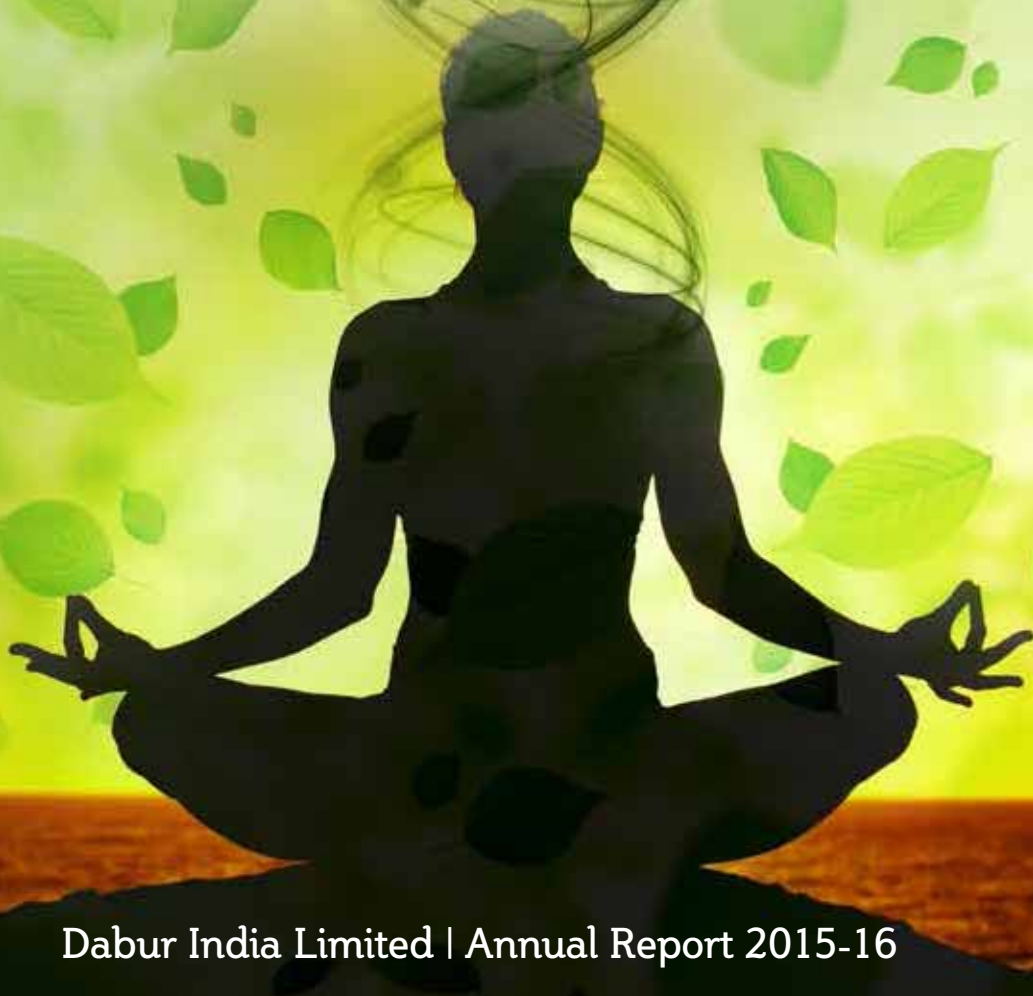




Anchored by Heritage.
Governed by Trust.
Propelled by Science.



Corporate Information



BOARD OF DIRECTORS

| | | |
|----------------------------------|---|--|
| Dr. Anand C. Burman Chairman | Mr. P. D. Narang Whole Time Director | Dr. S. Narayan Director |
| Mr. Amit Burman Vice Chairman | Mr. Sunil Duggal Director & CEO | Dr. Ajay Dua Director |
| Mr. Mohit Burman Director | Mr. P. N. Vijay Director | Mr. Sanjay Kumar Bhattacharyya Director |
| Mr. Saket Burman Director | Mr. R. C. Bhargava Director | Ms. Falguni Sanjay Nayar Director |

VP (FINANCE) & COMPANY SECRETARY

Mr. A. K. Jain

AUDITORS

M/s G. Basu & Co.
Chartered Accountants

INTERNAL AUDITORS

Price Waterhouse & Co.
Bangalore, LLP.

BANKERS

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

CORPORATE OFFICE

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

REGISTERED OFFICE

8/3, Asaf Ali Road,
New Delhi – 110 002, India
Tel.: 011 – 23253488

What's inside

Corporate Overview



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There are not many companies who have roots that are entrenched for over 130 years...

...and yet resonate with today's generation.

There are not many companies who have products that are created with the ancient Indian knowledge of herbs and Ayurveda...

...and are at the forefront of the cutting edge of science.

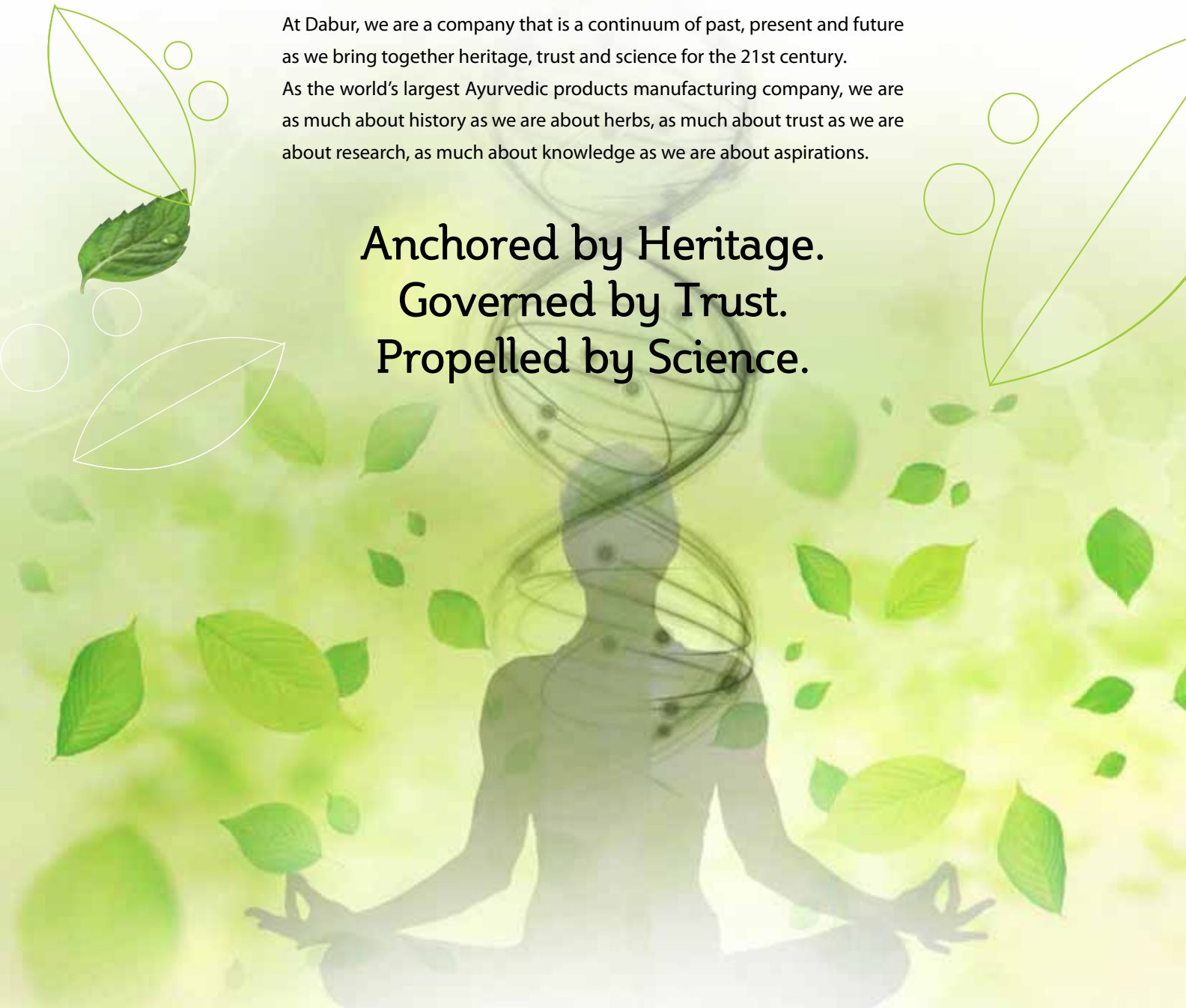
There are not many companies who have maintained an edge over competitors for over a century...

...and are as relevant and contemporary to customers of today.

At Dabur, we are a company that is a continuum of past, present and future as we bring together heritage, trust and science for the 21st century.

As the world's largest Ayurvedic products manufacturing company, we are as much about history as we are about herbs, as much about trust as we are about research, as much about knowledge as we are about aspirations.

**Anchored by Heritage.
Governed by Trust.
Propelled by Science.**





Ayurveda is India's invaluable contribution to the world - a unique knowledge and heritage. It is this priceless and proud heritage that is at the core of Dabur.

Anchored by Heritage

With humble beginnings as an Ayurvedic medicines maker with its origins in the bylanes of Kolkata, Dabur has, over the years, transformed into a transnational FMCG Company. This transformational journey has been propelled and powered by Dabur's rich heritage of Ayurveda and deep knowledge of nature.

Our products are developed with formulations from the original Ayurveda scriptures that date back thousands of years. We have married this traditional knowledge with modern day science, to perfect our products. To ensure authentic ingredients as well as preserve the fast vanishing medicinal plants, we have set up our own greenhouses to nurture these rare herbs and are fast emerging as the bulk herb growers in the country. We have grown and distributed close to 7.5 lakh saplings of rare medicinal herbs to farmers in 2015-16 alone.

This deep-rooted knowledge of Ayurveda, Ayurvedic formulations, natural ingredients and their benefits have helped us procure seven product process patents, including 2 bio-medical patents for Ayurvedic formulations.



2,015

area in acres under cultivation



12

species of rare plants and herbs being cultivated



1,228

number of beneficiaries



750,000

number of saplings distributed to farmers



Governed by Trust

Dabur evokes the feeling of TRUST in its consumers. For the last four years in a row, Dabur has been ranked as the Most Trusted Healthcare and Ayurvedic Brand in India. Such has been the trust endowed on Dabur products that today, our brands are # 1 in seven categories, # 2 in four categories and # 3 in one category.

#1

Honey
Chyawanprash
Air Freshener
Facial Bleach
Packaged Fruit Juice
Toothpowder
Mosquito Repellant
Cream

#2

Baby Massage Oil
Glucose
Hair Oil
Toilet Cleaner

#3

Toothpaste

Our products like Dabur Chyawanprash, Dabur Honey, Real Fruit Juices and Dabur Amla hair oil have been trusted across generations, and are today synonymous with being the best product in the category. This endearing trust of our consumers is a result of our consistently evolving product portfolio to match the changing needs of our consumers, across generations. Dabur products are highly differentiated, providing trusted herbal and natural benefits, made with original ingredients using age-old Ayurvedic formulations - all this, with the stamp of the Dabur Quality and Trust, which makes a combination that is almost unique.

**DABUR NAMED GOOD
CORPORATE CITIZEN OF
THE YEAR, BY PHDCCI**



Propelled by Science

Science-based Ayurveda has been the key differentiator for Dabur in the Indian marketplace. Dabur has been infusing Science into the age-old traditional knowledge to create products that win our consumer's trust.

At Dabur, we have been marrying age-old Ayurvedic heritage and traditions with cutting-edge scientific prowess. Originating nearly 5,000 years ago, the Ayurvedic texts have been researched by Dabur in its quest for natural remedies. Today, its application in modern life has been renewed through the scientific research and validation undertaken at Dabur.

We have a strong in-house research wing that is involved in every step of the product value chain – from bush-to-brand. Through our greenhouse initiative, we grow rare medicinal herbs that are getting extinct. This ensures authentic herbs for our various products. We undertake detailed scientific tests and clinical trials on ingredients as well as final products to ensure that each Dabur product meets the highest standards of quality.

**89**

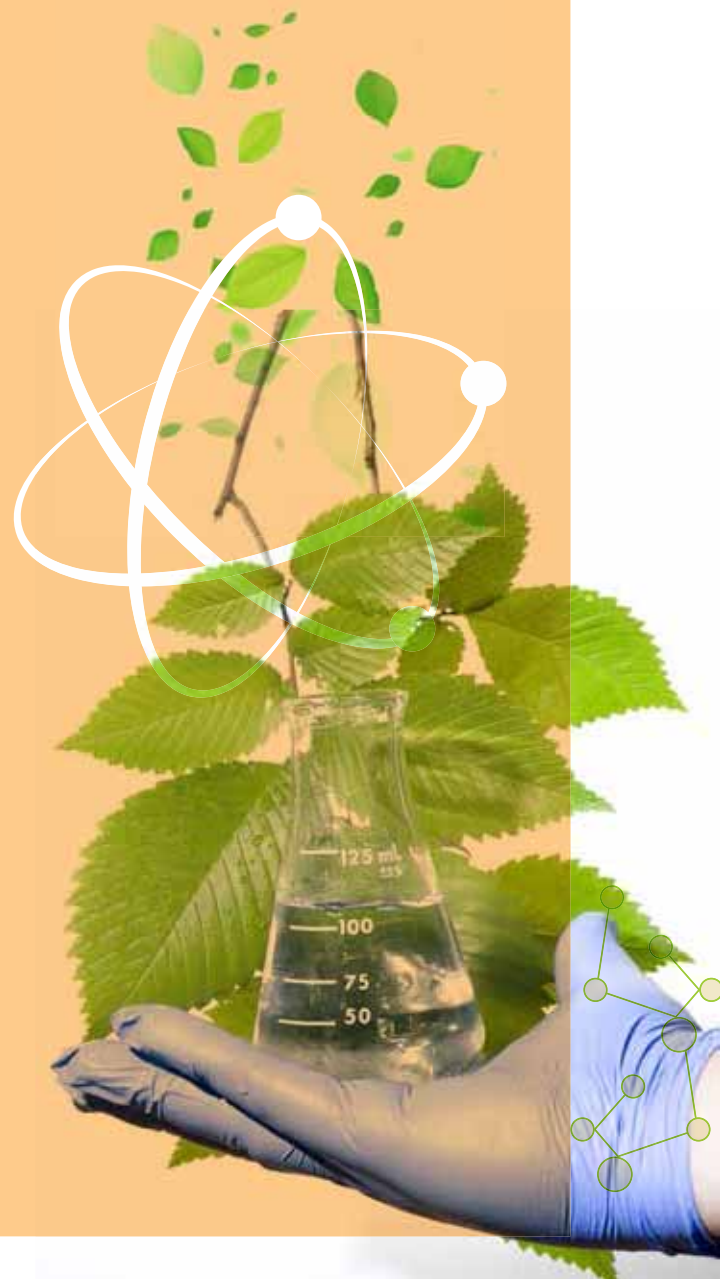
Number of Research Scientists

**44**

New products & variants launched

**14**

Trials conducted



Reaching Out

Consumer activation is a powerful tool to drive trials and repeat purchases for any brand and product.



Consumer activation is a powerful tool to drive trials and repeat purchases for any brand and product. It helps build popularity and gives the consumer an experience that will make them feel a personal connection with not just the brand, but also the company.

At Dabur, we believe that merely leveraging mainstream media is not enough to connect with the consumers. We move beyond the traditional media options like radio, television and cinema, and enter into a direct engagement with the consumer. Special initiatives are planned through the year not only engage the consumer but also give her an opportunity to touch, feel and experience our products.

Dabur has been the pioneer in the area of consumer activations with its participation in religious melas and haats dating back to the 1930s. And these initiatives continue till date. Here's a look at some of the high-decibel consumer activations implemented during 2015-16.



Goonj Retail Activation

Dabur rolled out a mega rural retail initiative Goonj during the year. This retail activation programme covered villages in Uttar Pradesh, Bihar, Madhya Pradesh and Chhattisgarh, where availability of the Dabur range visibility and coverage of retail outlets were improved and specially tailored consumer engagement programmes were implemented.

Under this initiative, consumer engagement programmes were conducted across 2,100 schools and over 3,200 local beauty salons, besides Public Health centres. In addition, over 2,100 activations were conducted for Dabur Amla hair oil alone and product samples distributed to generate trials.



3,800

Number of villages covered



10,00,000

Number of consumers reached



33,870

Number of retail outlets covered





Fem Miss North India Princess

Dabur's facial bleach brand, Fem Fairness Naturals, conducted a mega model hunt Fem Miss North India Princess 2015 that sought to discover new modelling talents from the small towns in North India. This pageant offered young girls across cities of North India a platform to showcase their beauty and also enter the world of mainstream modeling.

The model hunt was conducted across colleges and institutes in North India with the on-ground activation covering Delhi-NCR and cities in Uttar Pradesh, Uttarakhand and Punjab. The 12 finalists, selected after several rounds of shortlisting and auditions, underwent a special grooming programme for 14 days under the guidance of professionals from the fashion and beauty industry, to prepare them for the Grand Finale, which was judged by leading names from the beauty, fashion and entertainment industry.



10

Number of cities covered



100

Number of colleges covered



11,000

Number of Participants

Dabur Red Paste Dant Snan

Dabur spread the message of oral hygiene among millions of devotees congregating at the Nashik Kumbh using a unique Toothpaste dispenser. The first-of-its-kind toothpaste dispensers was installed at nearly 500 homestays, dharamshalas, vishram grihs within a 5-km radius of the mela. The dispensing units carry the message: "Kya aapne dant snan kiya?" (Have you cleansed your mouth) written on them.

On the lines of the liquid soap dispensers found in most 5-Star hotels across the country, these toothpaste dispensers, being the first of its kind, were a big draw among the rural audience and helped generate huge trials for the brand.



500

No. of dwelling units covered



10,000

No. of devotees reached



Kya aapne dant
snan kiya?



10-Year Highlights

in ₹ Crores (except per share data)

| Financial Results: | FY07 [^] | FY08 | FY09 | FY10 | FY11 ^{^^} | FY12 | FY13 | FY14 | FY15 | FY16 |
|-----------------------------------|-------------------|-------|-------|--------|--------------------|--------|--------|--------|--------|--------|
| Net Sales | 2,043 | 2,361 | 2,805 | 3,391 | 4,077 | 5,283 | 6,146 | 7,073 | 7,806 | 8,436 |
| Other Income | 26 | 34 | 47 | 48 | 59 | 80 | 132 | 153 | 179 | 237 |
| EBITDA | 376 | 443 | 517 | 667 | 833 | 948 | 1097 | 1288 | 1474 | 1739 |
| EBITDA Margins (%) | 18.4% | 18.8% | 18.4% | 19.7% | 20.4% | 17.9% | 17.8% | 18.2% | 18.9% | 20.6% |
| Profit Before Tax (PBT) | 319 | 384 | 445 | 601 | 708 | 791 | 953 | 1136 | 1319 | 1557 |
| Taxes | 39 | 52 | 54 | 100 | 139 | 146 | 183 | 219 | 251 | 302 |
| Tax Rate (%) | 12% | 14% | 12% | 17% | 20% | 19% | 19% | 19% | 19% | 19% |
| Profit After Tax (PAT) | 282 | 333 | 391 | 501 | 569 | 645 | 763 | 914 | 1066 | 1253 |
| PAT Margins (%) | 13.8% | 14.1% | 13.9% | 14.8% | 14.0% | 12.2% | 12.4% | 12.9% | 13.7% | 14.8% |
| Financial Position: | | | | | | | | | | |
| Net Fixed Assets (incl. Goodwill) | 379 | 465 | 559 | 677 | 1,531 | 1,668 | 1,674 | 1,789 | 1,927 | 1,995 |
| Current Assets, Loans & Advances | 640 | 774 | 951 | 1106 | 4,160 | 2,315 | 2,689 | 3,056 | 2,731 | 3,291 |
| Current Liabilities & Provisions | 452 | 732 | 805 | 920 | 1,458 | 1,384 | 1,414 | 1,887 | 1,942 | 2,071 |
| Share Capital | 86 | 86 | 87 | 87 | 174 | 174 | 174 | 174 | 176 | 176 |
| Reserves & Surplus | 393 | 531 | 732 | 848 | 1,217 | 1,543 | 1,921 | 2,482 | 3,178 | 3,984 |
| Shareholders Funds | 480 | 618 | 819 | 935 | 1,391 | 1,717 | 2,095 | 2,656 | 3,354 | 4,160 |
| Loan Funds | 160 | 99 | 230 | 179 | 1,051 | 1,069 | 1,151 | 708 | 734 | 791 |
| Equity Share Data | | | | | | | | | | |
| Earnings Per Share | 3.3 | 3.9 | 4.5 | 5.8 | 3.3 | 3.7 | 4.4 | 5.2 | 6.1 | 7.1 |
| Dividend Per Share | 1.40 | 1.50 | 1.75 | 2.00 | 1.15 | 1.30 | 1.50 | 1.75 | 2.00 | 2.25 |
| Book Value per Share (BVPS) | 5.6 | 7.2 | 9.5 | 10.8 | 8.0 | 9.9 | 12.0 | 15.2 | 19.1 | 23.6 |
| No of Shares (In Crs) | 86.3 | 86.4 | 86.5 | 86.9 | 174.1 | 174.2 | 174.3 | 174.4 | 175.7 | 175.9 |
| Share Price (unadjusted) | 95 | 110 | 99 | 159 | 96 | 106 | 137 | 180 | 266 | 250 |
| Market Cap | 8,194 | 9,487 | 8,538 | 13,782 | 16,722 | 18,536 | 23,887 | 31,310 | 46,653 | 43,961 |

[^] Bonus issue of 1:2 during the year

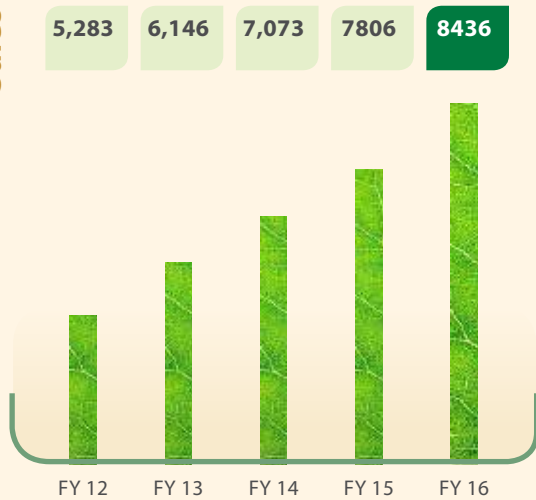
^{^^} Bonus Issue of 1:1 during the year

Share price and market capitalisation as on end of fiscal FY12 onwards, financials as per Revised Schedule VI

