (470.49) | 198.83 (517.50) | 150.34 (164.73) | 163.18 (198.83) | 3808.34 (8134.16) | 7195.90 (15759.01) |
| OTH POWDER & PASTE | TONNES | 7803.91 (9883.50) | 5946.62 (7737.74) | 360.40 (300.19) | 326.91 (304.52) | 288.68 (360.40) | 256.98 (326.91) | 7875.62 (9823.30) | 13345.14 (16613.72) |
| AJMOLA | TONNES | 1100.84 (1541.38) | 1123.20 (1701.55) | 35.39 (23.92) | 44.00 (32.16) | 30.89 (35.39) | 62.29 (44.00) | 1105.34 (1529.92) | 2110.84 (3039.22) |
| OTHERS | | | 5804.32 (4348.02) | | 1017.21 (1040.41) | | 606.31 (1017.21) | | 11788.94 (11128.39) |
| | | | 16935.43 (22456.43) | | 1586.95 (1894.59) | | 1026.47 (1586.95) | | 32329.99 (46540.34) |



8. Particulars of small-scale industries have been furnished to the extent such parties have been identified on the basis of information available with the Company. The name of small scale industries to whom the Company owes any sum which is outstanding as on 31st March 2006 for more than 30 days are :-

| | | |
|-----------------------------------|---------------------------------|-------------------------------------|
| 4R HEALTH CARE PRODUCTS | Hi tech packers | PLASTIC PACKAGING INDUSTRIES |
| A N Products | INTERLABELS INDUSTRIES P LTD | Prakash Printers & Stationers |
| ABHIMANYU CONTAINERS | JAINEX INDIA | PRECISE LABORATORIES PVT LTD |
| ABHINAV PRINTING & PACKAGINGS | JASMER PACKERS PVT LTD | PREM INDUSTRIES |
| ADCHEM INDUSTR | Jiwan Plasto Moulds Pvt Ltd | PRINT & PUBLIC |
| AGARWAL POLYSACKS LTD. | JYOT OVERSEAS PVT. LTD. | PRINTEX CENTRE |
| AGI glaspac | KAMET PLASTICS PVT LTD | PRINT-N-WRAP |
| AJANTA PACKAGING | KRISHNA INDUSTRIES | PROCESS INSTRUMENTATION AND CONTROL |
| AJAY & COMPANY | KRISHNA PRINTERS | PROTECH ENGG INDUSTRIES PVT |
| AMITA POLYMERS PVT LTD | KUSH PRINTS PVT. LTD. | PSN CHEMICALS |
| ANIPRA CHEMICALS PVT LTD | MAGADH PLAS PVT LTD | RELIPLAST PVT. LTD. |
| Baya Traders | MAGNESIUM PRODUCTS PVT LTD | RESPONSIVE INDUSTRIES |
| BHARAT RUBBER WORKS | MAHABIR INDUSTRIES | RSG Packagings Pvt. Ltd. |
| BHARGAVA POLY PACKS | Mandagini Agencies | S A PACKAGING PVT LTD |
| BURMAN LABORATORIES P LIMITED | MAXCARE LABORATORIES LIMITED | Sai Packaging Co. |
| CARE MARKETING CO PVT LTD | MC PACKAGING P | SATISH ENTERPRISES |
| CLASSIC BOTTLE CAPS PVT.LTD. | MEGA PACKAGES | SEA-SHELL CHEMICALS PVT LTD |
| COMPACT ENTERPRISES INDIA PVT LTD | MEGA PACKERS | SHEEL PACKAGING PVT LTD |
| CONTINENTAL CROWNS AND CLOSURES | MERLIN PRINTER | SHIVA TRADING COMPANY |
| DEVENDRA COTTAGE INDUSTRIES | MORISHA ENTERP | Shivam Safety Industries |
| DOLSUN CONTAINERS PVT. LTD. | N.K. GOSSAIN & | SHREE NATH PRINTERS |
| DOMINO PRINTECH INDIA PVT LTD | NATURALLE HEALTH PRODUCTS P LTD | SPECIAL AIR GASES |
| DYNAMIC STICKER INDUSTRIES | Nav Bharat Enterprises | SPECIALITY VALVES |
| ECHEL ENGG. COMPONENTS | NEW GAURAV PRINTERS | SUDHA RASAYAN |
| Elson Colour containers | NEW SAMUDRA ART CENTRES | SUNSHINE POLYMERS PVT LTD |
| Empire Multipack P Ltd | NIKITA PLAST (UNIT III) | SVAR PLASTICS PVT LTD |
| EVEREST CONTAINERS PVT.LTD | NIRANJAN CONTAINERS P LTD | TAURUS PACKAGING PVT.LTD |
| FARIDABAD PLASTICS | NORTHERN AROMATICS LTD, BADD | V P POLY UDYOG |
| FIRMENICH AROMATICS (INDIA) | Om Packaging | VARAHI PLASTICS PVT LTD |
| G S Engineering Works | ORGACHEMIE AGENCIES | VIMONI (INDIA) PVT LTD |
| GREEN VALLEY PRODUCTS P LTD | P.M.C.MACHINES P. LTD. | VIPUL PLASTICS |
| H B D PACKAGING PVT LTD | PACWEL PLASTICS PRIVATE LIMITED | WALIA RUBBER STAMPS |
| H S ENTERPRISES | PENGUIN PLASTI | WINDSOR PACKAGING PVT LTD |

9. Particulars of Balances with Non-Scheduled Banks:

| Current year: | | Balance as on | Maximum Balance |
|-----------------------|--------------------------------|---------------|-----------------|
| | | 31.03.2006 | during the year |
| ii. | In Current Account | | |
| | Barclays Bank, London | 61.32 | 141.67 |
| b) | In Postal Savings Bank Account | 0.95 | 0.95 |
| Previous year: | | Balance as on | Maximum Balance |
| | | 31.03.2005 | during the year |
| | In Current Account | | |
| a) | Barclays Bank, London | 49.73 | 114.41 |
| b) | In Postal Savings Bank Account | 0.95 | 0.95 |



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

11.A. Related party Disclosures

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

(a) Name of related party and nature of related party relationship where control exists:

(i) Subsidiaries

| | |
|-------------------------------|------------------------------|
| Dabur Foods Ltd. | (Domestic Subsidiary) |
| Pasadena Foods Ltd | (Domestic Subsidiary) |
| Balsara Hygiene Products Ltd | (Domestic Subsidiary) |
| Balsara Home Products Ltd | (Domestic Subsidiary) |
| Besta Cosmetics Ltd | (Domestic Subsidiary) |
| Asian Consumercare Pvt Ltd | (Foreign Subsidiary Company) |
| Dabur Nepal Pvt. Ltd. | (Foreign Subsidiary Company) |
| Dabur Egypt Ltd. | (Foreign Subsidiary Company) |
| Dabur Overseas Ltd | (Foreign Subsidiary Company) |
| Dabur International Ltd. | (Foreign Subsidiary Company) |
| Weikfield International (UAE) | (Foreign Subsidiary Company) |
| African Consumercare Limited | (Foreign Subsidiary Company) |

[b] Other related parties in transaction with the company :

[i] Joint Ventures/ Joint Venture Partners

Green Valley Products Pvt. Ltd. (upto 08.11.2005)

