DABUR INDIA LIMITED

Corporate Overview Board & Management Reports Financial Statements

# Independent Auditor's Report

To the Members of Dabur India Limited Report on the Audit of the Standalone Financial Statements

## Opinion

1. We have audited the accompanying standalone financial statements of Dabur India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow, the Statement of Changes in Equity for the year then ended, notes to the standalone financial statements and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

## Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report

## Key audit matter A. Revenue recognition

## How our audit addressed the key audit matter

## Our key procedures included, but were not limited to, the following:

Refer note 34 to the standalone financial statements.

The Revenues of the Company consists primarily of sale of products and is recognized when control of products being sold is transferred to customer and there is no unfulfilled obligation.

Revenue is measured at fair value of the consideration received or receivable and is accounted for net of rebates and trade discounts.

a) Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to rebates and trade discounts by comparing with the applicable accounting standards;

b) Tested the design and operating effectiveness of the general IT control environment and the manual controls for recognition of revenue, calculation of discounts and rebates;

c) Performed test of details:

The estimation of discounts, incentives and rebates recognized, related to sales made during the year, is material and considered to be complex and subject to judgments. The complexity mainly relates to various discounts, incentives and scheme offers, diverse range of market presence and complex contractual agreements/ commercial terms across those markets. Therefore, there is a risk of revenue being misstated as a result of inaccurate estimates of discounts and rebates.

i. Tested, on a sample basis, sales transactions to the underlying supporting documentation which includes goods dispatch notes and shipping documents;

ii. Reviewed, on a sample basis, sales agreements and the underlying contractual terms related to delivery of goods and rebates to assess the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards;

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