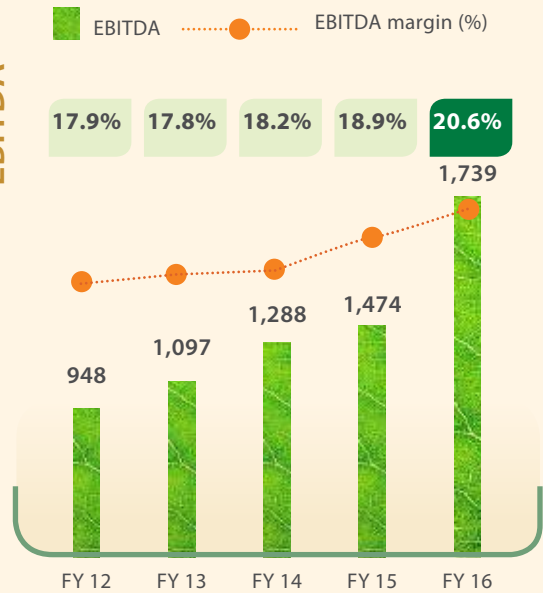
Financial Highlights

All data in INR Crs. except EPS, DPS and Fixed Asset Turnover

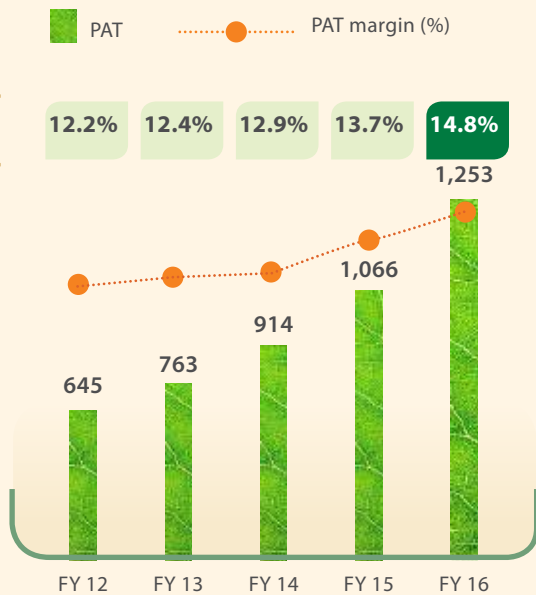
Sales



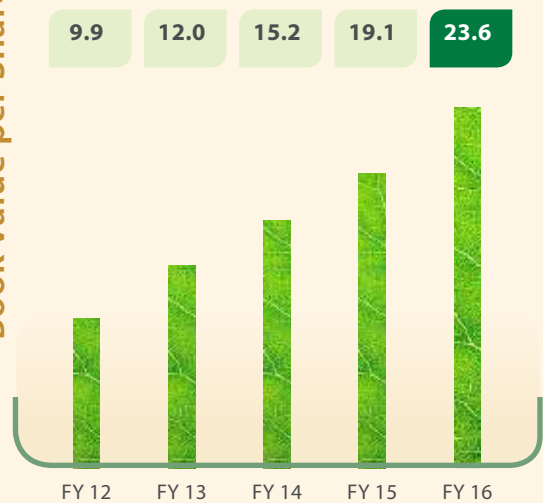
EBITDA



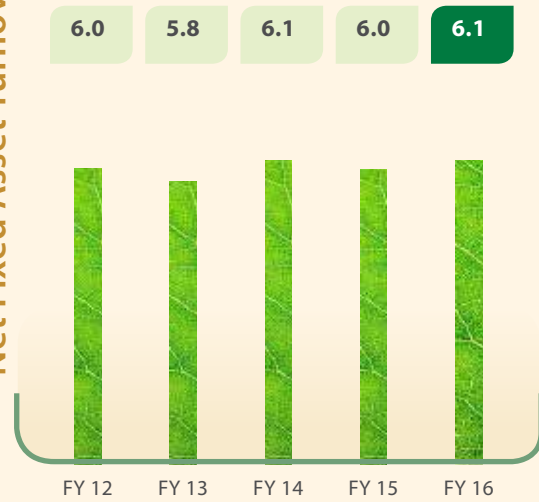
Profit After Tax (PAT)



Book Value per Share

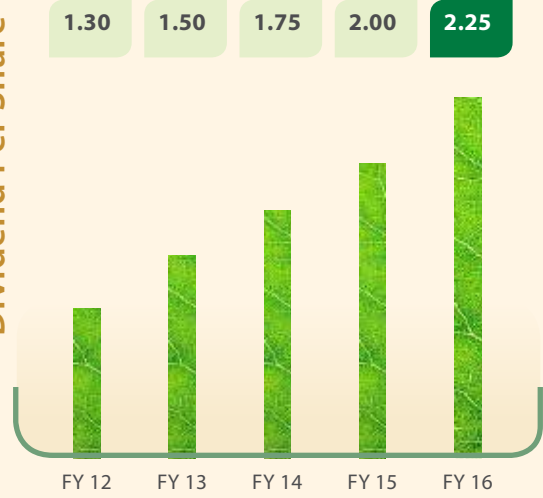


Net Fixed Asset Turnover^

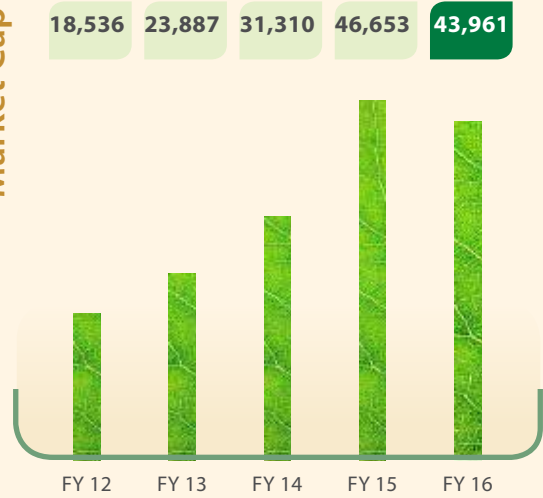


^Net fixed Asset excluding goodwill

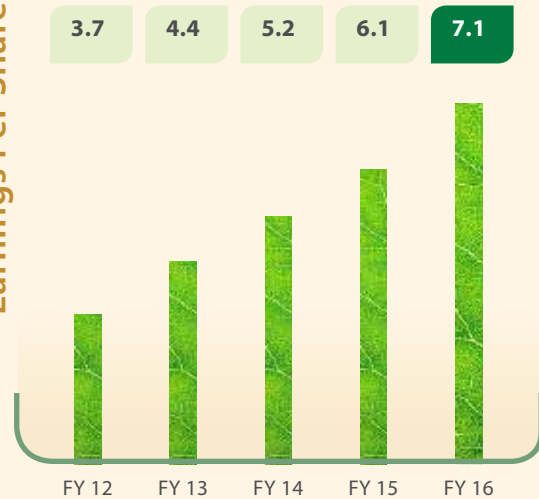
Dividend Per Share



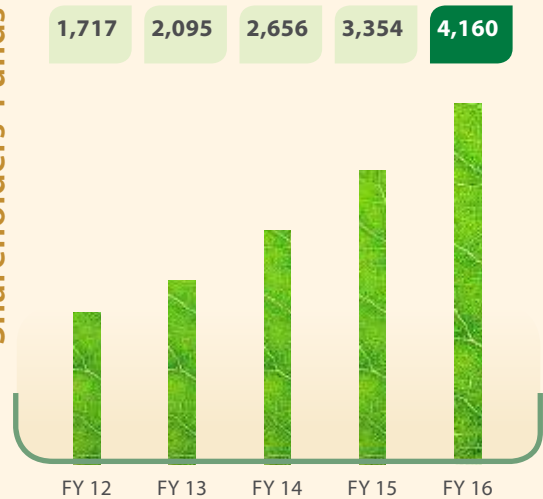
Market Cap



Earnings Per Share



Shareholders' Funds



Chairman's Message

Dear Shareholders

It gives me great pleasure to inform you that Your Company performed well during 2015-16 with steady growth in its revenues and profitability.

The year was marked by a further slow-down in the FMCG industry with demand continuing to be sluggish and rural economy coming under stress due to a below normal monsoon and unseasonal rains. The international markets also faced headwinds in terms of slowing economies, geo-political issues and currency volatility in some of our markets. The Company navigated these challenges well and reported good volume driven growth in its sales across the geographies. Fiscal 2015-16 saw a strong improvement in the company's EBIDTA margins on account of gross margin expansion across the portfolio.

KEY HIGHLIGHTS OF THE COMPANY'S PERFORMANCE DURING 2015-16 WERE :

- Sales of the company went up by 8.1% to ₹ 8436 crore
- Profit After Tax recorded increase of 17.5% to ₹1253 crore
- EBIDTA margins of the company increased by over 170 basis points to 20.6%
- Two more of our brands joined the ₹100 crore club - Dabur Gulabari and Dabur Lal Tail

Moving forward on its journey to make itself Future Ready, the Company rolled out a host of new products and campaigns aimed at the new generation. These include initiatives in baby care, hair and skin care, beverages and OTC health. In order to tap into the fast growing healthcare segment the Company launched a doctor advocacy programme called Project Lead which seeks to engage with doctors in order to increase awareness about our products and obtain their endorsement. This programme will be strengthened further during next fiscal by enhancing the team and the portfolio of products which are being detailed.

The Company uses various communication channels to reach out to its consumers. Our new brands and campaigns, targeting the youth, continued to rule the consumer mind-space and won a number of accolades during the year. Dabur

Moving forward on its journey to make itself Future Ready, the Company rolled out a host of new products and campaigns aimed at the new generation.

Amla Hair Oil was named the best hair oil at Femina Beauty Awards. Dabur's Hair Oil and Toothpaste brands were ranked in Top 100 Most Trusted Brands 2015 List by Brand Equity and Hajmola Yoodley was ranked among the Buzziest Brands of 2015 by Afaqs.

The Vatika BraveAndBeautiful campaign, which showcased the story of a cancer survivor coming out stronger after losing her hair to cancer, won several awards during the year. It bagged 8 awards at Goafest 2015, including the Grand Prix, in addition to winning the Blue Elephant at Kyoorius Awards 2015 in 'Advertising for Good' category. The campaign had gone viral on social media getting more than 2 million shares and likes. More details of our new initiatives, campaigns and activations are provided in the Management Discussion and Analysis section of this report.

At this point I would like to highlight a few important trends in the consumer sector which are likely to have a significant impact on consumer behaviour and consumption going forward. One of these is the emerging preference for Ayurvedic, herbal and natural products which is gaining momentum. This is happening due to 'back to roots' trend among people from all demographics and income strata. The traditional and cultural bonds of the Indian consumer are very potent and that is leading to a strong connect with traditional healthcare solutions provided by Ayurveda. This is also in sync with the global trend towards natural and herbal products which are free of chemicals. Your Company has been the pioneer for Ayurveda based health and personal care products in India and is set to gain from this trend.

Secondly the world is changing like never before with the internet and mobile networks becoming central to our lives. It is notable that 3.17 billion people worldwide are active internet users and this has gone up from 1.02 billion in 2005. Social networking is one of the most popular online activities and there are about 1.6 billion active facebook users worldwide. Over 1 billion people in the world are active users of the one of the most popular mobile messaging apps and this is increasing with every passing day.

Overall your Company is positioned well to tap some of the emerging opportunities.

Connecting with family and friends, expressing opinions, entertainment and online shopping are among the most popular reasons for internet usage. India is no different as the younger consumers are increasingly becoming more and more digitally influenced and inclined towards browsing and shopping online. This is one of the biggest changes which is happening and it needs to be factored into our plans and strategies for being Future Ready.

Thirdly consumers are increasingly getting concerned about health and better quality of life with some of the lifestyle diseases gaining prominence and starting to impact younger sections of population. With this the focus on health is going up even among children and teenagers and people are inclined towards healthier food alternatives and products for preventive and holistic health care.

Dabur is taking cognizance of these changes and crafting its future strategies in line with these developments. The company has set up several portals including the healthcare portal, www.liveveda.com to engage with digitally active consumers who are seeking information and advice on common healthcare problems. The Company plans to capture the E commerce wave by tying up with partners in the space as well as promote its own dedicated portals. Digital marketing is increasingly becoming a tool for connecting with people and creating awareness about our brands and investments in digital space are going up.

The Company is also planning to enhance its range of healthcare products based on Ayurvedic, herbal solutions to address the emerging health care issues. Your company has a strong R&D infrastructure which has been carrying on research on Ayurveda and herbal products for a number of decades. Now the Company has partnered with Central Council of Research in Ayurvedic Sciences (CCRAS), an apex research body under the Ministry of AYUSH, Government of India, for collaboration and co-operation in R&D for development and commercializing of products in Ayurveda. During 2015-16 Dabur entered into a license agreement with CCRAS to commercially produce two

such Ayurvedic drugs which will be launched by the Company in due course.

Dabur's International business continued to cater to its consumers with a customised and localized range of products in its core markets of Middle East, Africa, Europe, North America and South Asia. In these markets as well the 'naturals' trend is gathering pace and consumers are tending to prefer products which are herbal and natural. Since our brands are already positioned on this benefit, the company stands to gain and the resilience of its business in these markets, despite the geopolitical disturbances is an outcome of this strong connect with local consumers.

Overall your Company is positioned well to tap some of the emerging opportunities and is investing strongly in innovation, enhancing its consumer connect and optimising its distribution networks to deliver superior growth across its markets and categories. Investments in manufacturing and supply chain are lined up to strengthen the competitive advantage. The Company is also investing in creating a strong IT infrastructure to leverage technology for enhancing efficiencies and productivity.

I would like to take this opportunity to thank our dedicated and motivated employees who are the greatest asset of the Company and who have with their passion, hard work and commitment taken it to this level. We also thank our stakeholders and partners in growth for reposing their confidence and faith in the Company. It is your trust and commitment that inspires us to set high standards of growth and performance and continue to deliver high returns to our stakeholders. We look forward to continuing on the path of excellence and profitable growth into the coming years.

Sincerely yours,

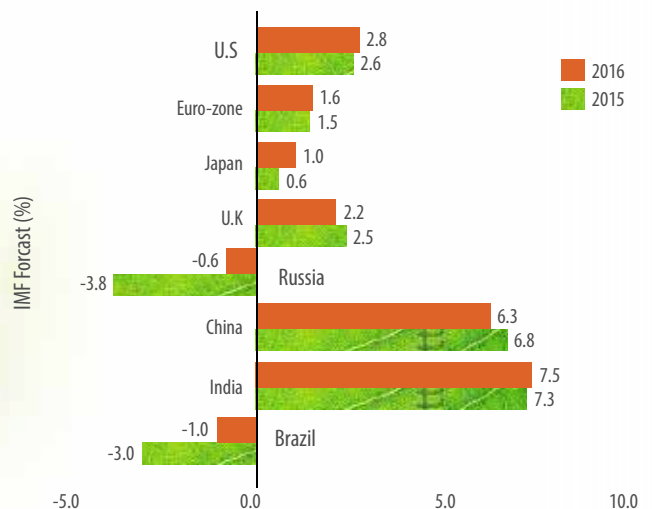
Dr Anand C Burman
Chairman



Management Discussion & Analysis

The Indian Economy is on a steady growth trajectory. If some estimates are to be believed, the Indian Economy is said to be at a much sweeter spot when compared to the rest of the world. In the IMF Estimates of GDP growth among big economies all over the world, India, for the first time ever, tops the chart. And the road ahead looks good for India as an emerging Economy (Chart 1)

Chart 1



Source : IMF World Economic Outlook, October 2015



The Indian Economy is on a steady growth trajectory. If some estimates are to be believed, the Indian Economy is said to be at a much sweeter spot when compared to the rest of the world.

According to the UNIDO's (United Nations Industrial Development Organization) industrial statistics 2016, India has climbed up three positions to become the sixth largest industrial country in the world during 2015, up from ninth position in the previous year.

Riding on strong macroeconomic fundamentals, favourable business sentiments and downward trend in interest rates, the Confederation of Indian Industry (CII) expects the Indian economy to grow at around 8% in 2016-17. Even the Reserve Bank of India has forecast a GDP growth of 7.6% for 2016-17. The CSO data has also projected a growth of 7.6% for 2015-16, (Chart 2) despite growth deceleration to 7.3% in the quarter ended December 2015. (Chart 3)

Chart 2 : CSO Economy Indicators

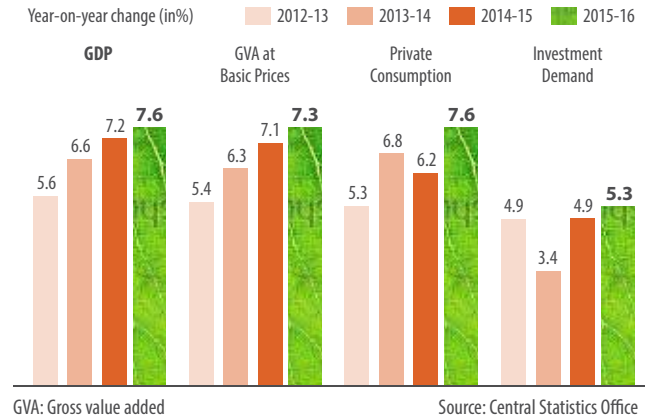
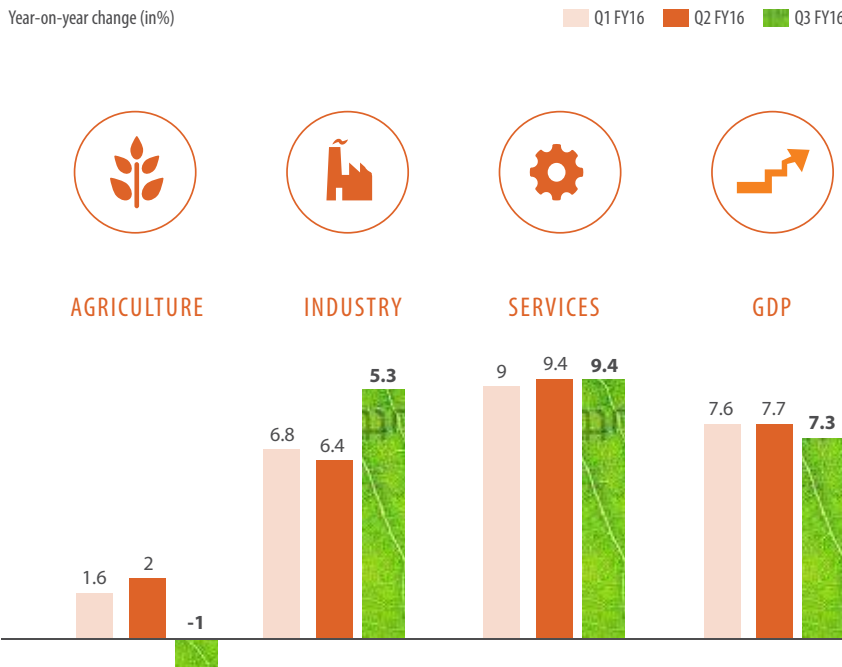


Chart 3 : India Sector Growth



Source: Central Statistics Office



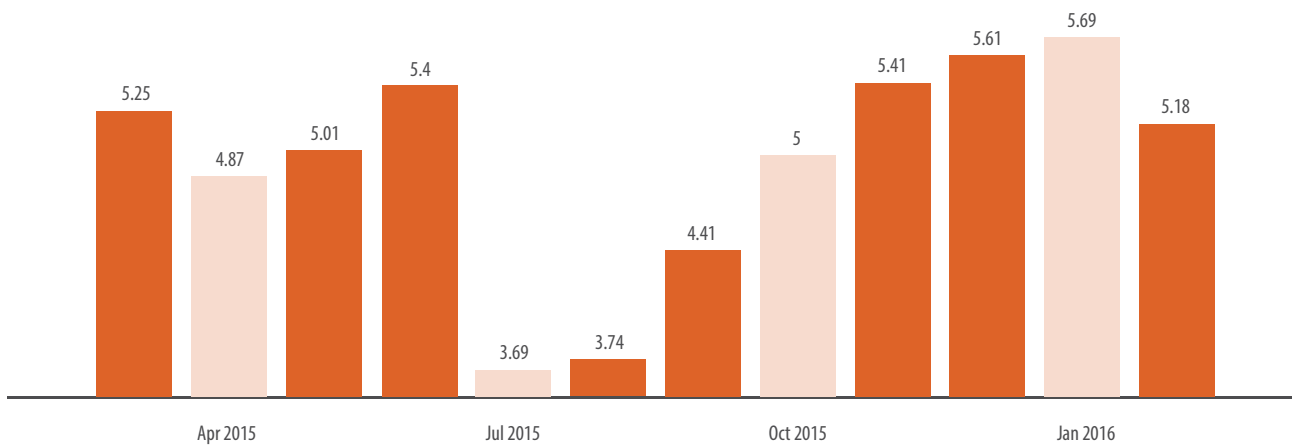
The government has taken several initiatives in the areas of infrastructure, easing the process of doing business, opening the doors to FDI, targeting inflation for monetary policy, starting campaigns on smart cities, urban development, encouraging startups, skill development etc.



India's Consumer Price Inflation eased to a lower-than-expected 5.18% in February from a year ago, helped by a fall in food prices, according to data released by Ministry of Statistics. Inflation Rate in India averaged 7.85 percent from 2012 until 2016, reaching an all-time high of 11.16 percent in November of 2013 and a record low of 3.69 percent in July of 2015. (Chart 4)

Chart 4 : India Inflation Rate - CPI

India Inflation Rate



Source: Ministry of Statistics and Programme Implementation

However, flat corporate performance, fiscal pressure from implementing the seventh pay commission recommendations and a potential increase in oil prices in the coming year would be risk factors for the Economy. Hence, it is highly important to keep up the reform momentum and ensure that there is fiscal discipline to ensure continued growth.

The government has taken several initiatives in the areas of infrastructure, easing the process of doing business, opening the doors to FDI, targeting inflation for monetary policy, starting campaigns on smart cities, urban development, encouraging startups, skill development etc. The impact of most of these measures can be gauged over a period of time and may not get reflected in the economic numbers immediately as they must hence be interpreted more in terms of laying a foundation for future growth.

FMCG SECTOR

Over the past few years, when the Economy was showing signs of depression, the FMCG industry has remained resilient and delivered superior returns over most sectors. While there have been some quarters of muted growth, the FMCG industry has reported 12% growth between 2005 and 2015. According to 'Re-Imagining FMCG in India', a joint report by CII and Boston Consulting Group, growth in disposable income, increased urbanization, and the increase in the number of nuclear households are driving growth of the Indian branded FMCG sector estimated to be currently worth around \$65 billion. The industry, it said, is expected to accelerate further to 14% between the next decade of 2015 and 2025. This high growth would help the branded FMCG market grow to \$220-240 Billion, i.e. 3.6 times its current size of around \$65 Billion.

These projections seem based on the improved consumer sentiment in India, which jumped to a 4-month high in March 2016. The MNI India Consumer Sentiment Indicator rose to 111.2 in March, led by optimistic expectations for future finances and business conditions. Despite this recent buoyancy in sentiment, a Deutsche Bank report pointed out that consumers remained concerned about the current state of their finances. Sentiment towards current finances and the business environment, in general, remains weak, while sentiment towards spending took a backseat. As a result, the FMCG industry reported muted growth during most part of the 2015-16 financial year.

The sentiments were hurt further by a lower than expected Monsoon in most parts of the country in 2015. The absence of stimuli, coupled with deficit rainfall for two consecutive years, has stressed consumption in rural areas, with sales growth in the hinterland decelerating to single digits during the year under review. But the prospects for rural growth seemed better with the Government announcing a slew of measures in the Union Budget earlier this year.