(ii) Key management personnel

(whole time directors)

a) Pradip Burman

Relatives of Key

Management

personnel

R C Burman
Chetan Burman

b) Amit Burman
(upto 30.04.2005)

Asha Burman

c) P. D. Narang

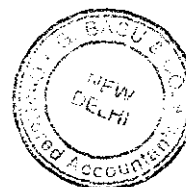
e) Sunil Duggal

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

1. Welltime Housing and Finance Pvt. Ltd
2. Miracle Commercial Enterprises Pvt Ltd
3. Wakarusa Laboratories Pvt Ltd
4. Jetways Travels Pvt Ltd

[iv] An Enterprise owned by any Director (KMP) of Dabur India Limited:

1. Welltime Housing and Finance Pvt. Ltd.



11 B. Transactions with related parties

| TRANSACTION | SUBSIDIARY | FELLOW | ASSOCIATES | KEY | RELATIVES | TOTAL | OUTSTANDING |
|--------------------------------------|------------|--------------|------------|------------|------------|-----------|-------------|
| | | SUBSIDIARIES | | MANAGEMENT | OF KEY | | AS ON |
| | | | | PERSONNEL | MANAGEMENT | | 31.03.2006 |
| | | | | | PERSONNEL | | |
| Purchases of Goods | 248.68 | 5986.22 | 0.00 | 0.00 | 0.00 | 6234.9 | 506.24 |
| | (96.45) | (5706.00) | (0) | (0.00) | (0.00) | (5802.45) | (93.53) |
| Sale of Goods | 371.35 | 907.85 | 0.00 | 0.00 | 0.00 | 1279.20 | 298.30 |
| | (820.36) | (718.08) | (0.00) | (0.00) | (0.00) | (1538.44) | (686.22) |
| Sale of Assets | 0.00 | 0.00 | 0.00 | 6.47 | 0.00 | 6.47 | 0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Sale of Investments | 2185.37 | 0.00 | 0.00 | 0.00 | 0.00 | 2185.37 | 0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Receiving of Services | 0.00 | 0.00 | 180.00 | 0.00 | 0.00 | 180 | 0.00 |
| | (0.00) | (0.00) | (159.75) | (0.00) | (0.00) | (159.75) | (2.57) |
| Loans Given | 4025.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4025.00 | 3082.50 |
| | (0.00) | (0.00) | (0) | (0.00) | (0.00) | (0) | (0.00) |
| Rent Paid | 0.00 | 0.00 | 6.00 | 0.00 | 0.00 | 6.00 | 0.00 |
| | (0.00) | (0.00) | (6.00) | (0.00) | (0.00) | (6.00) | (0.00) |
| Interest Recd On Loans Given | 8.75 | 0.00 | 0.00 | 0.00 | 0.00 | 8.75 | 0.00 |
| | (0.00) | (0.00) | (0) | (0.00) | (0.00) | (0.00) | (0.00) |
| Share Application Money | 2178.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2178 | 0.00 |
| | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Remuneration/Exg./Pension | 0.00 | 0.00 | 0.00 | 340.71 | 125.98 | 466.69 | 0.00 |
| | (0.00) | (0.00) | (0.00) | (472.65) | (169.01) | (641.66) | (0.00) |
| Repayment of Loans Given(Instl.Recd) | 1025.00 | 0.00 | 3.50 | 0.00 | 0.00 | 1028.50 | 0.00 |
| | (0.00) | (0.00) | (0) | (0.00) | (0.00) | (0) | (0.00) |
| Employee Stock Option Scheme | 90.74 | 0.43 | 0.00 | 278.50 | 0.00 | 369.67 | (0.00) |
| | (0.00) | (0.00) | (0.00) | (195.91) | (0.00) | (0.00) | (0.00) |
| Guarantees & collaterals given | 3750.00 | 3365.00 | 0.00 | 0.00 | 0.00 | 7115 | 7115 |
| | (4614.38) | (1883.13) | (0.00) | (0.00) | (0.00) | (6497.50) | (6497.50) |
| Dividend Recd. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (159.36) | (0.00) | (0.00) | (0.00) | (0.00) | (159.36) | (0.00) |
| Royalty Received | 0.00 | 26.36 | 0.00 | 0.00 | 0.00 | 26.36 | 57.26 |
| | (207.75) | (46.87) | (0.00) | (0.00) | (0.00) | (254.62) | (171.66) |

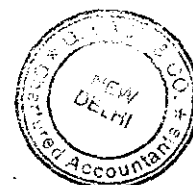
(Figures in brackets are of previous year]

The amounts or appropriate proportions of outstanding items pertaining to related parties at the balance sheet date and provisions for doubtful debts due from such parties at that date – nil (previous year nil)

Amounts written off or written back in the year in respect of debts due from or to related to parties nil (previous year nil).

12 Exchange loss works out to Rs 80.43 (Previous Year Rs.58.05) net of gain which has been charged to Profit & Loss Account.

13 Information (to the extent applicable) pursuant to AS 19 issued by ICAI
The future minimum lease payment under non-cancelable operating lease :-
(i) Not later than 1 year 9.60
(ii) Later than 1 year not later than 5 year 8.10
(iii) Later than 5 year Nil



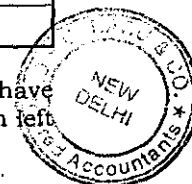
- 14 The treatment of share issue expenses has been changed during the year by way of charging the same in revenue as against former practice of amortizing same equally over 10 years. This reduced the profit of the year by Rs. 43.87.
- 15 Sundry Creditors include Rs.75.13 (previous year nil) being dues to subsidiaries.
- 16 Earnings per Share has been computed as under:

| | 2005-2006 | 2004-2005 |
|--|-----------------|-----------------|
| Profit after Tax | 18908.37 | 14801.99 |
| Less Provision for Taxation for earlier year written off | | 5.30 |
| Add Provision for Taxation for earlier year written back | 7.62 | |
| | 18915.99 | 14796.69 |
| Weighted average number of shares outstanding | | |
| Basic | 573149195 | 572839426 |
| Diluted | 577524999 | 575809845 |
| Earning per Share (face value Re. 1 per share) | | |
| Basic | 3.30 | 2.58 |
| Diluted | 3.27 | 2.57 |

- 17 Information pursuant to AS 24 on discontinued operations:

| Particulars | Hair Oil | MSY Unit | Daburgram Unit |
|---|-----------|-----------|----------------|
| | Baddi | Baddi | |
| 1 Discontinued since | March, 04 | Nov, 2000 | July, 2003 |
| 2 Segment the operation of the Unit relates to in financial statement | FMCG | FMCG | FMCG |
| 3 Carrying amount of total assets | 33.37 | 28.35 | 44.27 |
| | (33.37) | (28.35) | (44.27) |
| 4 Carrying amount of total liabilities | 4.21 | 0.01 | 0.32 |
| | (4.21) | (0.01) | (0.32) |
| 5 Profit from ordinary activities | 0 | 0 | 0.00 |
| | (-5.3) | (-1.79) | (0.00) |
| 6 Income Tax expenses | 0.00 | 0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) |
| 7 Gain on disposal of assets | 0.00 | 0.00 | 0.00 |
| | (-0.01) | (0.00) | (0.00) |
| 8 Cash flow from discontinued operations: | | | 0 |
| Operating activities | 0 | 0 | 0 |
| | (-71.46) | (-0.47) | (-3.97) |
| Investing Activities | 0.00 | 0.00 | 0.00 |
| | (24.14) | (0.00) | (0.00) |
| Financial Activities | 0.00 | 0.00 | 0.00 |
| | (0.00) | (0.00) | (0.00) |

- Note : 1. Figures in brackets are for previous year.
2. Part of fixed assets belonging to discontinued operations under reference have been used for new plants set up in relevant premises. Such assets have been left out of the purview of '3' above



INFORMATION PURSUANT TO AS - 17 ISSUED BY ICAI.

NOTE 18

| | FMCG | | OTHERS | | Dabur India LTD. * | |
|--|----------------|-----------------|----------------|-----------------|--------------------|-----------------|
| | Current Period | Previous Period | Current Period | Previous Period | Current Period | Previous Period |
| REVENUE | | | | | | |
| External Sales | 133406 | 122541 | 3562 | 4331 | 136968 | 126872 |
| Inter-segment sales | | | | | | |
| Total Revenue | 133406 | 122541 | 3562 | 4331 | 136968 | 126872 |
| RESULT | | | | | | |
| Segment result | 21478 | 16405 | 523 | 527 | 22001 | 16932 |
| Unallocated corporate expenses | | | | | | |
| Operating profit | 21478 | 16405 | 523 | 527 | 22001 | 16932 |
| Interest expense (Net Of Interest Income) | 551 | 415 | 15 | 15 | 566 | 430 |
| Interest income | | | | | | |
| Income Tax(Current + Deferred+FBT) | | | | | 2578 | 1700 |
| Profit from ordinary activities | 20927 | 15990 | 508 | 512 | 18857 | 14802 |
| Exceptional Item {Profit/(loss) on Long Term Trade Investment} | | | | | 51 | |
| Net profit | 20927 | 15990 | 508 | 512 | 18908 | 14802 |
| OTHER INFORMATION | | | | | | |
| Segment assets | 70630 | 67377 | 844 | 1164 | 71474 | 68541 |
| Unallocated corporate assets | | | | | 4354 | 2910 |
| Total assets | 70630 | 67377 | 844 | 1164 | 75828 | 71451 |
| Segment liabilities | 29826 | 35121 | 149 | 187 | 29975 | 35308 |
| Unallocated corporate liabilities | | | | | 4353 | 2913 |
| Total liabilities | 29826 | 35121 | 149 | 187 | 34328 | 38226 |
| Capital expenditure | 2944 | 5316 | | | 2944 | 5316 |
| Depreciation | 1858 | 1656 | 46 | 54 | 1904 | 1710 |
| Non-cash expenses other than depreciation | | | | | 3741 | 515 |

SECONDARY SEGMENT

As the company also exports, the secondary segment for the company is based on the location of customers's. Out of the total sales of Rs.136968 (Rs. 126872) , the export sales is of Rs.4514 (Rs. 4848) and domestic sale is 132454 (Rs. 122024)



19 Extraordinary items represents :

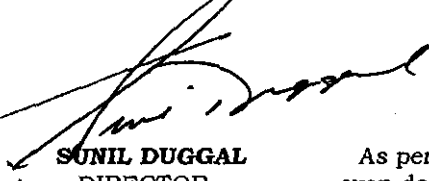
| | |
|---|-------------|
| Profit on Sale of Long Term Trade Investments in Subsidiaries | Rs. 1325.25 |
| Loss on sale of Long Term Trade Investments | Rs. 1274.05 |
| Net profit/(loss) on Sale of Long Term Trade Investment | Rs. 51.20 |

- 20 a. Pension to relative of deceased director Rs.31.50(previous year Rs.7.87)
b. Pension of retired director Rs.68.24 (previous year Rs.17.06)
- 21 Dividend paid and proposed dividend are not subject to deduction of income tax source.
- 22 Figures for the previous year have been rearranged/regrouped as and where necessary in terms of current year's grouping.

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



V.C. BURMAN
CHAIRMAN


P.D. NARANG
DIRECTOR


SUNIL DUGGAL
DIRECTOR

As per our report of
even date attached
for **G.BASU & CO**


S.LAHIRI
PARTNER


A K JAIN
ADDL G.M.(FINANCE) CUM COMPANY SECRETARY

Place : NEW DELHI
Date : 25th April 2006



I. Registration Details

Registration No 7908 State Code : 55

Balance Sheet Date:

| | | |
|------|-------|------|
| 31 | 03 | 2006 |
| Date | Month | Year |

II Capital raised during the year (Amount in Rs thousand)

| | |
|---|--|
| Public Issue | Right Issue |
| Nil | Nil |
| Bonus Issue | Private Placement |
| 286651 | Nil |

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

| | |
|--|--|
| Total Liabilities | Total Assets |
| 7924689 | 7924689 |

Sources of Funds

| | |
|---|--|
| Paid up capital | Reserve & Surplus |
| 573303 | 3905384 |
| Secured Loans | Unsecured Loans |
| 192323 | 13429 |

DEFERRED TAX LIABILITY
167150

Application of Funds

| | |
|--|--|
| Net Fixed Assets | Investments |
| 1988368 | 2750777 |
| Net Current Assets | Misc Expenditure |
| -229478 | 328748 |

DEFERRED TAX ASSETS
13174

IV Performance of Company (Amount in Rs.thousand)

| | |
|---|---|
| Tuover | Total Expenditure |
| 13696829 | 11606778 |
| Profit/(Loss) Before Tax | Profit/(Loss) After Tax |
| 214553 | 1890837 |
| Earning per share in Rs. | Dividend Rate % |
| 3.30 | 250% |

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

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

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

V.C. BURMAN
CHAIRMAN

P.D. NARNAG
DIRECTOR

SUNIL DUGGAL
DIRECTOR

As Per our report of
even date attached
for G. Basu & Co.
CHARTERED ACCOUNTANTS

A.K. JAIN

ADDL. G.M.(FINANCE) CUM COMPANY SECRETARY

S. LAHIRI
PARTNER



PLACE: NEW DELHI
DATE : 25TH APRIL, 2006

SCHEDULE-EB**ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2006****DEFERRED TAX LIABILITES (NET)**

| | AS AT 31 ST MARCH 2006 (Rs. in lacs) | | AS AT 31st MARCH 2005 (Rs. in lacs) | |
|---|---|---------|--|---------|
| DEFERRED TAX LIAIBILITY : | | | | |
| DEPRECIATION | | 1671.50 | | 1277.51 |
| LESS: DEFERRED TAX ASSETS : | | | | |
| VRS PAYMENT | 74.55 | | 6.01 | |
| OTHER DISALLOWANCES UNDER SECTION 43B OF INCOME TAX ACT 1961 | 57.19 | 131.74 | 131.74 | 137.75 |
| | | 1539.76 | | 1139.76 |