The government has renewed focus on farmers with an aim to raise their incomes significantly in the next 5 years, coupled with plans to improve connectivity from farm to market, fast-tracking irrigation projects, enhancing allocation towards MNREGA, provision towards interest subvention for farmers and a crop insurance scheme. These steps will help millions of farmers recover from the rough patch they have been going through and go a long way in boosting confidence and fuelling consumption in rural India.

While the sentiments largely remained subdued for FMCG industry on the whole in 2015-16 financial year, the year also saw the emergence of new growth opportunities or pockets

of growth. With a revival in consumer demand expected in the near to medium term, these new growth opportunities are expected to play catalysts. As inflation comes under control and some of the macroeconomic indicators appear to be stable, outlook for the FMCG industry is positive.

Some of the new emerging trends that would drive demand growing forward are:

1. Growing acceptance of Ayurvedic and Natural products by consumers in India.
2. A growth in affluent households, which will further accelerate premiumization in the consumer goods market.
3. Growing urbanization, which would drive consumerism in Tier-II and Tier-III towns.
4. Consumers of FMCG products getting increasingly digitally influenced.
5. Exponential growth of e-commerce.

To effectively capture these changing trends the industry will need to re-invent itself and build newer capabilities. Companies will need to develop innovative and contemporary products to appeal to the more educated and affluent consumers. Internet will play a major role in changing buying habits and will become a major channel of sales and communication. It is estimated that 150-200 million consumers will be digitally active in the next few years and this will entail fast development of allied channels. Emergence of ecommerce players focused on consumer staples and groceries is another key development indicating the emergence of e-commerce as a significant channel and market place.



It is estimated that 150-200 million consumers will be digitally active in the next few years.



Consumers around the world are 'going organic', and in many ways the movement towards herbal and ayurvedic products in India is a manifestation of the same trend. The Herbal Wave is catching up and across the industry efforts are being directed towards capitalizing on this opportunity. Given India's cultural heritage, many consumers' preference for herbal/ayurvedic products and the movement of Ayurveda having become the buzz word, not just Indian companies but also multinationals are coming up with more offerings in the natural and herbal space to win consumers. Companies having a traditional herbal

positioning and a strong R&D in this space are likely to benefit disproportionately from this trend.

To win in this new reality, Dabur has put in place a host of initiatives that aim not just to capture the Ayurvedic /Herbal trend, expand the company's presence across geographies but also create a whole new portfolio of premium products that cater to the evolving needs of its consumers. Details of these initiatives are available in the following sections of this report.



DABUR PERFORMANCE OVERVIEW

The demand environment continued to be challenging through most part of the year, which was compounded by the headwinds in the form of geo-political disturbances in key geographies in the Middle East and delayed winters in India. The political unrest in Nepal leading to blockade of the India-Nepal border for over 3 months hampered supplies from the fruit juices plant in Nepal impacting sales of packaged juices during the festive season.

The overall demand environment remained tepid with some key segments showing deceleration while competitive intensity remained at a high. Despite these tough conditions, Dabur pursued a prudent growth strategy to deliver a steady growth in Sales and Profit during the 2015-16 financial year.

Moving forward on its journey to make itself Future Ready, the Company rolled out a host of new products and campaigns aimed at the new generation. The year 2015-16 began with the introduction of Dabur's new premium baby care brand 'Dabur Baby'. The first product launched under Dabur Baby umbrella brand is the Dabur Baby Massage Oil with Olive & Almond, which is free of paraffin and parabens, making it a completely safe product. The range would soon be expanded with the launch of a host of new products that will position Dabur as a serious player in most of the baby care categories in India. The year also saw the national launch of Hajmola Yoodley, which marked the extension of brand Hajmola into the Ready-to-Drink beverage market with a new range of drinks offering the uniqueness of 'chatpata' traditional Indian flavors to the consumers. In the hair oil market, Dabur introduced the Vatika Jasmine Non-Sticky Coconut Hair Oil, which provides nourishment of coconut oil and jasmine

extracts that help restore moisture balance and make the hair smooth, manageable and less frizzy.

The year also saw the expansion of Dabur's Skin Care portfolio with the launch of professional salon facial products under the OxyLife brand -- OxyLife Salon Professional ProWhite Pure Oxygen Facials for women and men. In addition, the facial bleach range was enhanced with the launch of the first ever Fem Diamond Crème Bleach, targeting the premium category. The Dabur Gulabari range was also expanded with a range of rose extract based face wash products that have been specially developed to cater to the skin care needs of teenagers.

Strengthening its presence in the Ayurveda and Natural Health Care products market in India, Dabur expanded its Women's Health Care range with the launch of India's first fruit-flavoured health tonics for women. Dabur's traditional Ayurvedic post-natal health tonic Dashmularishta and the menstrual pain relief tonic Ashokarishta were both launched in two fruit flavours -- Apple and Mixed Fruit. In addition, your Company launched a sugar-free variant of its premium Chyawanprash - Dabur Ratnprash Sugar Free.

The organized healthcare sector is growing at a fast pace and within that there is a growing preference for natural products based on holistic and alternate therapies such as Ayurveda. Your Company believes that doctor advocacy is a significant element in demand generation for healthcare products. Dabur added another leg to its distribution enhancement programme with the launch of Project LEAD (Leveraging through Empowered Anchoring and Detailing). Under this initiative, your Company is building advocacy

for its portfolio of OTC and ethical products by engaging with more than 30,000 healthcare professionals, both Ayurvedic and Allopathic. A medical detailing team has been put in place for covering the doctors and detailing the products to them on an ongoing basis. Around 170 product specialists have already been hired and this number is expected to go up to 250 during 2016-17. This initiative is in line with the Company's focus on healthcare, particularly Ayurvedic healthcare, being an important driver of growth and will seek to establish a good connect with the healthcare fraternity.

Riding on these initiatives, Dabur ended the year with steady growth in Sales and Profits. The highlights of Dabur India Ltd's performance during fiscal 2015-16 on a consolidated basis are:

- Net Sales grew by 8.1% to ₹ 8436.0 crore in fiscal 2015-16, up from ₹ 7806.4 crore in 2014-15
- Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) increased by 17.9% to ₹ 1739.0 crore in fiscal 2015-16, up from ₹ 1474.4 crore in 2014-15
- Profit After Tax (PAT) increased to ₹ 1252.7 crore in 2015-16, up 17.5% from ₹ 1065.8 crore in 2014-15
- Diluted Earnings Per Share (EPS) increased to ₹ 7.08 in 2015-16 from ₹ 6.03 in 2014-15.

REACHING OUT

Dabur has been using a judicious mix of campaigns, both on-air and on-ground, to reach out to its consumers. Our new brands and campaigns, targeting the youth, continued to rule the consumer mind-space and won a number of accolades during the year. Dabur Amla Hair Oil was named the best hair oil at Femina Beauty Awards. Dabur Hair Oil and Toothpaste brands were ranked in Top 100 Most Trusted Brands 2015 List by Brand Equity and Hajmola Yoodley was ranked among the Buzziest Brands of 2015 by Afaqs.

The #BraveAndBeautiful campaign, which showcased the protagonist's story of coming out stronger after losing all her hair to cancer, won several awards during the year. It bagged 8 awards at Goafest 2015, including the Grand Prix, in addition to winning the Blue Elephant at Kyoorius Awards 2015 in 'Advertising for Good' category. The campaign bagged the IndIAA Award for 'real, hard-working advertising', was ranked amongst the Best Ad Campaigns of 2015, by aFaqS and also won 2 Effies. The campaign had gone viral on the internet with more than 2 million views and likes. The print campaign for Dabur's ethical medicine Dabur Gastrina won the Silver at Cannes 2015.

During the year Dabur Gulabari rolled out a digital campaign #AmPrettyTough, which has been very well received by the audience. The #AmPrettyTough campaign seeks to empower young teenage girls to pursue their tough passions without worrying about their skin. With this campaign the brand seeks to motivate young girls to break stereotypes based on looks and follow their dreams.

The Company continued to reach out to consumers through a variety of on-ground initiatives that not only gave them an opportunity to touch, feel and experience our products, but also generated a huge buzz and positive word for the brands. We have also been using a mix of localised promotional and marketing strategies as well as technology to access the consumers across markets and to supplement our distribution enhancement initiatives. In urban markets, for instance, we undertook a host of school contact programmes and consumer activation initiatives. In rural India, we stepped up our consumer connect initiatives through participation in haats, nukkad natak, Melas and innovative initiatives like regional beauty pageants and rural talent hunts.

At the Nashik Kumbh this year, for instance, Dabur spread the message of oral hygiene among millions of devotees using a unique Toothpaste dispenser. The first-of-its-kind toothpaste dispensers were installed at over 1,000 hotel rooms and dharamshalas around the Kumbh Shahi Snan venue. These dispensers squeezed out adequate amount of Dabur Red Paste on the toothbrush every time a user put the brush under the dispenser. These unique dispensers, being the first of their kind, were a big draw among the rural audience and helped generate huge trials for the brand. The dispensing units carry the message: "Kya aapne dant snan kiya?" (Have you cleansed your mouth) written on them. With this initiative, Your Company embarked on promoting oral hygiene along with sampling of Dabur Red Paste.



The #BraveAndBeautiful campaign, which showcased the protagonist's story of coming out stronger after losing all her hair to cancer, won several awards during the year.

These and other such initiatives, helped Dabur effectively capture the consumer mind-space. Two of our consumer activations, Real Heroes initiative and Goonj, have won prestigious on-ground promotion awards during the year.

Digital is the new buzz word today and it is an area which your Company successfully tapped during the year. While the e-retail landscape is still at a nascent stage for the FMCG industry and contribution in terms of business is low, however it is ramping up at a rapid pace. This is an important development in the context of evolving shopping behavior and in terms of consumer engagement for the brands. According to the CII-BCG report referred to earlier, the disruption in Consumer Goods due to digital would increase at an unprecedented pace. Proliferation in Internet connectivity, evolution of new business models and increase in digital media consumption would provide companies enormous opportunities to create value.

Today, consumers are increasingly going online to seek information about various products and also for making purchases. Dabur also uses the Internet and various emerging social media platforms to communicate frequently and directly with customers. We are working with multiple partners across many categories to sell our range of products online. In addition, special e-commerce portals have been created for specific products.

Dabur has embraced technology in a big way to better reach out to the modern day consumer and better service her needs. By creating interfaces on the digital social platform, Dabur as an entity and its various brands are reaching out to consumers, interacting with them and, in the process, enabling them to become our brand ambassadors. Dabur has taken Beauty, Health & Wellness to the digital world with four dedicated portals – www.daburmediclub.com, www.liveveda.com, www.mybeautynaturally.com and www.daburdentalcare.com. The company's website www.dabur.com has been renovated with a focus towards better engagement with consumers and visitors.

We have also forged successful partnerships with most e-grocers and are working with multiple partners across categories to sell our products online. Dabur has joined hands with online marketplace Snapdeal to set up an e-store, called LiveVEDA, for its range of Ayurvedic products. E-commerce browsing is becoming a catchment area for brands and there is a substantial growth in the online health care market. This, we feel, is a significant opportunity for our future business.

SCIENCE BASED AYURVEDA

The demand for Ayurvedic and natural products has been growing at a steady pace with more and more consumers embracing these products. This category has, of late, seen heightened activity with the entry of new players, both domestic and international. Dabur's core philosophy is rooted in Ayurveda having been associated with this traditional system of healthcare for more than a century.

Your company continued to invest behind its brands and rolled out a host of new products that not just contemporized its portfolio by making it more youthful, but also helped establish Dabur as the custodian of traditional Ayurvedic knowledge. Dabur has been developing and successfully introducing products based on Ayurveda to cater to the ever-changing needs of the consumer. The Company continued to introduce new products, invest in enhancing its distribution network and communicating effectively with its consumers to spread awareness about the high quality of its products as also the benefits that they offer.

Dabur has highly differentiated brands in the market, and nearly all its products are based on natural and Ayurvedic ingredients. While a lot of companies today offer herbal or Ayurvedic products, Dabur enjoys the consumer's trust having the longest Ayurvedic heritage and consumers' trust for more than 130 years. Dabur, as a brand, evokes feelings of trust, health & well-being in the consumer's mind. Dabur has, in fact, been ranked as the Number 1 Ayurveda brand in India for the fourth year in running, by TRA Research Private Limited. This speaks volumes about the trust that consumers place on brand Dabur.



Having been associated with the traditional system of healthcare for more than a century, Dabur's core philosophy is rooted in Ayurveda

Dabur India also has a strong in-house research wing that follows a 'bush-to-brand' approach. We have our in-house nursery, which grows several rare herbs that go into various products. This in-depth knowledge about nature and natural ingredients is one of our biggest strengths in the market. This research wing also undertakes detailed tests on individual ingredients and products to ensure that the final product meets customer needs and aspirations and is compliant with regulatory standards.

Dabur has also been one of the first movers in Ayurveda R&D initiating research activities on classical formulations as well as developing proprietary formulations. Our R&D Centre is today equipped with state-of-the-art equipment as well as trained manpower needed for pharma-grade research activities. The R&D team has been involved in developing several classical formulations, proprietary patent formulations, herbal cosmetics and health supplements as well as carry out clinical studies to validate their safety and efficacy.

During 2015-16 Dabur entered into a license agreement with the Government of India to commercially produce two new Ayurvedic drugs – Ayush-64 for treatment of Malaria and Ayush-82 for management of Diabetes. Dabur also signed a Memorandum of Understanding (MoU) with the Central Council of Research in Ayurvedic Sciences (CCRAS), an apex research body under the Ministry of AYUSH, Government of India, for collaboration and co-operation in pharmaceutical R&D for different novel dosage forms and drug development in Ayurveda.

The Company is preparing to commercially produce the two new Ayurvedic medicines during the next fiscal and these medicines will be available in various formats. The Ayurvedic drug Ayush-64 is highly effective for the treatment of Malaria. In view of its wide prevalence and drug resistant malarial parasite, a poly-herbal non-toxic drug has been developed by CCRAS after carrying out extensive pharmacological, toxicological and Clinical studies. Ayush-82, an anti-diabetic drug also developed by CCRAS is a combination of known and tested hypoglycemic drugs. It is supported by extensive clinical studies. These two drugs can potentially benefit millions of people suffering from Malaria and Diabetes.

CCRAS and Dabur have also agreed to explore the feasibility of collaboration in diverse areas of R&D relating to Ayurvedic medicines. This collaboration is paving a new horizon in Ayurvedic drug development, utilizing optimally the existing resources of CCRAS and Dabur R&D, on public private partnership model. The collaboration will happen at various stages of drug development like formulation

development, analytical development, pre-clinical studies, clinical studies etc. After successful completion of the project on a specific product, Dabur will market the same with its strong distribution network in India. Dabur may also market some of the already developed products by CCRAS.

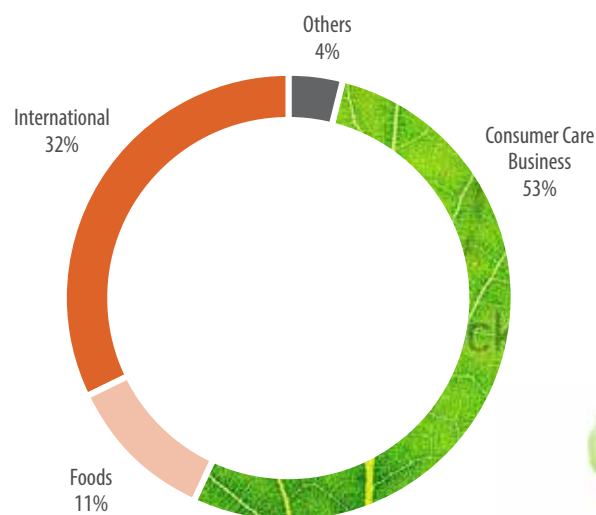
STRATEGIC BUSINESS UNITS

Our business structure today stands as below (Chart 5):

- Consumer Care Business incorporating the Health Care and Home & Personal Care (HPC) accounts for 53% of Consolidated Sales
- Foods Business comprising packaged fruit juices and culinary products accounts for 11.4% of Consolidate Sales
- International Business, including Dabur's organic overseas business as well as the acquired entities of Hobi Group and Namaste Laboratories LLC, accounts for 31.8% of Consolidated Sales

Consumer Care and Foods Business are together referred to as the India FMCG Business in this report.

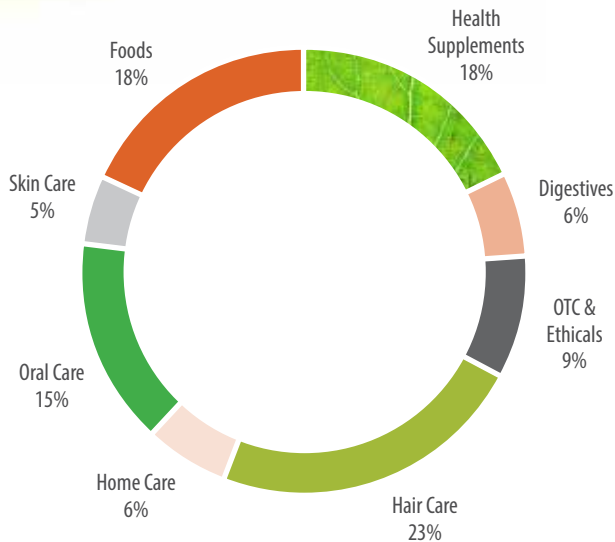
Chart 5 : SBU Wise Sales Breakdown – FY2015-16



India FMCG Business

The India FMCG business includes the Consumer Care and Foods Business at Dabur. It includes the entire consumer products business of Dabur, encompassing Health Care (which includes Health Supplements, Digestives, OTC and Ethicals), Home and Personal Care (which includes Hair Care, Oral Care, Skin Care and Home Care) and Foods. This business ended 2015-16 with 6.3% growth. Chart 6 provides category-wise breakdown of the India FMCG Business.

Chart 6 : Category Wise Sales of Domestic FMCG Business FY2015-16



Health Care

With increasing prevalence of lifestyle diseases in India, one out of four Indians is at risk of dying from non-communicable diseases like diabetes, cardio-vascular ailments or cancer before the age of 70. According to a white paper released by CII, roughly 5.8 million Indians die every year from heart and lung diseases, stroke, cancer and diabetes. Prevalence of such ailments is a result of lifestyle patterns that have changed significantly over the last decade.

Another alarming fact is that a large proportion of patients detected with lifestyle diseases like hypertension, diabetes and cardiovascular diseases belong to the age group of 30 years or less. Sedentary lifestyle and unhealthy food habits are among key reasons for this increase in incidence of lifestyle diseases.

For a country like India which boasts of a huge demographic advantage with a large number of population under the age of 30, this is a truly alarming situation.

Given this rise in lifestyle diseases, preventive healthcare is beginning to play an important role in our lives. India has seen tremendous social and economic changes over the past decades, particularly in the big cities. Millions of people with desk jobs in offices commute long distances to and from work. Till a few years back, fitness, in general, was not a high priority for most people in India. But times are changing. Today, there is a growing consciousness about health-related issues among people, giving a boost to preventive health checkups. There is also a steady increase in the number of people taking to health management programs or adopting healthier practices in their daily lifestyle.

India is blessed with a healing habitat, drawing medicinal values and cures through the age-old science that is known as Ayurveda. It is a unique blend of science, logical reasoning and understanding that delivers Nature's way of curing many an ailment – not just age-old ones but even the modern, lifestyle diseases.

With a legacy of over 130 years, Dabur has been a leader in Health & Well-Being with a portfolio of products that offer holistic well-being to its consumers. Targeting the Millennial Generation, Dabur has been rolling out a number of products and services to not just address their health-related queries but also guide them towards leading a healthy lifestyle. One of our key initiatives has been towards promoting Ayurveda for healthy living.

Ayurveda has been one of the modes for us to communicate with Nature and reap its benefits. The principles of Ayurveda are an invaluable link to understanding, in detail, natural and healthy living. The primitive times didn't have the facility of a modern tool or technology to assist the concept. With advanced technology and better understanding today, effective delivery of Ayurveda has become popular through which we can reap the benefits of natural healthy living. Gradually people are realizing the importance and benefits of taking personal responsibility for one's own well-being, making Ayurveda the perfect system of health knowledge for today's world.

Dabur has been relentlessly working towards making Ayurveda more contemporary and relevant to today's audience, by validating the benefits of Ayurvedic and natural ingredients through scientific validation. We have been marrying this age-

old traditional knowledge with modern day science to develop products that are scientifically tested and meet consumers' need for a healthy lifestyle. A consumer validation of our efforts comes in the form of Dabur being named the Most Trusted Health Care and Ayurvedic brand in India for the fourth year in running, by TRA Research Private Limited.

Dabur's Health Care vertical comprises Health Supplements, Digestives, Over-The-Counter (OTC) and Ayurvedic Ethical products. This vertical contributed 33% to the India FMCG sales in 2015-16.

Health Supplements

Dabur's Health Supplements portfolio has three key brands -- Dabur Chyawanprash, Dabur Honey and Dabur Glucose. This category accounts for 18% of the India FMCG business. In line with our renewed focus on Ayurveda, this portfolio saw a host of new initiatives that sought to further establish Dabur's image as being dedicated to Health and Well-being of every household. These initiatives encompassed new product introduction, consumer connect programmes and high-decibel on-air campaigns.

Climatic conditions were a major concern for the Health Supplements business this year. Unfavorable summers, unseasonal rains and a less intensive winter impacted sales of these products. As a result, the category remained flattish during the fiscal 2015-16.

Dabur Chyawanprash, our flagship health supplement brand, is based on an over 3,000-year-old formulation. An Ayurvedic supplement, fortified with various herbs and minerals, Dabur Chyawanprash is rich in Vitamin C and helps in prevention of a variety of diseases through its immunomodulator effects and rejuvenation properties. Over the years, it has been established as a trusted immunity builder and remedy for cough and cold for Indian households. Dabur is the first branded and highest selling Chyawanprash in the country.

Moving forward on its commitment towards building the immunity of Indians, particularly children, Dabur Chyawanprash once again conducted its mega health awareness initiative - Dabur Chyawanprash Immune India School Challenge, covering schools across Delhi, Maharashtra, UP, MP, Bihar, Jharkhand and Rajasthan. As part of this initiative, Dabur Chyawanprash joined hands with Max Healthcare and reached out to schools to identify and recognize the healthiest schools of the country. At Dabur, we recognize the fact that schools play an important role in shaping a child's health since they are the primary



Dabur has been working towards making Ayurveda more contemporary and relevant to today's audience, by validating the benefits of Ayurveda through Science.

caregivers during the formative years. For the last few years through the Immune India School Challenge, we have been reaching out to schools across the country to educate students & teachers on the need for immunity. This year, this initiative reached out to nearly 500,000 school children. The top schools from all the participating schools were declared on the basis of Average Attendance, Academic Records, School Hygiene and BMI.

Another initiative was launched under this programme in association with the leading NGO - Goonj. This brought together school children from 19 cities across India to collect warm clothes during winter months. This was amongst the largest clothes collection drives this season and the warm clothes were handed over to Goonj for distribution to the poor and needy.

The year also saw the national roll-out of the Chocolate flavored Chyawanprash, in addition to the launch of the sugar-free variant of the premium health supplement Ratnaprash. Enriched with the power of potent Ayurvedic ingredients like Moti, Kesar, Musali, Dabur Ratnaprash SugarFree provides strength, stamina and energy in a sugar free format.