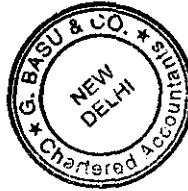


Schedule F Fixed Assets

| Scheme & Fixed Assets | GROSS BLOCK | | | DEPRECIATION BLOCK FOR | | | | NET BLOCK | | |
|----------------------------|---------------------|------------------------|--------------------------------------|------------------------|---------------------|-------------------------|-------------------|---------------------|---------------------|---------------------|
| | AS AT 01.04.2005 | ADDITIONS 2005-2006 | TRANSFER/ ADJUSTMENT 2005-2006 | AS AT 31.03.2006 | UP TO 01.04.2005 | THE PERIOD 2005-2006 | ADJ. 2005-2006 | UP TO 31.03.2006 | AS AT 31.03.2006 | AS AT 31.03.2005 |
| LEASEHOLD LAND | 748.33 | 6.70 | - | 755.03 | 35.80 | 8.79 | - | 44.59 | 710.44 | 712.53 |
| FREEHOLD LAND | 291.38 | 3.64 | 60.73 | 234.29 | - | - | - | - | 234.29 | 291.38 |
| BUILDING, ROADS & CULVERTS | 9,495.14 | 557.72 | - | 10,052.86 | 2,624.41 | 288.15 | - | 2,912.56 | 7,140.30 | 6,870.73 |
| PLANT & MACHINERY | 14,318.11 | 1,527.33 | 1,304.59 | 14,540.85 | 7,231.48 | 933.31 | 772.67 | 7,392.12 | 7,148.73 | 7,086.63 |
| COMPUTER | 2,406.56 | 508.14 | 279.77 | 2,634.93 | 1,701.87 | 246.16 | 268.82 | 1,679.21 | 955.72 | 704.69 |
| VEHICLES | 772.07 | 189.22 | 185.93 | 775.36 | 347.72 | 134.05 | 107.43 | 374.34 | 401.02 | 424.35 |
| FURNITURE FIXTURES | 2,618.58 | 151.28 | 36.86 | 2,733.00 | 1,330.85 | 170.46 | 21.82 | 1,479.49 | 1,253.51 | 1,287.73 |
| PATENTS | 1,095.97 | - | - | 1,095.97 | 239.70 | 123.67 | - | 363.37 | 732.60 | 856.27 |
| LIVESTOCK | 0.22 | - | - | 0.22 | - | - | - | - | 0.22 | 0.22 |
| CAPITAL WORK IN PROGRESS | 926.08 | 1,502.30 | 1,121.52 | 1,306.86 | - | - | - | - | 1,306.86 | 926.08 |
| TOTAL | 32,672.44 | 4,446.33 | 2,989.40 | 34,129.37 | 13,511.83 | 1,904.59 | 1,170.74 | 14,245.69 | 19,883.69 | 19,160.61 |
| PREVIOUS YEAR | 27,450.18 | 9,043.48 | 3,821.22 | 32,672.44 | 11,955.85 | 1,709.92 | 153.94 | 13,511.83 | 19,160.61 | |

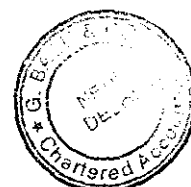
NOTE

Capital work in progress includes advance against capital goods Rs. 1075.84 (previous year Rs. 588.47).



INVESTMENTS

| | | Numbers | As at 31.03.2006 (Rs Lacs) | As at 31.03.2005 (Rs Lacs) |
|-----------|---|--------------------------------|----------------------------------|----------------------------------|
| | CURRENT INVESTMENTS | | | |
| | QUOTED-OTHER THAN TRADE | | | |
| 1 | Alliance Mutual Fund (Purchase during the year) Units 19361076.60 (Sold during the year) Units 19361076.60 | | 0.00 | 0.00 |
| 2 | ABN Mutual Fund (Purchase during the year) Units 54525669.05 (Sold during the year) Units 71784911.1 | (17,259,242.05) | 0.00 | 1,775.00 |
| 3 | Birla Mutual Fund (Purchase during the year) Units 11325215.95 (Sold during the year) Units 11325215.95 | | 0.00 | 0.00 |
| 4 | CHOLA Liquid Fund - Institutional Plus-Growth (Purchase during the year) Units 40193243.81 (Sold during the year) Units 42097339.89 | 6,121,645.75 (8,025,741.82) | 871.00 | 1,080.00 |
| 5 | DSP Mutual Fund (Purchase during the year) Units 5619790.69 (Sold during the year) Units 5519790.69 | 100,000.00 | 1,000.00 | 0.00 |
| 6 | Deutsche Bank Mutual Fund (Purchase during the year) Units 3590135.74 (Sold during the year) Units 3590135.74 | - | 0.00 | 0.00 |
| 7 | HSBC Mutual Fund (Purchase during the year) Units 1663874.52 (Sold during the year) Units 1663874.52 | - | 0.00 | 0.00 |
| 8 | JM Floter Fund- S T P Growth (Purchase during the year) Units 14021759.21 (Sold during the year) Units 14021759.21 | - | 0.00 | 0.00 |
| 9 | Kotak Mahindra Mutual Fund (Purchase during the year) Units 22070258.03 (Sold during the year) Units 9909963.24 | 12,160,294.80 | 1,716.00 | 0.00 |
| 10 | Principal Mutual Fund (Purchase during the year) Units 131782808.67 (Sold during the year) Units 136852376.59 | (5,069,567.91) | 0.00 | 522.00 |
| 11 | Prudential Mutual Fund (Purchase during the year) Units 11673863.38 (Sold during the year) Units 7163385.54 | 4,510,477.84 | 500.00 | 0.00 |
| 12 | Reliance Liquid Fund (Purchase during the year) Units 14965422.50 (Sold during the year) Units 14965422.50 | - | 0.00 | 0.00 |
| 13 | Sahara Mutual Fund (Purchase during the year) Units 22583566.95 (Sold during the year) Units 30979167.65 | (8,395,600.71) | 0.00 | 1,000.00 |
| 14 | SCB Mutual Fund (Purchase during the year) Units 5709112.89 (Sold during the year) Units 5709112.89 | - | 0.00 | 0.00 |
| 15 | Sundram Mutual Fund (Purchase during the year) Units 19160961.65 (Sold during the year) Units 19160961.65 | | 0.00 | 0.00 |
| 16 | TATA Mutual Fund (Purchase during the year) Units 4635609.87 (Sold during the year) Units 4635609.87 | | 0.00 | 0.00 |
| 17 | UTI Mutual Fund (Purchase during the year) Units 246888.06 (Sold during the year) Units 246888.06 | | 0.00 | 0.00 |
| B. | LONG TERM INVESTMENT | | | |
| I) | Quoted-Equity Shares- Other than Trade | | | |



SCHEDULE - G

Annexed to and forming part of the Balance Sheet as at 31st March 2006

INVESTMENTS

| | | Numbers | As at 31.03.2006 (Rs Lacs) | As at 31.03.2005 (Rs Lacs) |
|------|--|---------------|----------------------------------|----------------------------------|
| I) | Dabur Pharma Ltd | 479,400.00 | 4.79 | 4.79 |
| II) | Unquoted Equity Shares - Trade Investments | | | |
| 1 | Sanat Products Ltd | 50,000.00 | 105.00 | 105.00 |
| 2 | Dabon International Pvt Limited (13230000 shares sold during the year) | 270,000.00 | 27.00 | 1,350.00 |
| 3 | Green Valley Products Pvt. Ltd (65000 shares sold during the year) | - | 0.00 | 6.50 |
| III) | Unquoted Equity Shares - Trade Investments in Subsidiary Companies | | | |
| 1 | Dabur Overseas Limited | - | 0.00 | 161.06 |
| 2 | Dabur Nepal Private Limited | - | 0.00 | 699.07 |
| 3 | Dabur Foods Limited (1000000 Shares allotted during the year) | 20,000,000.00 | 2,000.00 | 1,000.00 |
| 4 | Dabur International Limited | 1,000,000.00 | 2,287.50 | 2,287.50 |
| 5 | Balsara Hygiene Products Limited (3862100 Shares purchased during the year) | 3,862,100.00 | 11,650.73 | 0.00 |
| 6 | Balsara Home Products Limited (10000000 Shares allotted during the year and 2290711 shares purchased during the year) (759300 shares held by Balsara Hygeine Products Ltd.) | 12,290,711.00 | 3,404.55 | 0.00 |
| 7 | Besta Cosmetics Limited (431800 Shares purchased during the year) (449000 shares held by Balsara Hygeine Products Ltd) (19200 shares held by Balsara Home products Ltd) | 431,800.00 | 1,790.01 | 0.00 |
| IV) | Unquoted Equity Shares - Other than Trade | | | |
| 1 | Commerce Centre Cooperative Housing Society Limited | 15.00 | 0.02 | 0.02 |
| 2 | Capexil (Agencies) Limited | 3.00 | 0.01 | 0.01 |
| 3 | Dabur Employees Consumers Co-op Stores Limited | 250.00 | 0.03 | 0.03 |
| 4 | Dabur Employees Cooperative Credit Society Ltd | 650.00 | 0.07 | 0.07 |
| 5 | Co-operative Stores Limited, Super Bazar | 500.00 | 0.05 | 0.05 |
| C. | Share Application money Pending Allotment (Subscription of 600000 equity shares of Dabur International Ltd of Pound 1 each at a price of Rs. 363 per share INC) | | 2,178.00 | 17,103.15 |
| | TOTAL | | 27,534.76 | 27,094.25 |
| | LESS PROVISION FOR DIMINUTION IN LONG TERM TRADE INVESTMENT | | 26.99 | 0.00 |
| | TOTAL | | 27,507.77 | 27,094.25 |

NOTES :

| | | |
|--|-----------|-----------|
| Aggregate Book Value of Unquoted Investments | 23,442.97 | 22,712.46 |
| Aggregate Book Value of Quoted Investments | 4,091.79 | 4,381.79 |
| Aggregate Market Value of Quoted Investments (Based on 31st March 2006 Quotes) | 4,342.80 | 4,617.80 |

Notes :

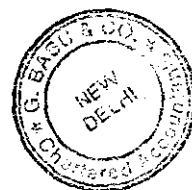
- All Equity shares are fully paid up.
- Provision for diminution in long term trade investment pertains to investment in Dabon International Pvt. Ltd.
- Disclosure of shareholding in subsidiaries/step down subsidiaries is as follows:

| Name of Subsidiaries | % Stake |
|-----------------------------------|--|
| Dabur International Ltd | 100% held by Dabur India Limited |
| Dabur Foods Ltd. | 100% held by Dabur India Limited |
| Pasadensa Foods Ltd | 100% held by Dabur Foods Ltd |
| African Consumercare Ltd | 90% held by Dabur International Ltd |
| Dabur Overseas Ltd | 100% held by Dabur International Ltd |
| Asian Consumer Care Pvt Ltd | 76% held by Dabur International Ltd |
| Besta Cosmetics Ltd | 2.13% held by Balsara Home Products Ltd 49.89% held by Balsara Hygeine Products Ltd 47.98% held by Dabur India Ltd |
| Balsara Hygeine Products Ltd | 99.52% held by Dabur India Ltd |
| Balsara Home Products Ltd | 94.18% held by Dabur India Ltd 5.82% held by Balsara Hygeine Products Ltd |
| Dabur Egypt Ltd. | 24% held by Dabur International Ltd 76% held by Dabur Overseas Ltd |
| Weikfield International (UAE) Ltd | 38.41% held by Dabur International Ltd |
| Dabur Nepal Pvt. Ltd | 97.5% held by Dabur International Ltd |



SCHEDULE-H
ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2006
CURRENT ASSETS, LOANS AND ADVANCES

| | | AS AT 31st MARCH 2006 (Rs. in lacs) | | AS AT 31st MARCH 2005 (Rs. in lacs) | |
|----------------|---|---|------------------|---|------------------|
| A. | CURRENT ASSETS : | | | | |
| | - INVENTORIES | | | | |
| | - RAW MATERIALS | 3,464.00 | | 4,383.16 | |
| | - PACKING MATERIALS, STORES AND SPARES | 2,059.37 | | 1,957.67 | |
| | - STOCK IN PROCESS | 794.39 | | 614.82 | |
| | - FINISHED GOODS | 5,243.14 | | 5,846.92 | |
| | | | 11,560.90 | | 12,802.57 |
| | SUNDRY DEBTORS (UNSECURED) : | | | | |
| | - DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS : | | | | |
| | CONSIDERED GOOD | 23.62 | | 219.51 | |
| | CONSIDERED DOUBTFUL | 119.89 | | 11.98 | |
| | | 143.51 | | 231.49 | |
| | | 119.89 | | 11.98 | |
| | LESS : PROVISION FOR DOUBTFUL DEBTS | 23.62 | | 219.51 | |
| | | 2,670.63 | 2,694.25 | 4,708.76 | 4,928.27 |
| | - OTHER DEBTS (CONSIDERED GOOD) | | | | |
| | CASH AND BANK BALANCES : | | | | |
| | - CASH IN HAND | 28.63 | | 18.90 | |
| | - BALANCES WITH SCHEDULED BANKS | | | | |
| | IN CURRENT ACCOUNTS (INCLUDES RS. 121.19 IN UNPAID DIVIDEND ACCOUNT ; PREVIOUS YEAR RS. 96.49) | 3,661.55 | | 950.23 | |
| | IN FIXED DEPOSIT ACCOUNTS | 49.71 | | 38.09 | |
| | (PLEGDED WITH GOVERNMENT AUTHORITIES RS 10 PREVIOUS YEAR RS. 10) | | | | |
| | - BALANCE WITH NON SCHEDULED BANKS | | | | |
| | IN CURRENT ACCOUNTS | 61.32 | | 49.73 | |
| | IN FIXED DEPOSIT ACCOUNTS | | | | |
| | - POSTAL SAVINGS BANK ACCOUNTS (DEPOSITED WITH EXCISE AUTHORITY) | 0.95 | | 0.95 | |
| | - REMITTANCE IN TRANSIT & CHEQUES IN HAND | 2.25 | 3,804.41 | 7.48 | 1,065.38 |
| | | | 18,059.56 | | 18,796.22 |
| B. | LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD, UNLESS STATED OTHERWISE) | | | | |
| | LOANS & ADVANCES TO SUBSIDIARIES | 3,000.00 | | - | |
| | SECURITY DEPOSIT WITH VARIOUS AUTHORITIES (INCLUDING DEPOSIT WITH GOVT. AUTHORITIES RS. 264.54 PREVIOUS YEAR RS. 435.89) | 758.39 | | 901.04 | |
| | ADVANCE PAYMENT OF TAX | 4,353.53 | | 2,910.44 | |
| | ADVANCES TO SUPPLIERS (INCLUDING DUE FROM SUBSIDIARIES Rs. 142.14 PREVIOUS YEAR Rs. 72.64) | 1,326.52 | | 847.15 | |
| | ADVANCES TO EMPLOYEES | 158.16 | | 170.53 | |
| | BALANCE WITH EXCISE AUTHORITIES | 434.39 | | 990.91 | |
| | OTHER ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED | 345.67 | | 580.89 | |
| | | | 10,376.66 | | 6,400.96 |
| | TOTAL (A+B) | | 28,436.22 | | 25,197.18 |
| NOTES : | | | | | |
| | 1. In the opinion of Board, the Current Assets, Loans and Advances have realizable value at least equal to the amount at which they are stated. | | | | |
| | 2. LOANS AND ADVANCES | | | | |
| A. | DEBTS DUE FROM DIRECTOR/OFFICER OF THE COMPANY | | 0.00 | | 0.00 |
| B. | MAXIMUM AMOUNT DUE FROM DIRECTOR/OFFICE OF THE COMPANY AT ANY TIME DURING THE YEAR | | 0.00 | | 0.00 |
| | 3. ADDITIONAL DISCLOSURE AS PER CLAUSE 32 OF LISTING AGREEMENT | | | | |
| A) | LOANS AND ADVANCES TO SUBSIDIARIES | | | | |
| | DABUR FOODS LTD; AMOUNT OUTSTANDING | | 300.00 | | 0.00 |
| | MAXIMUM OUTSTANDING DURING THE YEAR | | 300.00 | | 0.00 |
| | DABUR INTERNATIONAL LTD; AMOUNT OUTSTANDING | | 2,700.00 | | 0.00 |
| | MAXIMUM OUTSTANDING DURING THE YEAR | | 2,700.00 | | 0.00 |
| | BALSARA HOME PRODUCERS LTD | | 0.00 | | 0.00 |
| | MAXIMUM OUTSTANDING DURING THE YEAR | | 500.00 | | 0.00 |
| B) | LOANS AND ADVANCES TO ASSOCIATES | | 0.00 | | 0.00 |