Dabur Honey, another key brand in the Health Supplements portfolio, posted good growth during the year. Deemed as a top health food across the globe, honey is a wonderful creation. The health properties of this thick golden liquid have been valued since ages. A spoon of honey taken with warm water in the morning is traditionally known to be useful in weight management, and our campaigns have been spreading this message. Honey is known to be a good source of energy as its natural sugar and carbohydrates are easily digested by the body and it contains vitamins, minerals and antioxidants which are good for health.

A special microsite has also been created for Dabur Honey – www.daburhoney.com – which offers the digitally savvy consumers exhaustive information about Honey. On this website, Dabur offers a range of healthy Honey recipes, specially created by celebrity chef Vikas Khanna. Visitors to this website also get an opportunity to speak to dietician and customize their own diet plan, besides get expert advice and fitness tips.

This year saw heightened competitive activity in this category. Despite low priced competition and less intensive winters, the brand reported double digit growth during the year. Going forward your Company is planning to launch of a host of new value-added variants and formats to the brand. Dabur has also been spreading awareness about the quality and purity of Dabur Honey. This has been validated by Consumer Voice which had ranked Dabur Honey as the No. 1 honey brand in India.

The other major brand in this category, Dabur Glucose saw muted growth during the year because of unfavorable summer and unseasonal rains. Despite an adverse external environment, Dabur Glucose, which has been positioned on the 'Cooling Energy' proposition, ended the year with gain in market share. Dabur is working towards introduction of newer variants to drive excitement for the brand and has added the traditional flavor Aampanna to its Glucose portfolio.

Digestives

Rapid urbanisation, highly stressful lives and long working hours have all led to a growing number of urban Indians developing increasingly irregular daily schedules. This trend was especially notable amongst the younger generation who live apart from their families. This has given rise to a host of digestive issues, pushing demand for digestive remedies. However, another emerging trend in this market is the consumer's increasing tendency to use OTC medicines to alleviate indigestion and stomach-related conditions rather than visiting a doctor.

Dabur India Ltd is a leading player in the digestive category with brands like Dabur Hajmola, Pudín Hara and Nature Care. The category contributed 6% to India FMCG Business and posted growth of 2% during the year. The year marked the extension of brand Hajmola into Ready-to-Drink beverage market with the launch of Hajmola Yoodley, a new range of drinks offering the uniqueness of 'chatpata' traditional Indian flavors to the consumers. The new Hajmola Yoodley, which was launched in

Modern Trade outlets in early 2015-16, is now being rolled out nationally.

Hajmola Yoodley has been launched in six different variants. The ready-to-drink beverage is available in a 250ml pack, priced at ₹ 30, and comes in a very colorful and interesting packaging. The product has the same chatpata (Khatta Meetha) taste experience as Hajmola and the flavours are unmistakably Indian and local.

The parent brand Hajmola tablets and candies posted a steady performance and your Company has introduced a new variant Hajmola Amrud to further drive demand. We continued to undertake high-decibel consumer connect programmes around local melas and haats for sampling and promoting the products.

The other key brand in this category, Pudín Hara reported good growth during the year despite unseasonal rains in the summer months. While demand for Pudín Hara liquid was somewhat impacted, Pudín Hara Pearls continued to grow well, driving up the overall franchise. Your Company is now extending the franchise with the introduction of new formats under brand Pudín Hara and the first of the new launches – a natural Antacid with suspension – will be launched this summer. Dabur Nature Care continued to grow at a steady pace.

OTC & Ayurvedic Ethicals

The upward trend in self-medication has led to improved demand for Over-The-Counter (OTC) products in India. A growing number of Indians are opting for OTC products, and more importantly natural and Ayurvedic remedies, when it comes to treating day to day ailments. This trend is increasingly being driven by educated younger population who are more aware about side effects and the potential risks of allopathic medicines. As a result, more and more Indians are gravitating towards natural medicines and remedies, particularly in categories like Cough & Cold, Digestion, Allergy Remedies, Vitamins & Dietary Supplements etc., leading to a rise in demand for herbal and traditional products. In a country where herbal home remedies have been prevalent since generations, these products are usually perceived as extensions of home remedies and have high acceptance.

For more than a century, Dabur has been validating the benefits of Ayurvedic ingredients and products with modern day technology. Our research wing undertakes detailed tests

on individual ingredients and products to ensure that the final product meets customer needs and aspirations. Our R&D Centre is equipped with state-of-the-art equipment as well as trained manpower needed for pharma-grade research activities. In fact, Dabur has been engaged in research in both classical/ethical as well as OTC formulations for more than 50 years.

The OTC and Ethicals portfolio was 9% of the India FMCG Business and reported growth of 10% during the year. Dabur's OTC portfolio includes products in Cough & Cold, Women's Health Care, Baby Care and Rejuvenator categories.

In the Cough & Cold category, Dabur's flagship brand Dabur Honitus reported strong growth during the year with significant increase in market share.

Dabur's Honitus Cough Syrup does not contain harmful ingredients like Codeine and Alcohol and is a non-addictive formula that provides effective relief from cough, without side-effects. It is a Honey-based herbal cough syrup fortified with Tulsi, Mulethi & Banapsha and other powerful scientifically proven herbs. Its 100% Ayurvedic and safe formulation is clinically proven and provides fast relief against acute cough and throat irritation.

As part of efforts to further increase awareness about Dabur's range of OTC and Ayurvedic products, a new initiative, Project LEAD, was rolled out during the year to enhance coverage of doctors, both Ayurvedic and Allopathic. This initiative plans to drive greater awareness about OTC and Ethical products as well as apprise the doctors regarding scientific and clinical data for each of these products.

The initiative bore fruit with doctors now becoming more aware of and starting to advocate natural products. More details about this initiative have been provided under the Sales & Distribution section.

The year also saw Dabur roll out third season of the Dabur Honitus BIG Junior RJ, a talent hunt for kids. This talent hunt, conducted in association with 92.7 BIG FM, awarded 45 lucky winners the chance to co-host their very own show on their local FM station. With this initiative, our endeavour is to help children discover their potential and play a meaningful role in supporting them while doing so.

The other major initiative during the year was the national launch of Dabur's new premium baby care brand, Dabur Baby. This brand will feature a range of baby care products using natural oils, essential for safe and tender care of the youngest member of the family. The first product launched under the Dabur Baby umbrella brand was the Dabur Baby Massage Oil with Olive & Almond, which is free of paraffin and paraben

making it a completely safe product. Packed with natural ingredients like olive, almond, jojoba and sesame, Dabur Baby Massage Oil provides extra skin nourishment and is dermatologically tested.

Today, young mothers in India are increasingly seeking products that not just meet the global standards but which are also true to the Indian traditional knowledge. Dabur is combining the best global practices with traditional Indian knowledge and introducing high quality, safe and natural products under the Dabur Baby brand. The response to Dabur Baby Massage Oil has been encouraging and we plan to expand our presence in the baby care market with newer introductions, and emerge as a serious player in most of the baby care categories in India.

Dabur has also been present in the baby care market for decades with traditional Ayurvedic products and our baby care portfolio includes Dabur Lal Tail, an Ayurvedic massage oil and Dabur Gripe Water and Dabur Janam Ghunti which are traditional tonics for babies. Dabur Lal Tail crossed the 100 crore mark in sales this year, clocking strong double digit growth and riding on innovative sampling and activations targeting new mothers and primary health clinics. Dabur Lal Tail is an Ayurvedic baby massage oil made from time-tested Ayurvedic ingredients which have many proven benefits for the Baby. The product helps strengthen the baby's bones and muscles and this has been proven through clinical research conducted by pediatricians at leading institutions.

The fiscal 2015-16 saw Dabur revamping its Women's Health Care range to make it more contemporary and in sync with the tastes and needs of modern day consumers. As part of this initiative, Dabur's traditional Ayurvedic health tonics, Dashmularishta and Ashokarishta were launched in two fruit flavours – Apple and Mixed Fruit. This marked a new first for this category and is expected to help modernize these age-old health tonics and expand the consumer base.



Today, young mothers in India are increasingly seeking products that not just meet the global standards but are also true to the Indian traditional knowledge.

Dabur Dashmularishta is an Ayurvedic formulation consisting of more than 50 Ayurvedic herbs including Dashmula, the group of ten herb roots along with Ashwagandha, Manjishta and Draksha, which help in recovering from post-delivery weakness effectively and naturally. It also helps in improving metabolism and digestion. Dabur Ashokarishta is an Ayurveda tonic to ease menstrual pains and problems. It is packed with the goodness of herbs like Ashoka, Dhataki, Musta, Haritaki and Amlaki which have anti-inflammatory and rejuvenating properties.

Our Energizer and rejuvenator portfolio, which includes Shilajit and Shilajit Gold, also reported good growth during the year.

Ayurveda is core to our business and Dabur has undertaken a host of initiatives aimed at popularizing classical Ayurveda and ethical medicines which are part of this traditional system. To start with, Dabur hosted a series of Seminars on Ayurveda, christened Ayurmedha, across India to disseminate information about traditional Ayurvedic remedies and medicines among the new generation. Dabur also announced plans to institute a scholarship for students of Bachelor of Ayurveda, Medicine & Surgery (BAMS). The scholarship is open to students at all leading Ayurveda Medical colleges in the country.

The company also conducted a seminar for practitioners & consumers at the International Arogya Fair held at Varanasi. The focus of the Seminar was to disseminate information on how Ayurveda can provide safe, cost-efficient and effective health care for all. Dabur also used the opportunity to showcase the core principles of Ayurveda while processing and manufacturing Ayurvedic medicines, using scientific technology to provide the most effective and quality assured Ayurvedic medicines.



Dabur announced plans to institute a scholarship for students of Bachelor of Ayurveda, Medicine & Surgery (BAMS).

Besides, over 200 Health Camps were organized across the country, where Dabur provided health check-ups, Ayurvedic medicines, investigation and treatment to the poor & needy, free of cost. We are confident that our efforts would go a long way in popularizing the benefits of applying holistic methods of treatment, as prescribed in Ayurvedic literature, to control and reduce several modern lifestyle ailments, besides establishing Dabur as the custodian of this traditional knowledge.

The fiscal 2015-16 ended with Dabur inking a license agreement with the Government of India to commercially produce two new Ayurvedic drugs – Ayush-64 for treatment of Malaria and Ayush-82 for management of Diabetes. Dabur is preparing to commercially produce these Ayurvedic medicines within the next fiscal and making them available in various formats. Dabur also signed a MoU with the Central Council of Research in Ayurvedic Sciences, an apex research body under the Ministry of AYUSH, Government of India, for collaboration and co-operation in pharmaceutical R&D for different novel dosage forms and drug development in Ayurveda. More details of these Ayurvedic drugs have been provided in preceding sections.

Home & Personal Care

The recent years have seen a marked increase in beauty and grooming needs among Indian population. It is a known fact that life is on fast track, long working hours and constant stress take a drastic toll on our hair and skin. The affluent and middle class population in India today don't consider beauty and wellness as a luxury, but a necessity and there is an increased emphasis on looking good and young at all times. With consumers across the world in general, and India in particular, going Green, the demand for Natural and Ayurvedic beauty care products is also rising.

In this segment too, natural remedies are fast finding acceptance, particularly among the new generation of upwardly mobile Indians. Given the fact that Indians have been traditionally inclined towards natural products and home remedies for their daily beauty care needs, and the growing awareness about the side-effects of using chemical-laden products, consumers are increasingly seeking Natural and Ayurvedic personal care products.

Dabur has been at the forefront of offering Natural and Ayurvedic Personal Care solutions to its consumers with a

range of products that cater to all age-groups. We have also developed specialized products for skin and hair care needs of our consumers. Dabur's Home and Personal Care business today covers Hair Care, Oral Care, Skin Care & Salon and Home Care. This vertical contributed 49% to the India FMCG sales and grew by 10% in 2015-16.

Hair Care

Dabur's Hair Care portfolio comprises Hair Oils and Shampoos and contributed to 23% of the India FMCG business. This segment posted 6.8% growth in 2015-16.

Hair Oils: Hair oiling is amongst the oldest of beauty regimes in India. An intrinsic part of our heritage, hair oiling is widely practiced across age groups for nourishing and grooming hair. Hair oils are known to provide benefits of nourishment, strengthening hair, faster and better growth and reducing the problem of falling hair. They are also used as an aid for hair styling and grooming.

Dabur has a strong presence in this category with a portfolio of hair oils, led by its flagship brand Dabur Amla Hair Oil, along with a range of hair oils under brands Dabur, Vatika and Anmol. Dabur Amla Hair Oil, which was re-launched a year ago in a modern avatar, posted good growth despite disruptive competition. The brand also continued on its journey of specialized communications for specific geographies and signed south Indian actress Anushka Shetty (of Baahubali fame) as the new face of Dabur Amla Hair Oil in South India. Often people treat India as one big market, but the reality is that India is a continent in itself – a mix of different cultures, languages and markets. So, you need to add a distinct local flavor to your brands to help them gain more recognition and acceptability in the specific markets. We have introduced campaigns specifically for the South Indian consumers created after intense research in their preferences and consumer insights.

Dabur's other key hair oil brand Vatika expanded its franchise with launch of Vatika Jasmine Non-Sticky Coconut Hair Oil, which provides nourishment of coconut oil, jasmine extracts that help restore moisture balance in hair and give smooth, manageable less frizzy hair. The other brands in this category, Dabur Almond Hair Oil and Anmol Hair Oil registered strong double digit growth. Going forward, we will further expand our hair oils portfolio with the addition of specialized products to cater to the emerging hair care needs of our consumers.

Shampoos: Dabur's Shampoo portfolio which accounts for around 15% of hair care category witnessed a slow down impacted by heightened competition. During the year the Vatika shampoo portfolio was completely re-vamped with



With consumers across the world going Green, the demand for Natural and Ayurvedic beauty care products is rising.

launch of four specialised variants - Vatika Split Treatment Shampoo, Vatika Smoothing Treatment Shampoo, Vatika Hair Fall Treatment Shampoo and Vatika Anti-Dandruff Shampoo. With its unique Oil Balance formula fortified with natural extracts like Henna & Olive, the new range offers superior cleansing with goodness of natural ingredients.

The year also marked the launch of Dabur Almond Shampoo in key markets. With its special Almond-Vita Complex and milk extracts, this premium shampoo provides rich nourishment to hair making it healthy, soft and shiny. With no harmful chemicals, this new shampoo provides gentle cleansing and conditioning for hair. Dabur conducted a sampling exercise to mark the launch of this new product, whereby free sachets of Dabur Almond Shampoo were distributed among consumers along with an almond, which not only helped establish the compelling ingredient story among consumers but also generated trials. The brand has been well received in the market.

A beauty pageant 'Vatika Miss Natural' was launched in Uttar Pradesh across colleges, beauty parlors and educational institutes to reinforce the brand's association with natural & beautiful hair. It was concluded in a grand pageant held in Lucknow. The campaign has helped reinforce the consumer connect and promote the newly launched variants among consumers.

Oral Care

Dabur's oral care portfolio of highly differentiated products based on Ayurvedic and Natural ingredients, posted strong double digit growth during the year, growing ahead of the category. Oral Care portfolio comprises two key product categories - toothpastes (with brands like Dabur Babool, Dabur Red Paste and Dabur Meswak) and toothpowder (with Dabur Lal Dant Manjan).

Dabur's oral care portfolio which contributed 15% to India FMCG sales reported 16.2% growth during the year despite heightened competitive intensity and entry of newer brands in the market. Dabur operates in the toothpaste market with a highly differentiated product portfolio and our USP is the presence of natural ingredients in the oral care offerings. Our unique range of natural and Ayurvedic formulations have helped drive demand for our brands, giving us the strategic advantage in an otherwise highly competitive segment.

Both Dabur Red Paste and Meswak Toothpaste are based on the centuries old knowledge of Ayurveda, the benefits of which have been validated with science. This has helped us develop efficacious products that are contemporary and offer our consumers holistic oral health and well-being. Dabur Red Paste is an Ayurvedic offering that helps keep dental problems away, while Meswak has the unique ingredient of Meswak herb for complete oral care.

In addition to sustained media campaigns around these brands, Dabur rolled out a series of Oral Health Camps across the country to build awareness among school-going kids about the need for Oral Hygiene. Dental camps were organized in schools across Urban and Rural India and the children were educated about best dental care practices.

Dabur's Toothpowder offering Dabur Lal Dant Manjan reported steady demand, riding on sustained rural consumer activation targeting non-dentifrice users.

Skin Care & Salon

The Skin Care business is among the youngest businesses of Dabur and has been riding on the consumer need for specialized natural products that provide nourishment and beauty. The portfolio today includes facial bleaches under the Fem and OxyLife brands, hair removal creams under the Fem brand and Rose-based mainstream skin care products under the Dabur Gulabari brand. This segment today accounts for 5% of Consumer Care Business and has recorded 4% growth in 2015-16.

During the year Dabur expanded its Skin Care and Salon portfolio with the launch of a host of new products that also sought to premiumize the category. Dabur expanded its Fem facial bleach range with the launch of premium Fem Diamond Crème Bleach. The specially formulated diamond crème bleach is packed with diamond dust to give the skin long-lasting

sparkling glow. The dermatologically tested Fem Diamond Crème Bleach comes with pre-bleach and post-bleach cream add-ons that help optimize skin rejuvenation and nourishment for a pleasant usage experience.

Dabur also launched a range of professional salon facial products under the OxyLife brand -- OxyLife Salon Professional ProWhite Pure Oxygen Facials for women as well as men. These facial kits have been created exclusively for professional use. OxyLife Professional Facial is a revolutionary facial which combines the goodness of nature with science to deliver the benefits of oxygen through its patented German OxySphere Technology. The OxyLife brand also saw the introduction of OxyLife Crème + Crème bleach, which is the first facial bleach to have a Crème-based Activator. Its specially designed formula contains vitamin E and active oxygen which releases oxygen direct to the skin to fight skin problems like dark spots, sun tan and dullness.

The mainstream rose-based skin care range under Dabur Gulabari was restaged this year. The brand, which crossed turnover of ₹100 Crore in 2015-16 fiscal, expanded its portfolio with the launch of a range of face wash products. The range includes three products -- Gulabari White Rose Soft Fairness Face Wash, Gulabari Pink Rose Soft Daily Face Wash and Gulabari Black Rose Soft Pimple Control Face Wash -- that have been specially developed to cater to the different skin care needs of teenage girls. The different colors of rose often connote different emotions, and hence have been used in the Face Wash range to denote the individual benefits of each product.

During the year, Dabur hosted special sessions for parlor professionals across the country where renowned beauty consultant and cosmetologist Avleen Khokhar trained the parlor professionals on best skin care practices. Dabur professional range today reaches 27,500 salons and parlors in over 300 cities.

A series of consumer activations were also conducted to reach out to our consumers. This included a mega model hunt - Fem Miss North India Princess 2015. The pageant, one of the biggest in North India, sought to discover the most beautiful and fresh new face of North India. This pageant also offered young girls across cities of North India a platform to showcase their beauty and enter the world of mainstream modeling. The hunt was conducted across colleges and institutes in North India, with on-ground activation covering cities across Delhi-NCR, Uttar Pradesh, Uttarakhand and Punjab.

In addition, Fem ran a unique campaign on the occasion of Karva Chauth offering consumers an instant makeover for the festive season. Christened 'Fem Get Set Glow Makeover', this initiative gave consumers a chance to participate or nominate their loved ones for a FEM free instant makeover in their city. For this, Fem joined hands with beauty salons across India to offer these free instant makeovers to women during the festival season. Various media, including TVC, Digital films, Web banners, Radio, Outdoor, were used to promote the initiative. The campaign comes to life with a series of digital films that generated buzz on the social media platforms and garnered over 70,000 views within a few days.

Home Care

Dabur's Home Care portfolio includes Mosquito Repellents (Odomos), Air Fresheners (Odonil) and Toilet Cleaners (Sanifresh). This portfolio continued to perform well and ended the year with growth of 12.9%. The business accounted for 6% of the Consumer Care Business in 2015-16.

The mosquito repellent brand Odomos performed well during the year, riding on sustained activity around prevention from deadly mosquito-borne diseases. Dabur has positioned Odomos as the expert for protection against Dengue causing mosquitoes. During the year, Dabur launched a mega initiative christened Dengue Fighter, which was aimed at preventing school-going children across Delhi-NCR, Uttar Pradesh, Maharashtra, Tamil Nadu and Karnataka from falling prey to the deadly mosquito-borne disease Dengue.

Under this initiative, aimed at equipping children with knowledge about Dengue and turning them into Dengue-Fighters, healthcare professionals from leading hospital chains were engaged to visit schools and educate students, teachers as well as parents about effective prevention from Dengue. Schools across these cities will also be ranked and rated on the basis of the Dengue prevention measures implemented by them, and a Dengue Report Card of each city prepared.

Under this initiative, Dabur reached out to over 700,000 students and 40,000 teachers across India. Schools were encouraged to implement measures to prevent mosquito breeding and spread of mosquito borne diseases. A special Audio Visual has been developed to spread the message among kids and educate them about how mosquitoes breed and the effective measures to be taken to prevent this.

Dabur's toilet cleaner brand Sanifresh took forward its mega social campaign "700 Se 7 Kadam" which works towards protecting the dignity of women in rural India. Under this initiative, Re.1 was collected from every pack of SaniFresh sold and the proceeds went towards construction of toilets in rural house households and schools. During the year, SaniFresh,

which is committed to improve the sanitation facilities in rural India, helped construct over 1,000 household toilets in rural Uttar Pradesh, Himachal Pradesh and Uttarakhand.

Meanwhile, Dabur's air freshener brand Odonil reported strong double digit growth with the launch of new fragrances and extension of existing formats. The brand has successfully established itself as the air freshener expert offering a variety of air care solutions for all spaces inside a house. The recent innovations such as Odonil Gels and Odonil One Touch have received a good response and inducted more consumers into the brand.

Foods

Dabur's Foods business which includes packaged fruit juices & beverages and culinary pastes contributes 18% to the India FMCG Business. This is the youngest business at Dabur and has also been the fastest growing in the recent years, clocking strong double digit growth year after year. This business opened the year on a strong note and continued to grow at a good pace. However, the political unrest in Nepal that occurred in the second half of fiscal 2015-16 and the blockade of Indo-Nepal border that followed severely impacted the supply of packaged fruit juices and beverages to India. The blockade, in fact, coincided with the peak festive season and continued for more than three months.

Despite growing demand for its products, your Company was unable to service the requirement during the third quarter of the year as the border blockade brought the supply of juices from Nepal to a complete halt. While we were quick to respond to situation and took immediate steps to mitigate the impact by ramping up the production of juices at our manufacturing units in Sri Lanka and India, we were unable to meet the entire demand. This impacted sales of fruit juices significantly during the third quarter. The blockade has since been lifted with supplies coming back to normal in the fourth quarter of the year.



During the year 2015-16, Sanifresh helped construct over 1,000 household toilets in rural Uttar Pradesh, Himachal Pradesh and Uttarakhand.