SCHEDULE - 1A

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2006

MISCELLANEOUS EXPENDITURE

(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

| | AS AT 31 ST MARCH 2006 (Rs. in lacs) | | AS AT 31st MARCH 2005 (Rs. in lacs) | |
|---|---|----------------|--|---------------|
| TECHNICAL KNOWHOW FEES PAID | 65.62 | 46.87 | 84.37 | 65.62 |
| LESS: AMORTISED DURING THE YEAR | 18.75 | | 18.75 | |
| DEFERRED EMPLOYEE COMPENSATION UNDER ESOP | | 3240.61 | | 515.42 |
| OPENING BALANCE | 515.42 | | 575.33 | |
| ADDITION DURING THE YEAR | 3503.78 | | 279.03 | |
| LESS: CANCELLED DURING THE YEAR | 1.43 | | 0.00 | |
| | 4017.77 | | 854.36 | |
| LESS: AMORTISED RELATED TO SUBSIDIARY | 91.17 | 3240.61 | | 515.42 |
| LESS: AMORTISED DURING THE YEAR | 685.99 | | 338.94 | |
| | | | | |
| TOTAL | | 3287.48 | | 581.04 |

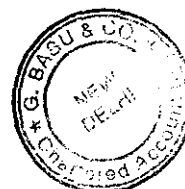


SCHEDULE - IB

ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS FOR YEAR ENDED 31ST MARCH 2006

MISCELLANEOUS EXPENDITURE WRITTEN OFF

| | FOR THE YEAR ENDED 31ST MARCH 2006 (Rs. in Lacs) | | FOR THE YEAR ENDED 31ST MARCH 2005 (Rs. in Lacs) | |
|--|---|---------------|---|---------------|
| TECHNICAL KNOWHOW FEES PAID | | 18.75 | | 18.75 |
| DEFERRED EMPLOYEE COMPENSATION UNDER ESOP | 685.99 | | 326.49 | |
| LESS: TRANSFERRED TO DIRECTOR REMUNERATION | <u>278.50</u> | 407.49 | <u>195.91</u> | 130.58 |
| TOTAL | | 426.24 | | 149.33 |



SCHEDULE - J**ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH 2006****SALES AND OTHER INCOME**

| | FOR THE YEAR ENDED 31ST MARCH 2006 (Rs. in lacs) | FOR THE YEAR ENDED 31ST MARCH 2005 (Rs. in lacs) |
|---|--|--|
| A. SALES : | | |
| DOMESTIC SALES LESS RETURNS | 132,454.64 | 122,023.32 |
| EXPORT SALES | 4,513.65 | 4,848.19 |
| | 136,968.29 | 126,871.51 |
| B. OTHER INCOME : | | |
| EXPORT SUBSIDY | 48.06 | 44.65 |
| RENT REALISED | 13.46 | 19.27 |
| (TAX DEDUCTED AT SOURCE RS.NIL PREVIOUS YEAR RS. NIL) | | |
| SALE OF SCRAP | 196.78 | 187.59 |
| DIVIDEND FROM SUBSIDIARY COMPANIES (FROM LONG TERM TRADE INVESTMENT) | - | 159.63 |
| (TAX DEDUCTED AT SOURCE RSNIL PREVIOUS YEAR RS. 7.98) | | |
| OTHER DIVIDEND - (FROM LONG TERM INVESTMENT OTHER THAN TRADE INVESTMENTS) | 0.48 | 0.50 |
| (TAX DEDUCTED AT SOURCE RS.NIL PREVIOUS YEAR RS NIL) | | |
| ROYALTY | 26.36 | 254.62 |
| (TAX DEDUCTED AT SOURCE RS.NIL PREVIOUS YEAR RS. 14.22) | | |
| MISCELLANEOUS RECEIPTS | 84.46 | 76.68 |
| PROFIT ON SALE OF LONG TERM INVESTMENT | - | 10.41 |
| PROFIT ON SALE OF CURRENT INVESTMENTS- OTHER THAN TRADE (NET OF LOSS OF RS. 1274.05 PREVIOUS YEAR RS. NIL) | 96.09 | 396.97 |
| PROFIT ON SALE OF FIXED ASSETS | 69.33 | - |
| (NET OF LOSS OF RS. 366.92 PREVIOUS YEAR RS. NIL) | | |
| (INCLUDING CAPITAL PROFIT OF RS. 19.27) | | |
| PREVIOUS YEAR RS. NIL) | | |
| | 535.02 | 1,150.32 |
| Notes : | | |
| 1. Dividend from Current Investments | 0.48 | 0.50 |
| 2. Dividend from Long Term Investments | 0.00 | 159.63 |

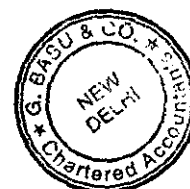


SCHEDULE - K

ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2006

COST OF MATERIALS

| | | FOR THE YEAR ENDED 31ST MARCH 2006 (Rs. in lacs) | | FOR THE YEAR ENDED 31ST MARCH 2005 (Rs. in lacs) |
|---|-----------|---|-----------|---|
| RAW MATERIALS CONSUMED : | | | | |
| i) OPENING STOCK | 4,383.16 | | 4,257.19 | |
| ii) ADD : PURCHASES | 25,015.34 | | 22,388.50 | |
| | 29,398.50 | | 26,645.69 | |
| iii) LESS : CLOSING STOCK | 3,464.00 | 25,934.50 | 4,383.16 | 22,262.53 |
| PACKING MATERIALS CONSUMED : | | | | |
| i) OPENING STOCK | 1,491.43 | | 793.12 | |
| ii) ADD : PURCHASES | 14,454.12 | | 11,140.25 | |
| | 15,945.55 | | 11,933.37 | |
| iii) LESS : CLOSING STOCK | 1,728.47 | 14,217.08 | 1,491.43 | 10,441.94 |
| PURCHASE OF FINISHED PRODUCTS | | 16,935.43 | | 22,456.43 |
| ADJUSTMENT OF STOCKS IN PROCESS AND FINISHED GOODS | | | | |
| OPENING STOCK : | | | | |
| STOCK IN PROCESS | 614.82 | | 1,116.98 | |
| FINISHED PRODUCTS | 5,846.92 | | 4,549.22 | |
| | 6,461.74 | | 5,666.20 | |
| CLOSING STOCK : | | | | |
| STOCK-IN-PROCESS | 794.39 | | 614.82 | |
| FINISHED PRODUCTS | 5,243.14 | | 5,846.92 | |
| | 6,037.53 | | 6,461.74 | |
| INCREASE(-)/DECREASE IN STOCK IN PROCESS AND FINISHED GOODS | | 424.21 | | (795.54) |
| | | 57,511.22 | | 54,365.36 |