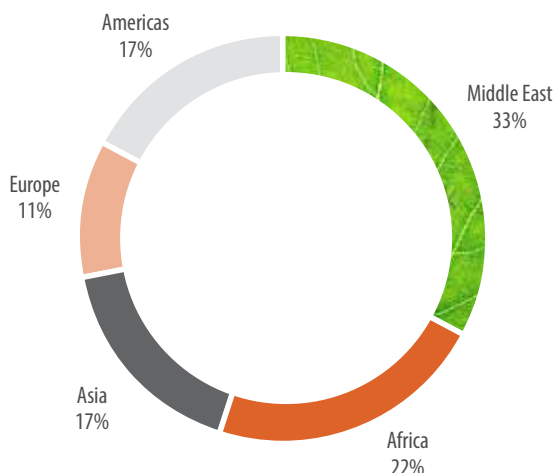
The year saw Dabur introduce a new sub-brand Réal Wellnezz with 100% Jamun Juice. In addition, the Réal Activ range was also expanded with the launch of 100% Mixed Fruit Juice. Réal Activ Coconut Water, which was launched last year, found greater acceptance and grew at a healthy pace. Today, Dabur has the largest range of fruit juices in the market and will continue to add new variants to this range to keep up the excitement and grow its market share. This summer will see the launch of Mausambi (Sweet Lime) juice under the Réal brand.

Moving forward on its social commitment to fight malnutrition among under privileged kids, Réal joined hands with Prayas Juvenile Aid Centre Society to launch a mega social initiative - Réal Dil Se Dua. Launched on the occasion of Raksha Bandhan, this initiative is part of Dabur India Ltd's mission to touch the lives of thousands of under-privileged children and spread Health & Happiness during the festive season. As part of the campaign, Dabur and Prayas Juvenile Aid Centre Society launched a signature campaign across major cities, covering Delhi-NCR, Chandigarh, Ludhiana, Jalandhar, Amritsar, Jammu and Mumbai. Against each signature, Dabur committed to give one pack of Réal fruit beverage to a child thus providing nourishment to under nourished children.

INTERNATIONAL BUSINESS

Dabur's International Business contributes to about a third of consolidated sales with revenues coming from Middle East, Africa, South Asia, Europe and Americas. Country-wise break up of sales is provided in Chart 7.

Chart 7 : International Sales Breakdown – FY 2015-16



The International Business recorded sales of ₹ 2712.1 crore during fiscal 2015-16 growing by 11.9% over previous year. Geopolitical and economic pressures have adversely affected the business environment either directly, leading to disruption of business or indirectly, leading to depression of investments and cash flows. In spite of the above mentioned headwinds the business was able to post steady growth on account of the brand equity and wide consumer base established in these markets through sustained investments.

The portfolio of Dabur International is built with adaptation and innovation of existing brands to cater to local tastes and consumer habits. This business comprises a large range of hair, skin and oral care products. It follows a localized supply chain strategy whereby own manufacturing facilities have been set up in each of our key markets such as UAE, Egypt, Nigeria, Turkey, Nepal, Bangladesh and Sri Lanka.

An overview of performance of each of the regions during fiscal 2015-16 is presented below.

Middle East : Middle East constitutes 33% of the total International business. Gulf countries namely Saudi Arabia, UAE Oman and Kuwait are the largest markets in terms of value. Other potentially large markets in the Levant region such as Yemen, Iraq and Syria have remained depressed due to geopolitical upheavals. By portfolio type Hair care is the largest with a large range of hair care products such as hair oils, hair creams, hair gels, shampoos, conditioners, nourishment products such as Hamam Zaith and serums. The second largest is the oral care portfolio which comprises Dabur Herbal Toothpastes, Miswak toothpaste and a number of extensions and variants. This is followed by the fast growing range of skin care products under the brands Fem and Dermoviva which have been added in the last few years.

The oral care portfolio in the Middle East region recorded strong growth in 2015-16 with improvement in market share. In Saudi Arabia which is one of our biggest markets in this region, Dabur is the largest in hair oils and hair cream categories with 66% share in hair oils and 42% in hair cream category. In UAE, which is another key market for us in Middle East, Dabur's share in hair oils was at 35% and in hair creams at 48%. Dabur entered the shampoos category in 2012 and has since built a strong niche position on the herbal platform in this highly competitive segment. Dabur's share in shampoo category remained steady as Vatika Shampoo range continued to perform well. A new Alpha ingredient range of shampoos has been introduced which utilize local ingredients and have received a good response in the markets where it has been rolled out.

The brand Vatika continued to innovate in the hair care space by launching localized offerings specific to the region and increased its natural ingredient linked brand equity. Its offerings in hair conditioning category have followed the local alpha ingredient extension route and this has given rich dividends in volumes and value to the brand over the course of the year making new variants significant in the growth of the brand. Vatika portfolio was expanded to hair colours and the offerings were evolved in sync with fashion trends driving the hair colour category. Dabur Amla as a brand has a heritage and high recall in this region which was capitalized to extend the brand into hair care formats other than oils. The range of In-wash and post-wash product offerings in the form of shampoos, conditioners, hair creams and Hamam Zaiths has played on the strength of the hair nourishment equity that the brand enjoys and has led to trials and purchase of the new offerings giving an avenue of future growth to the brand beyond its traditional portfolio of Hair Oils. Target segment expansion has gained importance and one of the latest offerings, Dabur Amla for Kids is an example of that. The range includes prewash conditioning in the form of Hair Oils and post wash conditioning in the form of de-tanglers.

The oral care portfolio was the star performing category growing by double digits. This was on the back of existing range of No Fluoride toothpastes in Herbal Toothpaste range and the locally and culturally significant Miswak range. Innovations were done in terms of benefit expansion in Herbal Toothpastes with specialized offerings such as anti-ageing benefit and toothpaste offerings for the special oral care needs of smokers and sensitivity. The portfolio also expanded in the Miswak range with the launch of the new Miswak Gold toothpaste and format extensions into mouthwashes.

The DermoViva portfolio of skincare products posted good growth in 2015-16. The brand introduced a host of new products and formats with improved product and propositions refined by customer feedback and reinforced by market research. Face care category, into which Dermoviva brand has been extended, has performed exceptionally with a high consumer traction. There was good consumer interest in the range of cleansers, toners, face washes and face scrubs. The brand has developed a unique, locally relevant nature led proposition to develop a range of baby care products. Baby care is a very large category and can be a good driver for growth in the coming years with expansion and growth of the Dermoviva baby range covering hair, wash, and moisturizing need based products. The range comprises of Hair Oil, Shampoo, Body lotion and creams, Talcum powders, and baby wipes to provide a complete complement of baby care products based on olive oil nourishment equity.



Dabur is today a multi-location transnational business catering to the ever-changing needs and aspirations of the local populace across geographies.

The skin care brand 'FEM' posted a good performance in 2015-16. After a successful packaging design overhaul, FEM Hair Removal Creams have been a strong growth pillar for the brand. Its innovative offerings have been growth drivers including the In-shower hair removing cream, Gold HRC with actual gold particles and localized format of HRC branded and sold as FEM Halawa. The launch of Fair and Radiant Facial Kit was a key launch growing the brand's equity in face care segment.

Africa

Africa is an important region for Dabur contributing to 22% of total international business. Key markets within Africa are Egypt, Nigeria, South Africa and Kenya. The company has been focusing on deepening its market presence in Africa by establishing its own brands as well as building the specialized hair care offerings under the brand ORS which was acquired a few years ago as part of acquisition of Namaste Laboratories LLC.

Egypt is one of the largest overseas markets for Dabur contributing to 11.4% of international business sales. Dabur Egypt Ltd manufactures and markets a large range of products in hair, skin and oral care categories. The company maintained its No. 1 position in hair creams, hair oils and Hammam Zaith Creams during the year. Our market share was steady at 47% in Hair Creams and 69% in Hair Oils. The strategy of localization and extension of brands into shampoos and Hamam Zaith categories has worked well for the business leading to a growth of 12% in local currency sales.

Business operations at Sub Saharan Africa have been consolidated into three hubs anchored at Lagos, Nairobi and Johannesburg to derive business synergies across the economic zones. Focus is on enhancing capabilities and skill set with the addition of qualified manpower to the regional talent pool.

In Nigeria, the company manufactures and markets oral care, hair care and home care products. Dabur Herbal Toothpaste has a good presence in the market with a portfolio of flavours and variants. Market share in Toothpaste category continued to hold strong at around 6% despite the severe economic crunch. Hub & Spoke distribution arrangement is being set-up to provide pan Nigeria coverage across open markets and retail network. Alongside, portfolio expansion into toilet cleaner category is being led with the launch of SaniFresh. Besides oral care and home care products, the hair care range under the ORS brand of Namaste has a good presence in the market. A manufacturing line has been set up at Dabur's plant at Lagos for manufacturing ORS range of hair care products from the Namaste portfolio.

Local marketing efforts are underway to strengthen the consumer franchise in East, West & South African markets for the Namaste portfolio which has a good consumer base here. Gearing up brand availability by improving access to the important salon channel, building distribution infrastructure in key Namaste markets for Nigeria, Ghana, Kenya, Tanzania, Uganda, DRC, Zambia and South Africa and relationship building with Hair Associations are some of the key initiatives in the Namaste growth framework. In addition, widening the portfolio spread and strengthening connect with Key Opinion Leaders i.e. Hair Stylists has been in focus. Localization of manufacturing is another key initiative to streamline and strengthen local supply chain for the products. This is underway with two new facilities coming up in Nigeria and Egypt.

South Asia (ex India)

Dabur's key markets in this region are Nepal, Bangladesh, Pakistan, Sri Lanka and Myanmar. The region contributes 17% to International Business sales.



Dabur has set up sales and marketing operations in Sri Lanka post the commissioning of its fruit juice facility near Colombo.

Dabur Nepal Private Ltd, one of the largest FMCG companies in Nepal, manufactures & markets wide range of Consumer goods under segments like Foods, Home Care, Personal Care and Health Care with products like Fruit Juices/Beverages, Chyawanprash, Glucose, Tooth Pastes, Hair Oils, Digestive Tablets, Honey, etc. The key brand in the portfolio Real Fruit Juices continued to perform well in spite of closure of the factory for more than 3 months due to the blockade of the India-Nepal border. Brands such as Vatika, Hajmola and Dabur Toothpastes are popular in the country and recorded good offtakes. The year saw a number of new launches, the most notable being Burrst Litchi & Burrst Apple which are local innovations. The year once again saw a renewed focus on enhancing business processes & systems. Initiatives to drive distribution expansion and strengthen the front end were undertaken which led to double digit growth in sales. Bangladesh market posted strong growth driven by momentum in categories like hair oils, shampoos, oral care and digestives. The newly set up green field plant at Dhamrai on the outskirts of Dhaka was in full operation. The plant has facilities to manufacture Hair Oils, Shampoos, Toothpastes, Honey and Odonil. Odonil and Red Tooth Paste which were introduced into the market last year continued to grow well.

Dabur has set up sales and marketing operations in Sri Lanka post the commissioning of its fruit juice facility near Colombo. The company is selling fruit juices in the local market under the Real brand besides other products such as Honey, Sanifresh, Odonil, Hair Oils and Shampoos.

Myanmar market offers good potential as it is opening up. Dabur has entered the oral care, hair care, skin care and mosquito repellent categories in Myanmar and the portfolio is growing well.

In Pakistan, Dabur markets its range of hair oils, shampoos and digestives under the brands Amla, Vatika and Hajmola. The Company introduced market specific variants like Shikakai and Mustard in hair oils and Egg & Henna Shampoo under Vatika Shampoos. It expanded its Amla Franchise in the shampoo category and launched Amla Shampoo. The Company launched a new brand called Dabur Hazmazza in the digestive segment. Dabur entered the baby care category with Dermoviva Baby and launched Dabur Red Toothpaste in the oral care category.

Americas

Americas contribute to 17% of International Business. Dabur's major presence in America is through the hair care portfolio of Namaste Laboratories which caters to people of African origin residing in the US.

In addition to traditional products like relaxers, nourishment, styling and cleansing products Namaste has launched a range of products for the New Naturals Hairstylers which is a strongly growing segment.

The business had been under pressure last fiscal due to distribution restructuring, pricing alignment among various markets and under performance of the relaxers category. The relaxers category witnessed a slow down as consumer preferences were shifting towards New Naturals (curly look). However, FY2015-16 was marked by an improvement in performance on the back of improved product portfolio and better business dynamics. The ORS brand experienced good growth led by products such as New Growth Kit, Monoi Oil brand, a restaged Curls Unleashed and other new product introductions.

In the Naturals segment, Namaste launched the ORS Black Olive Oil™ Repair7™- which helps to transform dry, weak and damaged hair with the help of essential fatty acids and vital anti-oxidants to moisture, strengthen & repair hair. The range includes 5 products – Sulfate-Free Shampoo, Rinse Out Conditioner, Leave-In Conditioner, Leave-In Treatment and Oil Elixir.

The Olive Oil Styling Range was expanded to better meet the needs of the New Naturals consumer. The new styling offerings expanded the styling line into new formats such as hair gels & non Aerosol hair spray.

The Company expanded the Monoi Oil range further with the launch of Monoi Oil Edge Control Gel Stick, Monoi Oil Shampoo & Monoi Oil Conditioner. The range was supported with TV, Print, Digital, and Out of Home advertising.

Dabur also caters to the ethnic Indian channels in the USA supplying the range of Dabur brands which are popular among the South Asian / Indian community. The business witnessed strong growth driven by distribution and range expansion. The new range of shampoos, serums and hair masks under the Vatika brand received a good response from consumers.

Dabur's private label oral care exports to USA including Toothpastes, Mouthwash and Denture Adhesives continued to perform well

Europe (Including Turkey)

Europe contributes 11% to Dabur's International Business. Dabur's Turkey business, Hobi Kozmetik, continued on a good growth trajectory. Hobi Kozmetik, once again delivered a good double digit growth in 2015-16, capitalising upon a strong distribution platform and building on growth pillars like Hair Care, Hair Styling and Liquid Soap. The company has a wide

product range which includes more than 190 personal care and cosmetics products in categories like hair gels, hair sprays, mousses, hair shapers, hair conditioners, shampoos, hair care complexes, body creams, hand and body lotions, body shampoos, liquid hand soaps, baby and skin care products. Despite political and economic crises within Turkey and some of the export markets struggling, the company posted a good performance. Hobby continues to be the market leader in Hair Styling and Liquid Soaps with more than 30% share in hair gels category. Plans are afoot to further expand the Dabur portfolio within Turkey with introduction of brands like Fem and Vatika and in parallel strengthen Hobby's presence in export markets.

Europe business overall grew strong double digits led by the Namaste portfolio despite regulatory and economic headwinds. New products and categories launched during the year generated robust traction.

SALES & DISTRIBUTION

In a highly complex market like India, the efficiency of its distribution infrastructure is the key to the success of any enterprise. At Dabur, we take pride in having implemented strategies ahead of the times to ensure timely delivery of our products across channels, both established and emerging, to tap the emerging needs and trends in the marketplace. Dabur has been investing in its Sales & Distribution network, refining its go-to-market strategies and strengthening the capabilities of its field force to maintain close and continuous touch with the market.

In the previous years, we have put in place focused initiatives for both rural and urban markets, which helped us drive growth across geographies and channels. In the urban markets, we had rolled out a sales and distribution initiative called Project 50/50, which was aimed at leveraging the potential of Top 130 towns that contribute to 50% of urban consumption. As part of this, steps were taken to enhance quality of market interface and improve sales efficiencies by segregating the grocery channel teams for wholesale & retail separately as these two segments of trade have completely different servicing requirements.



At Dabur, we take pride in having implemented strategies ahead of the times to ensure timely delivery of our products across channels.

In addition, a new programme 'Project Core' was initiated to enhance our effective coverage of chemist outlets in 150 focus towns, which has improved availability of our product range in this channel. Besides being critical retail points, Chemists also act as advisors to consumers seeking solutions to treat moderate and non-critical health problems hence influencing purchase of OTC products in a big way.

We have also been enhancing our rural distribution footprint under Project Double, which was initiated a few years ago. Under this initiative, we had increased our rural footprint from 14,000 villages about few years back to 45,000 villages in 2014-15. This network is being streamlined and consolidated for enhancing the efficiency and productivity of the rural field force and infrastructure already deployed in the rural markets.

We have been using a mix of localised promotional and marketing strategies as well as technology to access the consumers in these markets and to supplement these distribution enhancement initiatives. In urban markets, for instance, we undertook a host of school contact programmes and consumer activation initiatives. In rural India, we have rolled out a host of activities to not only engage the consumer but also provide her an opportunity to touch, feel and experience the products. We have also stepped up our consumer connect initiatives through participation in haats, nukkad nataks, melas and innovative initiatives like regional beauty pageants and rural talent hunts, which helped Dabur effectively capture the consumer mind-space.

With the market place evolving, a series of new initiatives have been put in place to tap the emerging opportunities. We have increased on focus on expert channels like Salons, Healthcare Professionals and even Key Opinion Leaders or Influencers as part of our efforts to drive deeper into the consumer mind-space.



Around 170 product specialists have already been hired and this medical detailing team will be expanded along with increase of coverage.

Medical Marketing

This year the Company has launched a new initiative, Project LEAD (Leveraging through Empowered Anchoring and Detailing). As a part of this initiative, we are focusing on enhancing our coverage of doctors, both Ayurvedic and Allopathic. Doctor advocacy shall be the key to demand generation, and a medical detailing team has been put in place for the same. This project was initially rolled out in three states, i.e. Uttar Pradesh, West Bengal and Maharashtra. We are now planning to extend it to Bihar, Rajasthan, Madhya Pradesh, Karnataka and Andhra Pradesh.

This initiative is in line with our focus on healthcare as an important driver of growth and will help establish a good connect with the healthcare fraternity. Around 170 product specialists have already been hired and this team will be expanded along with increase of coverage. The doctor detailing team has been armed with tablets in order to make their job of product detailing to doctors and healthcare professionals a lot easier. These tablets are programmed with all information about Dabur's Health Care range as also information on various ingredients and clinical study data about each product. The initiative has started bearing results with the Company witnessing a quantum jump in prescription of its various Health Care products being covered under this programme. Your company has already covered around 30,000 doctors -- both Allopathic and Ayurvedic -- under this programme and the same is expected to be scaled up further.

Dabur is also working towards upgrading its network of 362 Dabur Ayurvedic Centres which act as sales as well as advocacy centers. The company has been organizing doctor conferences that are aimed at spreading awareness about our product range.

Organised Retail & E-Commerce

Organized Retail, or Modern Trade as it is popularly known, has come to play an important role in the retail landscape in India, contributing 10-11% of business for the overall FMCG industry. Modern Trade, in fact, has been a key driver of growth in Urban India for Dabur in 2015-16. The channel contributed good growth driven by deeper engagement, focused strategies and better placement of our products.

E-retail or e-commerce, on the other hand, is still at a nascent stage. While its contribution in terms of business is still negligible, it is ramping up at a fast pace. The joint report by CII and Boston Consulting Group estimates that by 2020, more than 150 million consumers would be digitally influenced in

FMCG. These consumers would spend more than \$45 billion on FMCG categories. The combined effects of these demographic shifts with the emergence of new channels like e-commerce, proliferation of the internet connectivity and consumption of digital media, will reshape the FMCG sector.

This is an important development in the context of evolving shopper behavior and in terms of consumer engagement for the brands. Given the increasing trend of online shopping, a number of brick-and-mortar Modern Retailers are also venturing into the e-commerce space.

Dabur has forged partnerships with e-grocers like Big Basket, specialist players like First Cry and Top Marketplaces like Amazon & Snapdeal. We are also working closely with Hyper Local players in their journey of consumer acquisition and retention. With a large as well as a specialized range, we believe e-commerce offers a critical communication channel for marketing as any other. We are working with multiple partners across many categories to sell our range of products online. In addition, special e-commerce portals have also been created for specific products.

Dabur has embraced technology in a big way to better reach out to the modern day consumer and better service her needs. By creating interfaces on the digital social platform, Dabur as an entity and its various brands are reaching out to consumers, interacting with them and, in the process, enabling them to become our brand ambassadors. In another first, Dabur has tied up with Snapdeal to set up an exclusive e-store LiveVEDA for its range of Ayurvedic products. Going forward, we are also looking at launching certain products exclusively through the e-platforms.

RETAIL BUSINESS - NEWU

Dabur operates its specialized 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 at premium locations. These stores offer a unique blend of domestic and international brands covering a vast variety of cosmetics, fragrances, skin care, personal care and beauty and fashion accessories.

At the end of fiscal 2015-16, NewU's retail footprint stood at 73 stores across 30 cities. NewU also extended its market share by way of Ecommerce and has presence across all major market platforms and expanded its own Ecommerce website Newu.in which generated an excellent response from consumers.

The business witnessed sales growth of 26.7% 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. NewU continued its focus on bringing high quality products at reasonable price under its own brand names "Newu" and "Zensual". NEWU extended the offerings to include kajal, sindoor and new range of nail paints and removers. During the year Newu continued its effort to increase the number of exclusive brands at its stores.

OPERATIONS

Since its inception in 1884, Dabur has been developing products that meet the evolving needs of our consumers across geographies. We have been going the extra mile to create and maintain the highest quality and safety standards, incorporating the latest technology at our manufacturing units and carrying out extensive quality checks on both raw materials and finished products to ensure that our consumers always get best-in-class products.

Dabur also stays up to date with new regulations and industry best practices and has been regularly participating in various forums on Food Safety and Quality. During the year 2015-16, Dabur continued its focus on driving the quality culture and improving environment management across all our manufacturing units, both in India and abroad. In addition to developing innovative, natural and highly efficacious products, each of our manufacturing locations have been regularly undertaking initiatives towards meeting and exceeding environment protection norms, quality improvement and improving safety awareness of our employees. Details of our various environment and employee safety related initiatives have been provided in the Business Responsibility Report section.

Domestic Manufacturing

Dabur today has manufacturing units at 12 locations across India. We have production units organised around two main locations of Baddi (Himachal Pradesh) and Pantnagar



Dabur stays up to date with new regulations and industry best practices and has been regularly participating in various forums on Food Safety and Quality.

(Uttaranchal). Other factories are located at Sahibabad (Uttar Pradesh), Jammu, Silvassa, Alwar, Katni, Narendrapur, Pithampur, Siliguri, Nashik and a Foods manufacturing facility in Newai (Rajasthan). Nearly 90% of our products are manufactured at company-owned units, while the balance at third party facilities.

During the 2015-16 fiscal, a host of initiatives were taken at our manufacturing units to add capacities, reduce cost, reduce impact on environment, reduce wastages, new product and pack introduction, improve safety awareness, quality improvement & Total Productivity Maintenance (TPM). Moving forward on its commitment towards environment protection, Dabur has installed online effluent monitoring system at the Sahibabad unit, in line with the Central Pollution Control Board guidelines. As part of our efforts to achieve best environmental pollution control standards on the principle of Reduce, Reuse & Recycle, Dabur implemented 'Acidification Reaction System' by adding a special bio-culture tank called 'Acidogenic Bacteria Tank' with the help of in-house technical team. This is a first for the FMCG industry. Our efforts on the manufacturing front have been recognized with your Company bagging two Greentech Safety Gold Awards in 2015.