SCHEDULE - L**ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2006****MANUFACTURING AND OPERATING EXPENSES**

| | FOR THE YEAR ENDED 31ST MARCH 2006 (Rs. in lacs) | FOR THE YEAR ENDED 31ST MARCH 2005 (Rs. in lacs) |
|--------------------------|---|---|
| POWER AND FUEL | 2,627.96 | 2,169.48 |
| STORES & SPARES CONSUMED | 731.90 | 307.39 |
| REPAIRS & MAINTENANCE | | |
| ----- | | |
| --- BUILDING | 51.12 | 88.19 |
| --- PLANT & MACHINERY | 27.34 | 27.62 |
| --- OTHERS | 252.44 | 279.36 |
| PROCESSING CHARGES | 54.79 | 47.42 |
| | 3,745.55 | 2,919.46 |



SCHEDULE - M

ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2006

PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

| | FOR THE YEAR ENDED 31ST MARCH 2006 (Rs. in lacs) | FOR THE YEAR ENDED 31ST MARCH 2005 (Rs. in lacs) |
|---|--|--|
| SALARIES, WAGES AND BONUS | 6,053.70 | 4,849.68 |
| CONTRIBUTION TO PROVIDENT AND OTHER FUND | 861.31 | 724.90 |
| WORKMEN AND STAFF WELFARE | 2,208.23 | 1,924.07 |
| DIRECTORS' REMUNERATION (INCLUDING PERQUISITES RS. 326.03 PREVIOUS YEAR RS 208.83) | 707.54 | 709.91 |
| | 9,830.78 | 8,208.56 |



SCHEDULE - N

ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2006

SELLING AND ADMINISTRATIVE EXPENSES

| | FOR THE YEAR ENDED 31st MARCH 2006 (Rs. in lacs) | | FOR THE YEAR ENDED 31st MARCH 2005 (Rs. in lacs) | |
|--|--|------------------|--|------------------|
| RENT | | 629.23 | | 506.58 |
| RATES AND TAXES | | 67.76 | | 92.03 |
| INSURANCE | | 192.53 | | 195.97 |
| SALES TAX | | 11,173.54 | | 10,527.22 |
| FREIGHT AND FORWARDING CHARGES | | 4,050.33 | | 3,287.48 |
| COMMISSION, DISCOUNT AND REBATE | | 1,256.61 | | 1,236.78 |
| ADVERTISING AND PUBLICITY | | 15,165.85 | | 17,178.91 |
| TRAVEL & CONVEYANCE | | 1,485.94 | | 1,405.88 |
| LEGAL & PROFESSIONAL | | 687.43 | | 702.26 |
| TELEPHONE, FAX EXPENSES | | 261.11 | | 251.55 |
| SECURITY EXPENSES | | 146.02 | | 136.22 |
| GENERAL EXPENSES | | 3,114.19 | | 3,053.69 |
| DIRECTORS' FEES | | 9.00 | | 6.85 |
| AUDITORS' REMUNERATION: | | | | - |
| - AUDIT FEE | 11.22 | | 9.36 | - |
| - BRANCH AUDITORS' FEE | 7.04 | | 7.23 | - |
| - REIMBURSEMENT OF EXPENSES | 11.55 | | 8.13 | - |
| - PROVIDENT FUND AND CERTIFICATES | 5.85 | 35.66 | 6.07 | 30.79 |
| DONATION | | 320.50 | | 240.98 |
| CONTRIBUTION FOR SCIENTIFIC RESEARCH EXPENSES | | 663.00 | | 540.97 |
| PROVISION FOR DOUBTFUL DEBTS | | 108.36 | | 1.53 |
| LOSS ON SALE OF FIXED ASSETS (NET OF PROFIT Rs NIL PREVIOUS YEAR Rs.10.66) | | - | | 4.18 |
| PROVISION FOR CONTINGENT LIABILITY | | - | | 89.08 |
| PROVISION FOR DIMINUTION IN LONG TERM TRADE INVESTMENT | | 26.99 | | - |
| | | 39,394.05 | | 39,488.95 |
| Notes : | | | | |
| 1. Bad Debts written off due from Related Parties | | 0.00 | | 0.00 |
| 2. Commission, Rebate & Discount includes Commission to Selling Agents | | 367.21 | | 365.85 |



SCHEDULE - O

ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2006

FINANCIAL EXPENSES

| | FOR THE YEAR ENDED 31ST MARCH 2006 (Rs.in lacs) | | FOR THE YEAR ENDED 31ST MARCH 2005 (Rs.in lacs) | |
|--|--|---------------|--|---------------|
| INTEREST PAID ON : ----- | | | | |
| FIXED PERIOD LOAN | 57.34 | | 70.21 | |
| OTHERS (NET OF INT. RECEIVED RS. 6.81; PREVIOUS YEAR RS. 36.48 T.D.S. RS.NIL; PREVIOUS YEAR RS. 6.32 | 247.73 | | 71.31 | |
| | | 305.07 | | 141.52 |
| BANK CHARGES | | 260.80 | | 288.05 |
| | | 565.87 | | 429.57 |



SCHEDULE - P

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

Annexed to and forming part of the Accounts for the year ended 31st March 2006.**ACCOUNTING POLICIES & NOTES TO ACCOUNTS****A. ACCOUNTING POLICIES**

Significant accounting policies are summarized below:

1. Accounting Convention:

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

2. Fixed Assets and Depreciation:

- Fixed assets are stated at carrying amount i.e. subject to deduction of accumulated depreciation.
- Cost includes inward freight, duties, and taxes and expenses incidental to acquisition and installation.
- Depreciation on Fixed Assets have been provided on written down value method at rates specified in Schedule XIV of the Companies Act except for Baddi, Katni, 5/1 Unit Sahibabad, Jammu, Rudrapur and Corporate Office, Sahibabad, where depreciation have been provided on straight line methods at the rates specified in the aforesaid Schedule.
- Patents are being amortized over the period of ten years on straight line basis.