International Manufacturing

During the year capacity of the company's plant at Rasal-khaima (RAK) in UAE was enhanced from 44,500 MT to 51,000 MT per annum. New manufacturing and packing facilities were set up for Henna Hair Colours and additional Namaste products. In addition, new packing lines for shampoo, toothpaste, skin cream and mouthwash have been installed and commissioned. Various process and automation initiatives have been implemented in RAK during the year to optimize manpower requirement and improve productivity.

In Egypt the company operates through its state of the art manufacturing facility at 10th of Ramadan City, which has an investment of more than 100 million EGP. It is an ISO compliant company with state of the art quality lab. Warehouse management system (WMS) has been implemented at this plant during the FY 2015-16.

HUMAN RESOURCES

Human Resource is the most vital factor to achieve the goals of any organization. Being a progressive organization, Dabur firmly believes in the strength of its most vital asset --

the over 6,000 strong workforce. To maintain its competitive edge in a highly dynamic industry, Dabur recognizes the importance of having a work force which is consumer-focused, performance-driven and future-capable. In keeping with this, a number of policies and initiatives have been drawn up to ensure a healthy balance between business needs and individual aspirations.

At Dabur, we believe in fostering equal employment opportunities, where individuals are selected and treated on the basis of their job-relevant merits and are given equal opportunities within the organization. Our practices seek to address needs specific to the development, engagement, growth and retention of women employees. We have taken several steps towards encouraging women and enhancing workforce diversity through our initiatives on work-life flexibility. Given the fact that a growing number of young employees are working couples, we understand their need and now offer paid Maternity Leave of four months besides doubling the paternity leave scheme to help people better manage their Work-Life balance. These steps have helped Dabur become more gender sensitive and also make our women employees feel more secure. This International Women's Day, Dabur announced its decision to offer the women employees flexible working hours for four months post the maternity leave. This is in addition to the four-month paid maternity leave that we offer to our women employees.

We have in place a variety of measures to engage the employee and ensure career progression, helping employees move from their current level to a higher level. These include giving our employees overseas exposure, job rotations and even special projects. This ensures that there is a continuous learning process for the employee.

With its focus on being Future Ready, Dabur is rolling out special programs to attract Gen-Y or the millennial generation. In an industry first, Dabur had last year initiated a program to empower its young managers and involve them in key decision making exercises involving new media, product development & new launches. Towards this end, Dabur had created a Youth Committee (Y-COM), composed of the youngest members of the marketing team, which connects the rest of the marketing team with the latest trends and emerging preferences of youth. They go to colleges and invite college students to the Dabur headquarters for informal chats among other things to forge a direct link with the new generation. The insights and learnings are then used in developing go-to-market strategies for specific brands and products.

This year, we have taken it a step further. Dabur has started a unique program to connect with students at eminent B Schools and introduce some of our youth focused brands at the campuses. Christened Campus DREAMS (Dabur Reach-out for Engagement & Awareness in Marketing and Sales), this initiative serves the twin purpose of better reaching out to both potential employees as well as consumers. This is a part of Dabur's strategy to become Future Ready and is first of the several new initiatives that we are planning with B-School students. Dabur continues to maintain its record on Industrial Relations without any interruption in work. As on March 2016, the company had 6607 employees on its rolls across the globe.

FINANCIAL REVIEW

During fiscal 2015-16, your Company recorded consolidated sales of ₹ 8436.0 crore growing by 8.1%. The Domestic FMCG Business reported growth of 6.3% while the International Business grew by 11.9%.

The business witnessed a benign cost environment during the

year due to a steep correction in crude oil prices. This led to an improvement in the gross margins with material cost as a percentage of sales reducing from 47.7% in FY2014-15 to 45% in FY2015-16.

The Advertisement and Promotion expenditure for the year stood at 14.7% as compared to 14.4% in the previous year, which was a reflection of our continued investment behind our brands. The year 2015-16 witnessed many new product launches as well as a revamp of some of our existing products.

The Company's EBITDA grew by 17.9% to ₹ 1739.0 crore. Consequently, our EBITDA margins improved to 20.6% during 2015-16 as compared to 18.9% in the previous fiscal. Effective Tax Rate on a consolidated basis showed a marginal increase going up from 19% in 2014-15 to 19.4% in 2015-16. Profit After Tax (PAT) after minority interest grew by 17.5% to ₹ 1252.7 crores in fiscal 2015-16. PAT margins improved consequently to 14.8% from 13.7% in the previous year. Chart 11 provides a summary of the consolidated income statement.

Chart 11: Consolidated Income Statement (Summary)

| DIL (Consolidated) P&L - in ₹ Crores | FY2015-16 | FY2014-15 | YoY (%) |
|--------------------------------------|-----------|-----------|---------|
| Net Sales | 8,436.0 | 7,806.4 | 8.1% |
| Other Operating Income | 18.1 | 20.8 | -13.3% |
| Material Cost | 3797.0 | 3720.1 | 2.1% |
| % of Sales | 45.0% | 47.7% | |
| Employee Expense | 794.8 | 689.6 | 15.3% |
| % of Sales | 9.4% | 8.8% | |
| Advertising & Publicity | 1242.7 | 1124.4 | 10.5% |
| % of Sales | 14.7% | 14.4% | |
| Other Expenses | 1099.7 | 976.8 | 12.6% |
| % of Sales | 13.0% | 12.5% | |
| Other Non Operating Income | 219.2 | 158.1 | 38.7% |
| EBITDA | 1,739.0 | 1,474.4 | 17.9% |
| % of Sales | 20.6% | 18.9% | |
| Finance Costs | 48.0 | 40.1 | 19.7% |
| Depreciation & Amortization | 133.8 | 115.0 | 16.3% |
| Profit Before Tax (PBT) | 1557.2 | 1319.4 | 18.0% |
| Tax Expenses | 301.8 | 250.9 | 20.3% |
| Minority Interest - Profit/(Loss) | 2.7 | 2.6 | |
| PAT (After Minority Interest) | 1252.7 | 1065.8 | 17.5% |
| % of Sales | 14.8% | 13.7% | |

Chart 12: Working Capital Overview

| As Days of Sales | FY 2015-16 | FY 2014-15 |
|-------------------|------------|------------|
| Trade Receivables | 35 | 33 |
| Inventories | 47 | 46 |
| Trade Payables | 58 | 51 |
| Working Capital | 11 | 15 |

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

Working capital employed in the business reduced to 11 days of sales. There was a marginal increase in Inventories and Receivables days. Trade Payables increased by 7 days leading to overall net working capital going down from 15 days to 11 days during the year. The fixed asset turnover ratio remained stable at 6.1x times. Return on Invested Capital (ROIC) increased to 52.5% in FY2015-16 as compared to 45.2% in FY2014-15.

Chart 13: Fixed Asset Turnover

| Ratio | FY 2015-16 | FY 2014-15 |
|----------------------|------------|------------|
| Fixed Asset Turnover | 6.1x | 6.0x |

Note: Fixed Assets above excl. Goodwill

Chart 14: Return Ratios

| Ratio | FY 2015-16 | FY 2014-15 |
|-------|------------|------------|
| ROIC | 52.5% | 45.2% |
| ROE | 30.1% | 31.8% |

The business generated Cash flow from Operations of ₹1082.6 crore in FY2015-16. Of this ₹ 217 crore was used for meeting the Capex requirements. The net cash available with the company as on 31st March 2016 was ₹ 1939 crores and the total debt amounted to ₹ 804 crores.

Chart 15: Debt and Cash Position

| in ₹ Crores | Mar-16 | Mar-15 |
|--------------------------|--------|--------|
| Debt | 804 | 957 |
| Cash & Cash Equivalents. | 2743 | 2087 |
| Net Cash | 1939 | 1129 |

The total dividend declared for fiscal 2015-16 was 225% of par value. This, including tax on dividends translates into a payout ratio of 51% of Standalone PAT and 38% of Consolidated PAT. Overall the financial position remained strong with Net Worth of the company increasing to ₹ 4160 crore as compared to ₹ 3354 crore in the previous fiscal.

OPPORTUNITIES AND THREATS

The consumer landscape has been continuously evolving and one has to keep pace with the changing trends in order to win consumer confidence. The Herbal Wave in India offers a significant growth opportunity to be tapped and appropriate strategies need to be formulated to capture this opportunity. Dabur is capturing these opportunities by investing in brands that are positioned strongly on the herbal platform and appeal to the contemporary consumers. Dabur is leveraging its deep experience and heritage in the field of Ayurveda and building its business based on the Health and Wellness theme across categories.

Currency volatility, slowdown in category growth rates and unpredictable weather patterns are some of the threats to the company's prospects.

OUTLOOK

An improvement in the macro-economic fundamentals is expected to ramp up demand by improving the overall consumer sentiment. The Company expects demand to pick up as and when the disposable income in the hands of consumers increases due to pick up in economic activity and various government initiatives like NREGA, 7th Pay commission, implementation of DBT schemes etc.

The company has a good product pipeline and has also been investing in various distribution channels to service the demand all across geographies. We are well poised to effectively capture the growth opportunities in the FMCG domain.

INTERNAL FINANCIAL CONTROL SYSTEM

Please refer to the section on Internal Financial Control System included in the Directors' Report.

RISK MANAGEMENT

Business risks exist for any enterprise having national and international exposure. Dabur also faces some such risks, the key ones being - a longer than anticipated delay in economic revival, unfavorable exchange rate fluctuations, emergence of inflationary conditions, rise in counterfeits and look-alikes and any unexpected changes in regulatory framework.

The Company is well aware of these risks and challenges and has put in place mechanisms to ensure that they are managed and mitigated with adequate timely actions.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Dabur's objectives, projections, estimates and expectations might be construed as '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 is all about ethical conduct, openness, integrity and accountability of an enterprise. Healthy Corporate Governance enjoins a commitment of the Company to run the business in legal, ethical and transparent manner emanating from the top and permeating throughout the organization. It involves a set of relationships between a Company's Management, its Board, Shareholders and Stakeholders. It is one of the key elements in improving the economic efficiency of the enterprise. Credibility generated by sound Corporate Governance enables an enterprise in enhancing the confidence of the investors – both domestic and foreign, and in establishing productive and lasting business relationship with all stakeholders.

To Dabur, Corporate Governance is more a way of business life than a mere legal obligation. Besides complying with the prescribed Corporate Governance Practices as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (hereinafter referred to as 'Listing Regulations') the Company has voluntarily adopted various practices of Governance conforming to highest ethical and responsible standards of business, globally benchmarked. Last year (FY 2014-15) the Institute of Company Secretaries of India (ICSI), certified Dabur India Ltd., as one of the Best Governed Companies of India.

This chapter on Corporate Governance, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports, *inter-alia*, Dabur's compliance of Listing Regulations highlighting its additional initiatives in line with international best practices.

CORPORATE GOVERNANCE PHILOSOPHY

Dabur views Corporate Governance principles as an important pivot to decision making process. It forms part of business strategy which includes, *inter-alia*, creating an organization intended to maximise wealth of shareholders, establish productive and lasting relationship with all stakeholders with emphasis laid on fulfilling the responsibility towards entire community and society. Being a value driven organization the Company envisages attainment of the highest level of transparency, accountability, co-ordination 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.

The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and 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 requirements of SEBI. The Corporate Governance Principles implemented by Dabur seeks to protect, recognize and facilitate shareholders rights and ensure timely and accurate disclosure to them. Strong Governance practices have rewarded the Company in the sphere of improved share valuations, stakeholders' confidence, improved market capitalization, high credit ratings and awards from appropriate authorities for its brands, stocks, environmental protection, etc. These have helped Dabur to pay uninterrupted dividends to its shareholders.

BOARD OF DIRECTORS

Composition of the Board

As on March 31, 2016, Dabur's Board consists of 12 Members. Besides the Chairman, a Non-Executive Promoter Director, the Board comprises of two Executive Directors, three Non-Executive Promoter Directors and six Non-Executive Independent Directors (including Mrs. Falguni Sanjay Nayar, a Woman Director). The composition of the Board is in conformity with the Listing Regulations enjoining specified combination of Executive and Non-Executive Directors with at least one Women Director, with not less than fifty percent of the Board comprising of Non-Executive Directors and at least one-half of the Board comprising of Independent Directors for a Board chaired by Non-Executive Promoter Director.

Classification of Board:

| Category | Number of Directors | % to total number of Directors |
|--|---------------------|--------------------------------|
| Executive Directors | 2 | 17 |
| Non Executive Independent Directors (including Woman Director) | 6 | 50 |
| Other Non Executive Directors | 4 | 33 |
| Total | 12 | 100 |

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 2015-16 the Board of Directors met four times on- 05/05/2015, 29/07/2015, 28/10/2015 and 28/01/2016. The maximum gap between any

two meetings was less than one hundred and twenty days, as stipulated under Regulation 17 of the Listing Regulations and Secretarial Standards.

Directors' Attendance Record and their other Directorships/ Committee Memberships

As mandated by Regulation 26 of the Listing Regulations, none of the Directors is a member of more than ten Board

level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee Memberships/ Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2016 are given below:

| Name of the Director | Category # | Attendance Particulars | | | No. of other Directorships and Committee Memberships /Chairmanships held* | | |
|--------------------------------|-------------------------|--------------------------|----------|-----------------------------|---|-----------------------|-------------------------|
| | | Number of Board Meetings | | Last AGM held on 21.07.2015 | Other Directorships | Committee Memberships | Committee Chairmanships |
| | | Held | Attended | | | | |
| Dr. Anand C Burman | Chairman/PD/ NED | 4 | 4 | Yes | 6 | 0 | 0 |
| Mr. Amit Burman | Vice Chairman/ PD / NED | 4 | 4 | Yes | 4 | 3 | 0 |
| Mr. Mohit Burman | PD/NED | 4 | 4 | No | 3 | 2 | 0 |
| Mr. Saket Burman | PD/NED | 4 | 3 | No | 0 | 0 | 0 |
| Mr. P D Narang | ED | 4 | 4 | Yes | 3 | 2 | 1 |
| Mr. Sunil Duggal | ED | 4 | 4 | Yes | 1 | 2 | 0 |
| Mr. P N Vijay | ID | 4 | 4 | Yes | 2 | 1 | 1 |
| Mr. R C Bhargava | ID | 4 | 4 | No | 7 | 2 | 4 |
| Dr. S Narayan | ID | 4 | 4 | Yes | 5 | 3 | 0 |
| Dr. Ajay Dua | ID | 4 | 3 | Yes | 2 | 1 | 0 |
| Mr. Sanjay Kumar Bhattacharyya | ID | 4 | 4 | Yes | 4 | 3 | 2 |
| Mrs. Falguni Sanjay Nayar | ID | 4 | 4 | No | 6 | 5 | 0 |

PD – Promoter Director; NED – Non-Executive Director; ID – Non-Executive Independent Director; ED – Executive Director

*1. Excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

2. Only two Committees viz. the Audit Committee and the Stakeholders Relationship Committee are considered.

Details of other Board Directorships are separately mentioned in Annexure 1 to this report.

Limit on the number of Directorships

In compliance with the Listing Regulations, Directors of the Company do not serve as Independent Director in more than seven Listed Companies or in case he/she is serving as a Whole-Time Director in any Listed Company, does not hold such position in more than three Listed Companies.

Shareholding of Non-Executive Directors

Dr. Anand C Burman, Non-Executive Promoter Director is holding 6,60,000 equity shares of ₹ 1/- each in the Company. None of the other Non-Executive Directors hold any shares in the Company. Further, the Company has not issued any convertible instruments hence disclosure in this respect is not applicable.

Independent Directors

As mandated by the Listing Regulations, the Independent Directors on Dabur's Board:

- are persons of integrity and possess relevant expertise and experience, in the opinion of the Board of Directors;
- are not a Promoter of the Company or its holding, subsidiary or associate Company;
- are not related to Promoters or Directors in the Company, its holding, subsidiary or associate Company;
- apart from receiving Director's remuneration, have or had no material pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their Promoters or Directors, during the two immediately preceding financial years or during the current financial year;

- e. have no relative, who has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- f. neither themselves nor any of their relatives —
 - i. hold or have held the position of a Key Managerial Personnel or are or have been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the Financial Year in which they were proposed to be appointed;
 - ii. are or have been an employee or proprietor or a partner, in any of the three financial years immediately preceding the Financial Year in which they were proposed to be appointed, of —
 - A. a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or
 - B. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
 - iii. hold together with their relatives two percent or more of the total voting power of the Company; or
 - iv. is a Chief Executive or Director, by whatever name called, of any Non-Profit Organisation that receives twenty-five percent or more of its receipts or corpus from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company;
 - v. is a material supplier, service provider or customer or a lessor or lessee of the Company;
- g. are not less than 21 years of age.

The Independent Directors have confirmed that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations.

Maximum Tenure of Independent Directors

In accordance with Section 149(11) of the Companies Act, 2013, the current tenure of Independent Directors of the Company (other than Mrs. Falguni Sanjay Nayar) is for a term of 5 consecutive years from the date of Annual General Meeting (AGM) held on 22.7.2014 upto the conclusion of AGM to be held in the Calendar Year 2019. The tenure of Mrs. Falguni Sanjay Nayar, is from commencement of her appointment as an Additional Director of the Company i.e. 28.07.2014 upto the conclusion of AGM to be held in the Calendar Year 2019 or 27.07.2019, whichever is earlier.

Terms and conditions of appointment of Independent Directors

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company- www.dabur.com.

Performance evaluation of Independent Directors

The Board of Directors upon recommendation of Nomination and Remuneration Committee have laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board Members, including Independent Directors.

The performance evaluation of Independent Directors was done by the entire Board and in the evaluation the Director who was subject to evaluation did not participate. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, as and when their respective term expires.

Separate Meeting of the Independent Directors

All Independent Directors of the Company met separately on February 25, 2016 without the presence of Non-Independent Directors and Members of Management. In accordance with the Listing Regulations, following matters were, *inter-alia*, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board of Directors as a whole.
- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors.
- Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarization Programme for the Independent Directors

The Company conducts Familiarization Programme for the Independent Directors to provide them an opportunity to familiarize with the Company, its Management and its operations so as to gain a clear understanding of their roles, rights and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with Senior Management Personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part.

The initiatives undertaken by the Company in this respect have been disclosed on the website of the Company at www.dabur.com and the web link thereto is <http://www.dabur.com/img/assets/4-familiarization-programme-for-independent-directors.pdf>

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 I-pad, in paperless form. All agenda papers are uploaded in a web based programme for information, perusal and comments, etc. of the Board/ Committee Members.

The information pertaining to mandatory items as specified in the Listing Regulations, Companies Act, 2013 and other applicable laws, along with other business issues, is regularly provided to the Board, as part of the agenda papers at least 2 weeks in advance of the Board meetings (except for certain unpublished price sensitive information which is circulated at shorter notice).

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 is placed at the immediately succeeding meeting for information of the Board.

The Board has established procedures to periodically review Compliance Report pertaining to all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliance.

Succession Plan: The Board of Directors has satisfied itself that plans are in place for orderly succession for outgoing Members of the Board of Directors and Senior Management Personnel.

Roles and Responsibilities 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 C Burman, a Chief Executive Officer (CEO) – presently Mr. Sunil Duggal, and an optimum combination of Executive and Non-Executive Promoter/ Independent Directors. The duties of Board Members as a Director have been enumerated in Listing Regulations, Section 166 of the Companies Act, 2013 and Schedule IV of the said Act, the last being Independent Directors specific. There is a clear demarcation of responsibility and authority amongst the Board Members.

□ **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. His role, *inter-alia*, includes:

- provide leadership to the Board & preside over all Board & General Meetings.
- achieve goals in accordance with Company's overall vision.
- ensure that Board decisions are aligned with Company's strategic policy.
- oversee and evaluate the overall performance of Board and its Members.
- ensure to place all relevant matters before the Board and encourage healthy participation by all Directors to enable them to provide their expert guidance.
- monitor the core management team.

□ **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. Their role, *inter-alia*, includes:

- crafting of vision and business strategies of the Company.
- clear understanding and accomplishment of Board set goals.
- responsible for overall performance of the Company in terms of revenues & profits and goodwill.
- acts as a link between Board and Management.
- ensure compliance with statutory provisions under multiple regulatory enactments.

□ **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. Their role, *inter-alia*, includes:

- impart balance to the Board by providing independent judgement.
- provide feedback on Company's strategy and performance.
- provide effective feedback and recommendations for further improvements.

Board Membership Criteria

The Nomination and Remuneration 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 and Remuneration 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 (including a Woman Director) 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 |
|--|---|---|
| Strategy/Business Leadership | 2-3 years experience as a CEO, preferably of an MNC in India | FMCG experience |
| Corporate Strategy Consultant | Consultant/Academician with experience in FMCG Industry and business strategy | Basic understanding of Finance |
| Sales and Marketing Experience | At least 10 years experience in sales and marketing | Experience with FMCG or other consumer products |
| | Good understanding of commercial processes | |
| Corporate law | 2-3 years as head of sales or marketing | Experience in trade/ consumer related laws |
| | Expert knowledge of Corporate Law | |
| Finance | At least 5 years as a CFO or as head of a Merchant Banking operation | FMCG experience |
| Trade Policy & Economics | Expert Knowledge of Trade & Economic Policies | FMCG experience |
| Administration & Government Relations | Retired Bureaucrat | Basic understanding of Finance and Business |
| Ayurvedic Specialist | Ayurvedic doctor with a minimum of 20 years experience as a practitioner/researcher | Basic understanding of Finance and Business |

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 2015-2016 is as under:

(Amount in ₹)

| Name of the Director | Sitting Fees | Salary & Perquisites | Superannuation Fund | Commission | Total |
|-----------------------------|------------------|----------------------|---------------------|------------|---------------------|
| Dr. Anand C Burman | 0 | 0 | 0 | 0 | 0 |
| Mr. Amit Burman | 0 | 0 | 0 | 0 | 0 |
| Mr. Mohit Burman | 0 | 0 | 0 | 0 | 0 |
| Mr. Saket Burman | 0 | 0 | 0 | 0 | 0 |
| Mr. P D Narang | 0 | 7,98,60,843 | 89,35,771 | 0 | 8,87,96,614 |
| Mr. Sunil Duggal | 0 | 7,41,18,318 | 86,26,990 | 0 | 8,27,45,308 |
| Mr. P N Vijay | 11,35,000 | 0 | 0 | 0 | 11,35,000 |
| Mr. R C Bhargava | 10,00,000 | 0 | 0 | 0 | 10,00,000 |
| Dr. S Narayan | 10,60,000 | 0 | 0 | 0 | 10,60,000 |
| Dr. Ajay Dua | 9,20,000 | 0 | 0 | 0 | 9,20,000 |
| Mr. Sanjay Kr Bhattacharyya | 10,60,000 | 0 | 0 | 0 | 10,60,000 |
| Mrs. Falguni Sanjay Nayar | 4,00,000 | 0 | 0 | 0 | 4,00,000 |
| Total | 55,75,000 | 15,39,79,161 | 1,75,62,761 | 0 | 17,71,16,922 |

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

During the Financial Year 2015-16, the Company did not advance any loan to any of its Directors.

No stock options have been granted to Directors during the year. Out of the stock options granted during the earlier years, Mr. P D Narang and Mr. Sunil Duggal, each have exercised 11,46,250 stock options (including bonus options) and were allotted equivalent number of shares.

Pursuant to the approval accorded by shareholders, certain Directors are entitled to post separation fee 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.

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. Further, the Non-Executive Directors and Independent Directors are not entitled to any stock options.