3. Impairment of Assets :

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

4. Investments :

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

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

5. Deferred Entitlement on LTC :

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

6. Inventories:

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

- | | |
|---|--|
| • Raw materials, Packing materials, stores & Spares | On FIFO Basis |
| • Work-in-process | At cost of input plus overhead upto the stage of completion. |
| • Finished goods | At cost of input plus appropriate Overhead. |

7. Research and Development Expenses:

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

8. Retirement Benefits:

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

- Leave Salary of employees on the basis of payment advice from Life Insurance Corporation of India from whom Company has taken coverage in this connection.
- Gratuity Liability on the basis of payment advice from Life Insurance Corporation of India from whom the Company's gratuity trust has taken the Group Gratuity Insurance Policy.
- Liability for superannuation fund on the basis of the premium paid to the Life Insurance Corporation of India in respect of employees covered under Superannuation Fund Policy.
- VRS, if paid, is charged to revenue in the year of payment.



9. Recognition of Income and expenses:

- Sales and purchases are accounted for on the basis of passing of title to the goods.
- Sales comprise of sale price of goods including excise duty and sales tax but exclude discount.
- All items of incomes and expenses have been accounted for on accrual basis.

10. Income Tax & Deferred Taxation

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

11. Contingent Liabilities:

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

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

12. Foreign Currency Translation:

- In respect of foreign branches/offices, the company has adopted integral foreign operation approach as per revised AS 11 and accordingly revenue items have been converted at average of month end exchange rates during the year. Fixed assets have been converted at the rates prevailing on dates of purchase. Assets & Liabilities other than fixed assets are converted at the year-end exchange rate. Exchange gain or loss arising out of above is charged to Profit & Loss Account.
- Receivables/payables (excluding for fixed assets) in foreign currencies are translated at the exchange rate ruling at the year end date and the resultant gain or loss, is accounted for in the Profit & Loss Account.
- Capital as well as revenue implication of exchange fluctuation, charged or credited to revenue, are disclosed in notes to accounts.

13. Employee Stock Option Purchase (ESOP):

Aggregate of quantum of option granted under the scheme in monetary term has been shown as Employees Stock Option Scheme outstanding in Reserve and Surplus head of the Balance Sheet by way of debiting deferred Employee Compensation under ESOP as per guideline to the effect issued by SEBI.

14. Miscellaneous Expenditure:

- Technical know-how fee paid to Technical Collaborators upto 31.03.2004 are being amortized equally over a period of six years. Subsequent expenses are charged to revenue in the year of incurrence.
- Deferred Employees Compensation under ESOP are being amortized on straight line basis over vesting year. Employee compensation in respect to option granted to subsidiary company employees is being reimbursed by subsidiary companies to holding company.



B : NOTES TO ACCOUNTS

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

| | <u>As at 31st March 2006</u> | <u>As at 31st March 2005</u> |
|---------------|---|---|
| Cost/Revalued | 6757.63 | 5378.72 |
| Written Down | 4781.37 | 3607.73 |

2. Loans and Advances include Rs.48.64 (Previous year Rs.48.64) paid by the Company to Excise authorities on behalf of Sharda Boiron Laboratories Limited, now known as SBL Limited, in respect of excise duty demand of Rs.68.13 raised by the District Excise Officer, Ghaziabad, against the Company and Sharda Boiron Laboratories Limited. The Hon'ble Supreme Court of India had concurred with the order of the District Excise Officer, Ghaziabad.

The Company had filed the review petition before Division Bench of the Hon'ble Supreme Court of India, which was also decided against the Company. Pursuant to the indemnity bond executed by M/s Sharda Boiron Laboratories Limited in favour of the Company and as per the terms and conditions of the contract executed with them, the recovery proceedings have been initiated by the Company against Sharda Boiron Laboratories Limited for Rs.48.64 by invoking the arbitration clause. The matter is pending before Hon'ble High Court of Delhi for the appointment of an arbitrator. The balance amount of Rs.21.46, along with interest demanded by the Excise Authorities has been paid directly by Sharda Boiron Laboratories Limited to Excise Authorities. During the year 1991-92 the company had received a refund of Rs.5.95, pursuant to the decision of Hon'ble Supreme Court in this regard. Necessary adjustments in respect of recovery/refund will be made as per the arbitration proceedings.

- 3.a. Further to para A(3) above, company has assessed recoverable value of cash generating units (CGUs) based on value-in-use method which for each CGU worked out to much higher than corresponding book value of net fixed assets thereby not warranting further exercise of arriving at their net-selling-price. This further confirmed absence of exigency of making any provision against impairment loss.
- b. CGUs include Narenderpur plant, Sahibabad plant, Baddi plants, Jammu plants and Rudrapur Plant all belonging to FMCG segments.
- c. Annual discount rate considered for arriving at value-in-use of assets of each CGUs is 6.50% i.e the average interest rate of external borrowing plus risk factor @ 2.00 % per annum.

4. Contingent Liabilities:

a) Claims against the company not acknowledged as debts:

- i. In respect of civil suits filed against the company Rs. 235.13 (previous year Rs.251.71)
- ii. In respect of claims by employees Rs.0.50 (previous year Rs 0.50)
- iii. In respect of letters of credit Rs. Nil (previous year Rs.1366.66)
- iv. In respect of Bank Guarantees executed Rs .811.41 (previous year Rs.576.62)
- v. In respect of Sales Tax under appeal Rs.592.65 (previous year Rs.956.69)
- vi. In respect of excise duty disputes pending with various judicial authorities Rs.2798.56 (previous year Rs.2131.93).
- vii. In respect of Corporate Guarantees given by the Company Rs. 14759.72 (previous year Rs.14148.94)
- viii. In respect of Income tax under appeal Rs.173.67 (previous year Rs.326.22)
- ix. Estimated Amount of contract remaining to be executed on capital Account Rs.441.49 (previous year Rs.588.47).



b) Information pursuant to AS 29 issued by ICAI:

- i) During the year, the Company has provided Rs.Nil (previous year Rs.89.08) against disputed liabilities formerly not being accounted for on the ground of contingent liability in respect of amount reliably estimable within the meaning of relevant standards.
- ii) Existing provision referred to in "a" above relates to nil (Rs. 62.64), nil (Rs.26.15) and nil (Rs.0.29) towards liabilities on account of VAT, Sales Tax and Entry Tax respectively to be carried as such at the year end in view of absence of any additional provision therefore during the year.
- iii) Resulting outflows against above liabilities pending before Sales Tax DC/Tribunal/CCT's, if mature, are expected to be in succeeding financial year.
- iv) Provisions are made herein for medium risk oriented issues as a measure of abundant precaution.
- v) Company presumes remote risk possibility of further cash outflow pertaining to contingent liabilities listed in para 4 (a) above.

| | | |
|---|-------------------|-------------------|
| 5A. Expenditure in Foreign Currency | 31-03-2006 | 31-03-2005 |
| - Professional & Consultation Fees | 14.95 | 4.30 |
| - Interest | 13.49 | 25.65 |
| - Salary | 0.00 | 111.55 |
| - Others (Travelling, Conveyance & administration) | 69.72 | 52.09 |
| | 98.16 | 193.59 |
| 5 B. CIF Value of Imports: | | |
| - Raw Materials | 152.95 | 310.75 |
| - Stores & Spares (Including of packing material) | 154.84 | 41.02 |
| - Capital Goods | 130.23 | 75.10 |
| | 438.02 | 261.71 |
| 5 C Earning in Foreign Exchange: | | |
| - Export sales at FOB | 2631.85 | 3682.77 |
| - Royalty/Technical Consultancy | 26.36 | 35.59 |
| - Dividend | 0.00 | 0.00 |
| | 2658.21 | 3718.36 |