Remuneration Policy

The remuneration paid to Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Nomination and Remuneration 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 196, 197 and 198 of the Companies Act, 2013, as approved by the Board and within the overall limits prescribed by the Companies Act, 2013.

2. Executive Directors

Remuneration of the Executive Directors consists of a fixed component and a variable performance incentive. The Nomination and Remuneration 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.

In accordance with the relevant provisions of Companies Act, 2013 and the Listing Regulations, the following Policies/ Framework have been adopted by the Board upon recommendation of the Nomination and Remuneration Committee:

1. Remuneration Policy relating to remuneration of Directors, Key Managerial Personnel and other employees.

2. Framework for evaluation of the Board, its Committees and individual Board Members including Independent Directors.
3. Policy on appointment of Board Members.

The Remuneration Policy and the evaluation criteria have been disclosed in the Director's Report which forms part of the Annual Report.

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 duties of Directors including duties as an Independent Director as laid down in the Companies Act, 2013 also forms part of the Code of Conduct.

The Code of Conduct is available on the website of the Company 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. Nomination and Remuneration Committee,
- C. Corporate Social Responsibility Committee,
- D. Risk Management Committee, and
- E. Stakeholders' Relationship Committee.

The composition of various Committees of the Board of Directors is available on the website of the Company at www.dabur.com and weblink for the same is <http://dabur.com/img/assets/3-composition-of-various-committees.pdf>

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference 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 and Meetings

As on March 31, 2016, the Audit Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Listing Regulations.

During the Financial Year 2015-16, the Audit Committee met six times on 05.05.2015, 02.07.2015, 29.07.2015, 28.10.2015, 28.01.2016 and 25.02.2016. The time gap between any two meetings was less than 120 days.

The details of attendance of Members is as under:

| Name of the Member | Category | Status | No. of Meetings | |
|-------------------------|----------------------|----------|-----------------|----------|
| | | | Held | Attended |
| Mr. P. N. Vijay | Independent Director | Chairman | 6 | 6 |
| Mr. R. C. Bhargava | Independent Director | Member | 6 | 6 |
| Dr. S. Narayan | Independent Director | Member | 6 | 6 |
| Dr. Ajay Dua | Independent Director | Member | 6 | 5 |
| Mr. S. K. Bhattacharyya | Independent Director | Member | 6 | 6 |

The Director responsible for the finance function, the head of Internal Audit and the representative of the Statutory Auditors, Internal Auditors and Cost Auditors are permanent invitees to the Audit Committee. Mr. A K Jain, 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 AGM held on July 21, 2015 to answer the shareholders' queries.

The role of Audit Committee, the powers exercised by it pursuant to the terms of reference, and the information reviewed by it are in accordance with the requirements as specified in the Listing Regulations, Companies Act, 2013 and other applicable laws, if any. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

Audit Committee Report for the year ended March 31, 2016

To the Board of Directors of Dabur India Limited,

The Committee comprises of five Independent Directors. The Management is responsible for the Company's internal financial 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 financial 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 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, Directors' responsibility statement, financial results and draft audit/ limited review report thereon, financial statements and draft Auditors' report, approval (including modification, if any) and review of Related Party Transactions and scrutinized inter corporate loans of the Company. The Risk assessment and minimization procedures were also reviewed. During the year, the Committee also approved amendments in the Policy on Related Party Transactions, evaluated the Internal Financial Control & Risk Management System of the Company. The Committee also approved the CAPEX proposals during the Financial Year 2015-16. Complaints received under Whistle-Blower Policy/ Vigil Mechanism were also monitored by the Committee. The Committee affirms that in compliance with the Whistle-Blower Policy/ Vigil Mechanism no personnel had been denied access to the Audit Committee.

The Committee has appointed M/s Price Waterhouse & Co., Bangalore, LLP as Internal Auditors of the Company for the period from 1st October, 2015 to 30th June, 2016 and discussed and approved their audit plan. 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 2015-16. 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 2016-17.

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

P N Vijay

Chairman

Audit Committee

Place: New Delhi

Date : April 28, 2016

B. NOMINATION AND REMUNERATION COMMITTEE

Composition and Meetings

As on March 31, 2016 the Nomination and Remuneration Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Listing Regulations, with all Directors being Non-Executives and fifty percent of them being Independent Directors.

During the Financial Year 2015-16, the Nomination and Remuneration Committee met five times on 05.05.2015, 29.07.2015, 24.08.2015, 21.09.2015 and 28.01.2016.

The details of attendance of the Members is as under:

| Name of the Member | Category | Status | No. of Meetings | |
|--------------------|----------------------------------|----------|-----------------|----------|
| | | | Held | Attended |
| Dr. S. Narayan | Independent Director | Chairman | 5 | 4 |
| Mr. P. N. Vijay | Independent Director | Member | 5 | 5 |
| Dr. Anand C Burman | Promoter/ Non-Executive Director | Member | 5 | 4 |
| Mr. Amit Burman | Promoter/ Non-Executive Director | Member | 5 | 5 |

Dr. S Narayan, Chairman of the Committee attended the AGM held on July 21, 2015 to answer the shareholders' queries.

The roles and responsibilities of the Committee are in accordance with the requirements as specified in the Listing Regulations, Companies Act, 2013 and other applicable laws, if any. Apart from the above, the Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

Nomination and Remuneration Committee Report for the year ended March 31, 2016

To the Board of Directors of Dabur India Limited,

The Nomination and Remuneration Committee comprises of two Independent Directors and two Non-Executive Promoter Directors. The main responsibility of the Committee is to incentivize and reward Executive performance that will lead to long-term enhancement of shareholder performance. Further the Committee is also responsible for formulating policies as to remuneration, performance evaluation, Board diversity, etc. in line with Companies Act, 2013 and SEBI Listing Regulations.

During the year the Committee approved the grant of stock options to employees under the ESOP Scheme of the Company. The Committee also allotted shares towards exercise of stock options which were granted during earlier years. The financial targets fixed for FY 2015-16 were revised by the Committee. During the year the Committee recommended the appointment of Senior Management Personnel Mr. Sharukh

Adi Khan as Executive Director– Operations. Further the Committee recommended the appointment of Mr. Sunil Duggal, CEO as Whole Time Director of the Company for a period of 5 years w.e.f. 31/7/2015 and also reviewed and approved the revision in remuneration of Mr. P D Narang and Mr. Sunil Duggal, Executive Directors.

The Committee conducted the performance evaluation of Directors for the Financial Year 2015-16. The Committee was also provided information on compensation policies for employees and the information to decide on grant of options to various employees.

P N Vijay
Member

Place: New Delhi

Nomination and

Date : April 28, 2016

Remuneration Committee

C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition and Meetings

As on March 31, 2016 the Corporate Social Responsibility (CSR) Committee consists of the Members as stated below.

During the Financial Year 2015-16 the Committee met 4 times on 29.04.2015, 29.07.2015, 28.10.2015 and 28.01.2016. The details of attendance of Members is given below:

| Name of the Member | Category | Status | No. of Meetings | |
|----------------------|----------------------|----------|-----------------|----------|
| | | | Held | Attended |
| Dr. Ajay Dua | Independent Director | Chairman | 4 | 3 |
| Mr. P D Narang | Executive Director | Member | 4 | 4 |
| Mr. Sunil Duggal | Executive Director | Member | 4 | 4 |
| Mr. SK Bhattacharyya | Independent Director | Member | 4 | 4 |

The role of CSR Committee is as under:-

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in compliance with the Companies Act, 2013 and rules thereunder.
- Recommend the amount of expenditure to be incurred on the activities as above, and
- Monitor the CSR Policy of the Company from time to time.

The Company has formulated the CSR Policy in line with Schedule VII 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 key focus areas where special Community Development programmes would be run are:

- Eradicating hunger, poverty and malnutrition;
- Promoting Health care including preventive health care;
- Ensuring environmental sustainability;
- 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 at the link <http://www.dabur.com/in/en-us/csr-be-the-change/csr-policy>

CSR Committee Report for the year ended March 31, 2016

To the Board of Directors of Dabur India Limited,

The CSR Committee comprises of two Independent Directors and two Executive Directors.

The main responsibility of the Committee is to formulate and recommend to the Board, a CSR Policy indicating activities to be undertaken by the Company as specified in Companies Act, 2013, recommending the expenditure on CSR activities & monitoring the activities undertaken from time to time.

The Company has in place the CSR Policy formulated by the Committee and approved by the Board of Directors.

During the Financial Year 2015-16, the Committee approved the CSR activities and budget for the FY 2015-16 and monitored the progress on CSR activities undertaken by the Company on quarterly basis. Further, a Company promoted Trust namely- Jivanti Welfare and Charitable Trust was formed to carry out the CSR activities. The Company has been able to spend the mandatory 2% of average net profits of immediately preceding 3 years on various CSR activities, the details of which are given in CSR Report approved by the Committee and attached to the Director's Report.

The Committee is sufficiently satisfied with the CSR compliances on the part of the Company.

Dr. Ajay Dua

Place: New Delhi

Chairman

Date : April 28, 2016

CSR Committee

D. RISK MANAGEMENT COMMITTEE

Composition and Meetings

As on March 31, 2016 the Risk Management Committee consists of Members as stated below.

The composition of the Committee is in conformity with the Listing Regulations, with majority of Members being Directors.

During the Financial Year 2015-16 the Committee met four times on 16.04.2015, 27.07.2015, 06.10.2015 and 27.01.2016. The details of attendance of Members is given below:

| Name of the Member | Category | Status | No. of Meetings | |
|--------------------|---|-----------------------------------|-----------------|----------|
| | | | Held | Attended |
| Dr. Ajay Dua* | Independent Director | Chairman | 2 | 2 |
| Mr. Amit Burman | Promoter/ Non-Executive Director | Member | 4 | 4 |
| Mr. Sunil Duggal | Executive Director | Member | 4 | 4 |
| Mr. P D Narang | Executive Director | Member | 4 | 4 |
| Mr. Lalit Malik | CFO & Joint Chief Risk Officer | Member & Joint Chief Risk Officer | 4 | 4 |
| Mr. A K Jain | VP (Finance) & Co. Secretary & Joint Chief Risk Officer | Member & Joint Chief Risk Officer | 4 | 4 |

*Dr. Ajay Dua was appointed as a member and Chairman of the Committee w.e.f. 06.10.2015.

The role of the Committee is as under:

1. Preparation of Risk Management Plan, reviewing and monitoring the same on regular basis.
2. To update Risk Register on quarterly basis.
3. To review critical risks identified by Joint Chief Risk Officer(s) and Management Committee of the Company on quarterly basis.
4. To report key changes in critical risks to the Board on quarterly basis.
5. To report critical risks to Audit Committee in detail on yearly basis.
6. To perform such other functions as may be deemed or prescribed fit by the Board.

Risk Management Committee Report for the year ended March 31, 2016

To the Board of Directors of Dabur India Limited,

The Committee consists of one Independent Director, two Executive Directors, one Promoter Non-Executive Director and two KMPs being Non- Board Members.

The primary responsibility of the Committee is to prepare the Risk Management Plan of the Company and to review and monitor the same on regular basis.

During the Financial Year 2015-16, the Committee identified and assessed the risks faced by the Company and procedures to

mitigate the same. The risks were assessed categorically under the broad heads of high, medium and low risks with high and medium risks sub categorized as critical and low risks as non-critical.

Dr. Ajay Dua

Chairman

Place: New Delhi

Date : April 28, 2016

Risk Management Committee

E. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition and Meetings

As on March 31, 2016 the Stakeholders' Relationship Committee consists of Members as stated below.

During the Financial Year 2015-16 the Committee met four times on 29.04.2015, 29.07.2015, 28.10.2015 and 28.01.2016.

The details of attendance of Members is given below:

| Name of the Member | Category | Status | No. of Meetings | |
|--------------------|---------------------------------|----------|-----------------|----------|
| | | | Held | Attended |
| Mr. P N Vijay | Independent Director | Chairman | 4 | 4 |
| Mr. Amit Burman | Promoter/Non-Executive Director | Member | 4 | 4 |
| Mr. P D Narang | Executive Director | Member | 4 | 4 |
| Dr. Ajay Dua | Independent Director | Member | 4 | 3 |

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-receipts of annual reports, non-receipt of declared 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 Financial Year 2015-16 are given below

| Nature of Complaint | Pending as on 31.3.2015 | Received during the FY 2015-16 | Disposed of during the FY 2015-16 | Pending as on 31.3.2016 |
|---|-------------------------|--------------------------------|-----------------------------------|-------------------------|
| Non receipt of certificates lodged for Transfer / Transmission, issue of Duplicate shares | NIL | 16 | 16 | NIL |
| Non-receipt of Dividend | NIL | 8 | 8 | NIL |
| Dematerialization / Rematerialization of shares | NIL | - | - | NIL |
| Others (Non receipt of bonus shares/ POA/ change of signatures/ address etc.) | NIL | 5 | 5 | NIL |
| Total | - | 29 | 29 | - |

In order to provide efficient services to investors and for speedy redressal of the complaints, the Committee 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 10,000 shares per case and for dematerialization upto a maximum of 40,000 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, 2016

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 duplicate share certificates and allied matter(s).

The Committee approved 253 cases of transfer, 3 cases of transmission, 36 cases of re-materialization, 220 cases of dematerialization, 2 cases of sub-division, 1 case of consolidation, 5 cases of name deletion (due to death) and 8 cases of issue of duplicate share certificates. The Committee has also constituted a Sub-Committee to facilitate the issuance of duplicate share certificates and transfer/ transmission/ consolidation/ sub-division/ remat of more than 10,000 shares per case/ demat of more than 40,000 shares per case, within the prescribed timelines. The Committee also reviewed the status of investors' grievances on quarterly basis. The Company received 29 complaints during the year all of which were redressed. As at the close of the Financial Year there were no complaints pending for redressal.

P N Vijay

Place: New Delhi

Chairman

Date : April 28, 2016 Stakeholders' Relationship Committee

SUBSIDIARY COMPANIES - MONITORING FRAMEWORK

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

- The Audit Committee reviews financial statements of the subsidiary companies, along with investments made by them, on a quarterly basis.
- The Board of Directors reviews the Board Meeting minutes and statements of all significant transactions and arrangements, if any, of subsidiary companies.

The Company has formulated a policy for determining its 'Material' Subsidiaries and the same is available on the website of the Company www.dabur.com. The weblink for the same is <http://www.dabur.com/img/assets/32-Policy-material-subsiary.pdf>

Dabur does not have any unlisted material subsidiary, incorporated in India. [Under the Listing Regulations, a "Material Subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty per cent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year].

Dabur also does not have a listed subsidiary.

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

The Company has formulated a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, in accordance with relevant provisions of Companies Act, 2013 and Listing Regulations [a transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity].

The policy has been disclosed on the website of the Company at www.dabur.com. Web link for the same is <http://www.dabur.com/img/assets/33-policy-on-related-party-transactions.pdf>

All Related Party Transactions are approved by the Audit Committee prior to the transaction. The Audit Committee has, after obtaining approval of the Board of Directors, laid down the criteria for granting omnibus approval which forms part of the Policy on Related Party Transactions. Related Party Transactions of repetitive nature are approved by the Audit Committee on omnibus basis for one Financial Year at a time. The Audit Committee satisfies itself regarding the need for omnibus approval and ensures compliance with the requirements of Listing Regulations and the Companies Act, 2013. All omnibus approvals are reviewed by the Audit Committee on a quarterly basis.

During the Financial Year 2015-16, there were no such Related Party Transactions, either as per Companies Act, 2013 or Listing Regulations which were required to be approved by the Board of Directors or the shareholders of the Company. Further, there were no materially significant Related Party Transactions that may have potential conflict with the interests of Company at large.

A confirmation as to compliance of Related Party Transactions as per Listing Regulations is also sent to the Stock Exchanges along with the quarterly compliance report on Corporate Governance.

Disclosures by Board Members & Senior Management

The Board Members and Senior Management personnel make disclosures to the Board periodically regarding;

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

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

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.

Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations

The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the Listing Regulations.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

Disclosure on Commodity price risks or foreign exchange risk and hedging activities

The Company is subject to market risk with respect to commodity price fluctuations in a wide range of items which are drawn from the agriculture and petroleum value chains. We manage our exposure to commodity risks through a judicious mix of long term contracts in seasonal items and strategic buying initiatives of other commodities. Supplier pricing agreements are also used in some categories to enable us to establish purchase prices. In the year 2015-16, the Company has witnessed a deflation of approximately 3% compared to the previous fiscal due to softening of petroleum prices and select agri-commodity prices.

As regards foreign exchange risks, keeping in view the position of rupee in the market vis-a-vis foreign currency, the Company has been taking forward cover for foreign currency exports and imports from time to time.

Code for Prevention of Insider-Trading Practices

The Company has in place a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the Management, staff and other connected persons, on procedures to be followed and disclosures to be made by them 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 / Vigil Mechanism

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 Directors, employees and business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's Code of Conduct without fear of reprisal. The Company has set up a Direct Touch initiative, under which all Directors, 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 stakeholders 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. Web link for the same is <http://www.dabur.com/img/upload-files/41-direct-touch-2014.pdf>

The Audit Committee periodically reviews the existence and functioning of the mechanism. It reviews the status of complaints received under this policy on a quarterly basis. The Committee has, in its Report, affirmed that no personnel have been denied access to the Audit Committee.

Dividend Policy

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

CEO/ CFO certification

The CEO and CFO certification on the financial statements and the cash flow statement for the year provided to the Board is placed at the end of the report.

Legal Compliance Reporting

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

SHAREHOLDERS

Appointment/Re-appointment of Directors

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, Dr. Anand C Burman and Mr. P D Narang, Directors will retire by rotation at the ensuing AGM, and being eligible, offer themselves for re-appointment in accordance with provisions of the said Act.

In terms of Section 149 and 152 of the Companies Act, 2013 the appointment of Women Director Mrs. Falguni Sanjay Nayar, in the category of Non-Executive Independent Director was confirmed in the AGM of the Company held on July 21, 2015. Mrs. Nayar shall hold office, not subject to retirement by rotation, for a term of five consecutive years commencing from the date of her appointment as Additional Director in the Company i.e. July 28, 2014 upto the conclusion of AGM of the Company to be held in the calendar year 2019 or July 27, 2019 whichever is earlier.

A brief resume of the Directors proposed to be 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 AGM.

Your Directors recommend their re-appointment at the ensuing AGM.

The brief CVs of the above Directors are given below

Dr. Anand C Burman (DIN: 00056216): M.Sc., PH.D from University of Kansas USA was born in 1952 and was appointed as a member on the Board in 1986. He is the Promoter Non-Executive Director and Chairman of the Company.

As on March 31, 2016, he was holding 6,60,000 equity shares in the Company.

Mr. P D Narang (DIN: 00021581): B.Com, FCA, FCS, AICWA, MIIA (USA) was born in 1954 and joined the Board in 1998. Currently, he is the Whole Time-Director designated as Group Director - Corporate Affairs of the Company.

As on March 31, 2016, he was holding 38,87,080 equity shares in the Company.

None of the Directors of the Company are related inter-se, in terms of Section 2(77) of the Companies Act, 2013, including Rules thereunder.

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/ Navbharat Times/Hindustan Times/Hindustan newspapers. Details of publication of financial results for the year under review are given below:

| Description | Date |
|---|----------------------------|
| Unaudited Financial Results for the quarter ended June 30, 2015 | July 31, 2015 |
| Audited Financial Results for the quarter/ half year ended September 30, 2015 | October 30, 2015 |
| Unaudited Financial Results for the quarter / nine months ended December 31, 2015 | January 29, 2016 |
| Audited Financial Results for the quarter/ Financial Year ended March 31, 2016 | April 29, 2016 (Tentative) |

Half Yearly Results: Audited financial results, for the half-year ended September 30, 2015 were 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: Physical copy of the abridged Annual Report for FY 2014-15, 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 2014-15 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.

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

Website: The Company's website www.dabur.com contains a separate section 'Investor' 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 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 31.03.2015 are also available in the Investor 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.

On-line Annual Reports and Share price tools are also provided in the Investor Section. 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/ Registrar and Transfer Agents (RTA). This helped in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.

NEAPS (NSE Electronic Application Processing system), BSE Corporate Compliance & Listing Centre, and Metropolitan Stock Exchange (MSEI) Portal: NSE, BSE and MSEI have

developed web based applications for corporates. All compliances like Financial Results, Shareholding Pattern and Corporate Governance Report, etc. are filed electronically on NEAPS/ BSE Listing centre/MSEI portal.

SCORES (SEBI complaints redressal system): SEBI processes 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 through SEBI.

Exclusive email ID for investors: The Company has designated the email id investors@mail.dabur exclusively for investor servicing, and the same is prominently displayed on the Company's website www.dabur.com.

INVESTOR RELATIONS

Investor Relations (IR) at Dabur aims at proactively giving out accurate, transparent and timely information to the investors so that they can take a well-considered decision. This two way communication by periodically holding investor meetings/calls helps keep the stakeholders updated with the quarterly financial performance and material business events. Feedback received from investors is given due consideration by the Company's Management.

The Company participates in investor meetings throughout the year, including conferences arranged by brokerage houses. A conference call and webcast is done every quarter after declaration of the financial results to address the queries from investors and analysts. We aim to have a diversified shareholder base both in terms of geographical location and investment horizon.

In order to ensure timely and adequate information flow the IR department holds the following activities:

- 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 meets to brief them about the Company's vision, business situation and plans at a strategic level.
- the Company participates in investor conferences organized by leading institutional brokerage houses. During 2015-16 it attended conferences hosted by Morgan Stanley, CLSA, UBS, Edelweiss, IDFC, IIFL, J P Morgan, and Bank of America Merrill Lynch among others.
- All historical and fresh information updates are promptly available on the Investor Relations page of the Company's website for ready access.
- Recently the Company has revamped its website and the Investor section has also been updated with a more user friendly interface in order to provide convenience to the various stakeholders.

In recognition of its IR, Dabur won an Investor Relations Award under the category 'Best Expectations Management' at the IR Awards Event, organized by Bloomberg, BNY Mellon, Bombay Stock Exchange (BSE) and Investor Relations (IR) Society.

GENERAL BODY MEETINGS

Details of the last three General Body Meetings held are given below

| Financial Year | Category | Location of the meeting | Date | Time |
|----------------|------------------------------|--|---------------|----------|
| 2012-2013 | Annual General Meeting (AGM) | Air Force Auditorium, Subroto Park, New Delhi – 110010 | July 17, 2013 | 11.00 AM |
| 2013-2014 | AGM | Same as above | July 22, 2014 | 11.00 AM |
| 2014-2015 | AGM | Same as above | July 21, 2015 | 11.00 AM |

Special resolutions taken up in the last three AGMs and passed with requisite majority are mentioned hereunder:

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.

July 22, 2014

- Re-appointment of Mr. P N Vijay as a Non-Executive Independent Director for a period of 5 years w.e.f. 22nd July,

2014 i.e. the date of 39th AGM upto the conclusion of AGM of the Company to be held in the calendar year 2019.

- ❑ Re-appointment of Dr. S Narayan as a Non-Executive Independent Director for a period of 5 years w.e.f. 22nd July, 2014 i.e. the date of 39th AGM upto the conclusion of AGM of the Company to be held in the calendar year 2019.
- ❑ Re-appointment of Mr. R C Bhargava as a Non-Executive Independent Director for a period of 5 years w.e.f. 22nd July, 2014 i.e. the date of 39th AGM upto the conclusion of AGM of the Company to be held in the calendar year 2019.
- ❑ Re-appointment of Mr. Albert Wiseman Paterson as a Non-Executive Independent Director for a period of 5 years w.e.f. 22nd July, 2014 i.e. the date of 39th AGM upto the conclusion of AGM of the Company to be held in the calendar year 2019.
- ❑ Re-appointment of Dr. Ajay Dua as a Non-Executive Independent Director for a period of 5 years w.e.f. 22nd July, 2014 i.e. the date of 39th AGM upto the conclusion of AGM of the Company to be held in the calendar year 2019.
- ❑ Re-appointment of Mr. Sanjay Kumar Bhattacharyya as a Non-Executive Independent Director for a period of 5 years w.e.f. 22nd July, 2014 i.e. the date of 39th AGM upto the conclusion of AGM of the Company to be held in the calendar year 2019.
- ❑ Approval for the holding of office of Whole Time Director in Dabur International Limited by Mr. Saket Burman.
- ❑ Approval for Authority to the Board of Directors u/s 180 (1) (a) of the Companies Act, 2013 to create mortgage and/or create charge on assets of the Company for an amount upto ₹ 4,000 crores.
- ❑ Approval for Authority to the Board of Directors u/s 180 (1)(c) of the Companies Act, 2013 to borrow money(s) for business purposes of the Company for an amount upto ₹ 4,000 crores.
- ❑ Approval to charge fees from the Members for serving documents in a specific mode.

July 21, 2015

No special resolution was passed in the AGM.

Postal Ballot

During the year under review, no resolution was passed through Postal Ballot.

Currently, no resolution is proposed to be passed through Postal Ballot. However, if required, the same shall be passed in compliance of provisions of Companies Act, 2013, Listing Regulations or any other applicable laws.

COMPLIANCE WITH MANDATORY REQUIREMENTS

The Company has complied with all applicable mandatory requirements of the Listing Regulations as on 31.03.2016. Quarterly Compliance Report on Corporate Governance, in the prescribed format, duly signed by the compliance officer is submitted regularly with the Stock Exchanges where the shares of the Company are listed.

ADOPTION OF DISCRETIONARY REQUIREMENTS

1) 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.

2) Shareholders Rights

Half yearly Audited financial statements or results are sent electronically to all shareholders possessing email ids, in the month of November every year. The same is also uploaded on the Company's website www.dabur.com

3) Modified opinion(s) in Audit Report

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

4) Separate posts of Chairman and CEO

Separate persons have been appointed by the Company to the post of Chairman and CEO.

5) Reporting of Internal Auditors

The Internal Auditors of the Company report directly to the Audit Committee.

ADDITIONAL SHAREHOLDERS 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: 19th July, 2016

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, 2016, results were announced on:

- First Quarter : 29th July, 2015
- Half Yearly : 28th October, 2015
- Third Quarter : 28th January, 2016
- Fourth Quarter and Annual : 28th April, 2016

For the Financial Year ending March 31, 2017, results will be announced by:

- First Quarter : 27th July 2016 (tentative)
- Half Yearly : 26th October 2016 (tentative)
- Third Quarter : End of January, 2017 (tentative)
- Fourth Quarter and Annual : End of April, 2017 (tentative)

Book Closure

The dates of Book Closure are from the 1st day of July, 2016 to the 8th day of July, 2016 inclusive of both days.

Dividend Payment

Interim dividend of ₹1.25 per equity share was paid on November 23, 2015 for the Financial Year 2015-16. Final Dividend of ₹1/- per equity share for the Financial Year 2015-16 has been recommended by the Board of Directors to shareholders for their approval. If approved, the dividend shall be paid from August 10, 2016 onwards.

Dates of Transfer of Unclaimed Dividend

Pursuant to Section 205A of the Companies Act, 1956, Final dividend for the Financial Year 2007-08 and interim dividend for the Financial Year 2008-09 which remained unpaid or unclaimed for a period of 7 years, has been transferred by the Company to the Investors Education and Protection Fund (IEPF) of the Central Government. Further, final dividend for the year 2007-08 pertaining to erstwhile Femcare Pharma Limited (FEM), now merged with the Company, which remained unpaid or unclaimed for a period of 7 years, has also been transferred by the Company to IEPF.

The dividend for following years, which remain unclaimed for seven years from the date it is lying in the unpaid dividend account, 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

declared upto the Financial Year ended 31.03.2015 and updated upto the date of 40th AGM held on 21.07.2015 are also available on the website of the Company 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 |
|----------------|------------------|-----------------|---------------------|-------------------------------|
| 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 |
| 2013-2014 | Final | 100 | 22/07/2014 | 27/08/2021 |
| 2014-2015 | Interim | 125 | 15/09/2014 | 21/10/2021 |
| 2014-2015 | Final | 75 | 21/07/2015 | 27/08/2022 |
| 2015-2016 | Interim | 125 | 28/10/2015 | 03/12/2022 |

Unclaimed/ Undelivered Share Certificates

As per the provisions of Regulation 39(4) of the Listing Regulations, 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 joint holders furnishing self attested copies of their complete postal address along with PIN code, a copy of PAN card and 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 shareholders | 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 | 1,532 | 36,71,553 |
| 2 | Number of shareholders along with shares held who approached the Company for transfer of shares from the suspense account during the year | 46 | 1,55,010 |
| 3 | Number of shareholders along with shares held to whom shares were transferred from the suspense account during the year | 46 | 1,55,010 |
| 4 | Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year | 1,486 | 35,16,543 |

Listing

At present, the equity shares of the Company are listed at:

- **Bombay Stock Exchange Ltd. (BSE)**
Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.
- **National Stock Exchange of India Ltd. (NSE)**
Address: Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051.
- **Metropolitan Stock Exchange of India Ltd. (MSEI)**
Address: 4th Floor, Vibgyor Towers, Plot No. C-62, G-Block, Opposite Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai - 400098.

The annual listing fees for the Financial Year 2016-17 to NSE, BSE & MSEI has been paid.

Dabur's Stock Exchange codes

| | |
|-----------------------------|--------------|
| ISIN No: | INE016A01026 |
| BSE Stock Code: | 500096 |
| NSE & MSEI Code: | DABUR |
| Bloomberg Code: | DABUR IB |
| Reuters Code: | DABU.BO |

Equity Evolution during the year

As on March 31, 2015 the paid up equity share capital of the Company was ₹ 1,75,65,11,990 consisting of 1,75,65,11,990 equity shares of ₹ 1/- each. The table below gives details of equity evolution of the Company during the year under review:

| Date | Particulars | Issued no. of equity shares of ₹ 1 each | Cumulative |
|----------------------------|---|---|----------------|
| 10 th Apr, 2015 | Allotment pursuant to exercise of Stock Options | 3,08,180 | 1,75,68,20,170 |
| 24 th Aug, 2015 | -do- | 2,69,250 | 1,75,70,89,420 |
| 21 st Sep, 2015 | -do- | 20,51,750 | 1,75,91,41,170 |

Stock Market Data

The table and chart A & B below give details of Stock Market data.

Details of High, Low and Volume of Dabur's shares for 2015-16 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, 2015 | 286.95 | 250.85 | 24,56,627 | 286.95 | 250.50 | 1,96,69,175 |
| May, 2015 | 275.00 | 251.10 | 12,14,897 | 275.25 | 251.00 | 2,34,79,466 |
| June, 2015 | 281.50 | 249.25 | 20,97,954 | 281.55 | 248.85 | 2,51,79,614 |
| July, 2015 | 304.00 | 277.00 | 25,37,346 | 304.50 | 260.00 | 2,42,26,962 |
| Aug, 2015 | 316.50 | 257.25 | 24,12,671 | 316.40 | 256.70 | 2,99,66,831 |
| Sep, 2015 | 287.90 | 269.00 | 23,10,827 | 289.25 | 268.25 | 3,50,71,356 |
| Oct, 2015 | 286.70 | 261.80 | 13,72,644 | 286.75 | 262.00 | 2,90,05,731 |
| Nov, 2015 | 281.25 | 260.30 | 14,06,146 | 281.35 | 260.05 | 2,28,69,126 |
| Dec, 2015 | 283.80 | 262.00 | 12,16,909 | 284.50 | 261.90 | 1,87,45,983 |
| Jan, 2016 | 281.00 | 231.30 | 1,40,38,246 | 281.00 | 231.50 | 2,29,74,459 |
| Feb, 2016 | 253.25 | 233.80 | 8,40,270 | 253.25 | 233.50 | 2,12,37,757 |
| Mar, 2016 | 255.90 | 237.00 | 9,37,186 | 255.80 | 237.00 | 2,85,54,760 |

Chart A: Dabur's Share Performance versus BSE Sensex

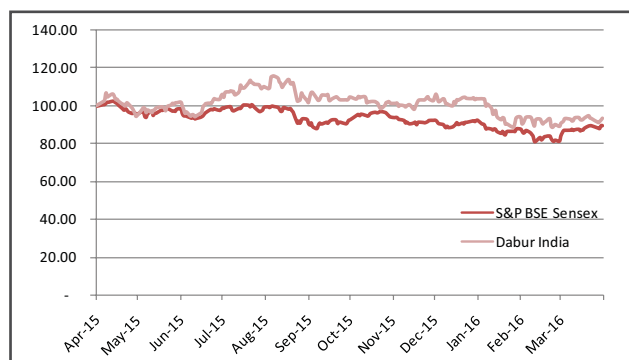
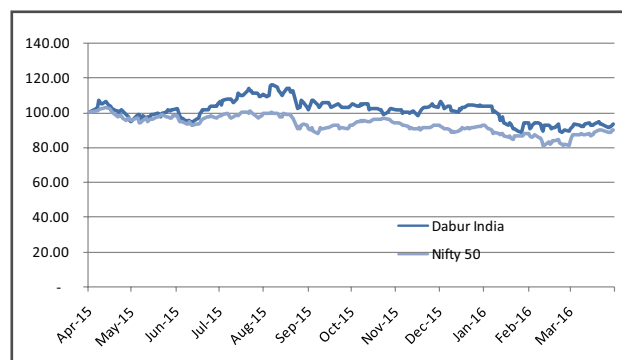


Chart B: Dabur's Share Performance versus Nifty



The charts have share prices and indices indexed to 100 as on the first working day of 2015-16.

Distribution of Shareholding

Details of distribution of shareholding of the equity shares of the Company by size and by ownership class on March 31, 2016 along with the top 10 shareholders of the Company is given below:

Shareholding pattern by size as on March 31, 2016

| 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 | 14,305 | 36,93,723 | 1,17,054 | 3,86,78,919 | 1,31,359 | 96.61 | 4,23,72,642 | 2.41 |
| 5001 – 10000 | 438 | 26,94,711 | 2,799 | 1,77,97,689 | 3,237 | 2.38 | 2,04,92,400 | 1.15 |
| 10001 and above | 43 | 6,61,000 | 1,334 | 1,69,56,15,128 | 1,377 | 1.01 | 1,69,62,76,128 | 96.54 |
| Total | 14,786 | 70,49,434 | 1,21,187 | 1,75,20,91,736 | 1,35,973 | 100.00 | 1,75,91,41,170 | 100.00 |

Shareholding Pattern by ownership

| Particulars | As on March 31, 2016 | | | | As on March 31, 2015 | | | |
|---|----------------------|--------------------|-----------------------|--------------------|----------------------|--------------------|-----------------------|--------------------|
| | No. of share holders | % of share holders | No. of shares held | % of share holding | No. of share holders | % of share holders | No. of shares held | % of share holding |
| Directors, Promoters and family Members | 27 | 0.02 | 1,19,81,80,681 | 68.11 | 27 | 0.02 | 1,19,72,43,149 | 68.16 |
| FIs | 523 | 0.39 | 34,47,52,692 | 19.60 | 451 | 0.38 | 36,81,49,134 | 20.96 |
| Mutual Funds/UTI | 84 | 0.06 | 1,65,36,282 | 0.94 | 25 | 0.02 | 25,51,024 | 0.15 |
| Financial Institutions/ Banks/ Insurance Cos' | 46 | 0.03 | 8,05,52,394 | 4.58 | 33 | 0.03 | 8,03,18,146 | 4.57 |
| NRIs | 3,771 | 2.77 | 64,10,098 | 0.36 | 3,180 | 2.69 | 61,70,974 | 0.35 |
| Corporates (including clearing Members) | 1,422 | 1.05 | 2,32,18,955 | 1.32 | 1,208 | 1.03 | 1,68,97,198 | 0.95 |
| Individuals | 1,30,100 | 95.68 | 8,94,90,068 | 5.09 | 1,13,137 | 95.83 | 8,51,82,365 | 4.85 |
| Total | 1,35,973 | 100.00 | 1,75,91,41,170 | 100.00 | 1,18,061 | 100.00 | 1,75,65,11,990 | 100.00 |

Top ten shareholders as on March 31, 2016

| Name | No. of shares held | % of share-holding |
|--|--------------------|--------------------|
| Chowdry Associates | 21,79,41,800 | 12.39 |
| VIC Enterprises Pvt. Ltd. | 21,77,34,000 | 12.38 |
| Gyan Enterprises Pvt. Ltd. | 20,22,37,980 | 11.50 |
| Puran Associates Pvt. Ltd. | 18,92,12,000 | 10.76 |
| Ratna Commercial Enterprises Pvt. Ltd. | 15,63,94,429 | 8.86 |
| Milky Investment and Trading Company | 10,61,47,503 | 6.03 |
| Life Insurance Corporation of India | 5,74,62,195 | 3.27 |
| Burmans Finvest Pvt. Ltd. | 5,30,12,986 | 3.01 |
| M.B. Finmart Pvt. Ltd. | 2,65,06,492 | 1.51 |
| Windy Investments Pvt. Ltd. | 2,65,06,492 | 1.51 |

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, 2016, 99.60% 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 - Process

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 to be consolidated 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, as per Listing Regulations, Listed Companies shall 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, Auditor's 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 section of the Company's website www.dabur.com

Outstanding GDRs/ADRs/Warrants/Options

The Company has 1,13,50,921 outstanding Employee Stock Options as on March 31, 2016, with vesting period from 1 to 4 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 (RTA)

Securities and Exchange Board of India (SEBI) vide Regulation 7 of the Listing Regulations has recently mandated that where the total number of security holders of the Company exceeds one lac, the Company shall register with SEBI as a Category II share transfer agent for all work related to share registry. Dabur had appointed MCS Limited as its RTA in 1994 for both segments,

physical and electronic, much before this was mandated by SEBI. During the year 2007-08, the Company appointed Karvy Computershare Private Limited as its Registrar. As required under Regulation 7(3) of the Listing Regulations, the Company has filed a certificate issued by RTA and the Compliance Officer of the Company certifying that all activities in relation to both physical and electronic share transfer facility are maintained by RTA registered with SEBI i.e. Karvy Computershare Private Limited.

Details of the RTA are given below

| Karvy Computershare Private Limited | |
|--|--|
| 305, New Delhi House, 27, Barakhamba Road, New Delhi-110001. Phone No.: 011- 43681700 Fax No.: 011-43681710 Website: www.karvy.com | Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032. Phone No. – 040 - 67161522 Fax No. – 040-23001153 Website - www.karvy.com |

Share Transfer System

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

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 Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchanges.

Reconciliation of Share Capital Audit

Agarwal & 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. The Company has 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; Fax : 01795-244090

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

Unit III

Plot No. 16, Sector-2, Integrated Industrial Estate, Pantnagar,
Distt. Udham Singh Nagar, Uttarakhand – 263146
Tel: 05944-398500; 9760013990, 991, 992; Fax – 05944-250064

Jammu**Unit I, II, III & IV**

Lane No.3, Phase II, SIDCO Indl. Complex, Bari Brahmna, Jammu
Tel: 01923 - 220123, 221970, 222341; Fax: 01923 – 221970

Katni

10.4 Mile Stone, NH -7, Village Padua, Katni, (M.P.) - 483442
Tel: 09826121239, 09816026169

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, Mob. - (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 : 07574807744, 07574807700

Newai

G 50-59, IID Centre, NH-12, Road No.1, Newai - 304020
Distt. Tonk (Rajasthan) – 304020
Tel: 01438 -223342, 223783, 223892

Jalpaiguri

Kartowa, P.O. Mahanvita, P.S. Rajganj
Distt. Jalpaiguri (West Bengal) Pin 735135
Tel: 09800008457, 09800008456, 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 Pvt. Ltd.
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500032.
Phone No. – 040 - 67161522
Fax No. – 040-23001153
Website - www.karvy.com

- For queries of Analysts, FIs, 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,
V P (Finance) & Company Secretary,
Dabur India Limited, Punjabi Bhawan,
10, Rouse Avenue, New Delhi – 110002.
Tel: 011-42786000; Fax: 011-23222051

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

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

- We have reviewed the financial statements and the Cash Flow Statement of the Company for the Financial Year ended 31.03.2016 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- We also certify, that based on our knowledge and the information provided to us, there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- 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 that we have evaluated the effectiveness of Company's internal control systems and procedures pertaining to financial reporting.

D. The Company's other certifying officers and we have indicated, 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:

1. Deficiencies in the design or operation of internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
2. Significant changes in internal control over financial reporting during the year;
3. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

4. Any fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: New Delhi
Date : April 28, 2016

Sunil Duggal
CEO

Lalit Malik
CFO

CERTIFICATION BY CHIEF EXECUTIVE OFFICER OF THE COMPANY

I declare that all Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the Financial Year 2015-16.

Place: New Delhi
Date : April 28, 2016

Sunil Duggal
CEO

ANNEXURE 1

DETAILS OF OTHER DIRECTORSHIPS HELD

| Name of the Director | Status | Directorship | Committee Membership | Committee Chairmanship |
|-----------------------------------|---------------------|--|---|--|
| Dr. Anand C Burman | CHAIRMAN/ PD/NED | Aviva Life Insurance Co. India Ltd. | NIL | NIL |
| | | H & B Stores Ltd. | | |
| | | Althea Lifesciences Ltd. | | |
| | | Hero MotoCorp Ltd. | | |
| | | Dabur Research Foundation | | |
| Mr. Amit Burman | PD/NED | Ester Industries Ltd. | Audit Committee | NIL |
| | | H & B Stores Ltd. | | |
| | | Talbro's Automotive Components Ltd. | | |
| | | Micromax Informatics Ltd. | | |
| Mr. Mohit Burman | PD/NED | PVR Ltd. | Audit Committee | NIL |
| | | Aviva Life Insurance Co. India Ltd | | |
| | | H & B Stores Ltd. | | |
| Mr. Saket Burman | PD/NED | Universal Sompo General Insurance Co. Ltd. | Audit Committee | NIL |
| | | NIL | | |
| Mr. P D Narang | ED | H & B Stores Ltd. | Audit Committee | Share Issuance & Stakeholders Relationship Committee |
| | | Aviva life Insurance Co. India Ltd. | | |
| | | Dabur Research Foundation | | |
| Mr. Sunil Duggal | ED | H & B Stores Ltd. | Audit Committee, Share Issuance & Stakeholders Relationship Committee | NIL |
| | | Maharashtra Seamless Ltd. | | |
| Mr. P N Vijay | ID | H & B Stores Ltd. | Audit Committee | Audit Committee |
| | | Idea Cellular Ltd | | |
| Mr. R C Bhargava | ID | IL&FS Ltd. | Audit Committee | Audit Committee |
| | | Intellect Commerce Ltd. | | |
| | | Grasim Industries Ltd. | | |
| | | Maruti Suzuki India Ltd. | | |
| | | Thomson Press Ltd. | | |
| | | UltraTech Cement Co. Ltd. | | |
| | | Stakeholders Relationship Committee | | |
| Dr. S Narayan | ID | Godrej Properties Ltd. | Audit Committee | NIL |
| | | Apollo Tyres Ltd. | | |
| | | Seshasayee Paper and Board Ltd. | | |
| | | IIFL Holding Ltd. | | |
| Dr. Ajay Dua | ID | Artemis Medicare Services Limited | Audit Committee | NIL |
| | | Aviva Life Insurance Co. India Ltd. | | |
| | | Kirloskar Pneumatic Company Ltd. | | |
| Mr. Sanjay Kumar Bhattacharyya | ID | C&S Electric Ltd. | Audit Committee | Audit Committee Stakeholders Relationship Committee |
| | | Persistent Systems Ltd. | | |
| | | Wanbury Ltd. | | |
| | | H & B Stores Ltd. | | |
| | | Audit Committee | | |
| Mrs. Falguni Sanjay Nayar | ID | ACC Limited | Audit Committee | NIL |
| | | Tata Motors Ltd. | | |
| | | Audit Committee | | |
| | | Stakeholders Relationship Committee | | |
| | | Audit Committee | | |
| Mrs. Falguni Sanjay Nayar | ID | Aviva Life Insurance Co. India Ltd. | Audit Committee | NIL |
| | | Kotak Securities Ltd. | | |
| | | Tata Technologies Ltd. | | |
| | | Stakeholders Relationship Committee | | |
| Tata Marcopolo Motors Ltd. | Audit Committee | | | |

Directors' Report

To,
The Members,

Your Directors have pleasure in presenting the 41st Annual Report on the business and operations of the Company, together with the audited accounts for the financial year ended March 31, 2016.

Financial Results.

Financial results are presented in the table below:

(₹ in crores)

| Particulars | Consolidated | | Standalone | |
|--|----------------|----------------|----------------|----------------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| Revenue from Operations (including other Income) | 8673.25 | 7985.25 | 5946.64 | 5569.13 |
| Less Expenses : | | | | |
| Cost of goods sold | 3797.00 | 3720.07 | 2812.12 | 2826.09 |
| Employee benefits expenses | 794.82 | 689.56 | 431.77 | 392.99 |
| Finance cost | 48.02 | 40.12 | 9.83 | 9.89 |
| Depreciation and Amortization expenses | 133.75 | 114.98 | 72.82 | 65.97 |
| Other Expenses | 2342.42 | 2101.16 | 1407.36 | 1273.70 |
| Total Expenses | 7116.01 | 6665.89 | 4733.90 | 4568.64 |
| Profit before exceptional and extraordinary items and tax | 1557.24 | 1319.36 | 1212.74 | 1000.49 |
| Exceptional items | 0.00 | 0.00 | 0.00 | -23.96 |
| Profit before extraordinary items and tax | 1557.24 | 1319.36 | 1212.74 | 976.53 |
| Extraordinary items | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit before tax | 1557.24 | 1319.36 | 1212.74 | 976.53 |
| Tax expense | 301.79 | 250.89 | 273.23 | 213.95 |
| Profit for the year from continuing operations | 1255.45 | 1068.47 | 939.51 | 762.58 |
| Minority interest | 2.74 | 2.64 | 0.00 | 0.00 |
| Profit after minority interest | 1252.71 | 1065.83 | 939.51 | 762.58 |

The Company proposes to transfer an amount of ₹ 95 crores (Previous year ₹ 80 crores) to general reserves.

Dividend

The Company has paid an interim dividend of 125%, being ₹ 1.25 per share of ₹ 1/- each, on November 23, 2015. We are pleased to recommend a final dividend of 100%, being ₹ 1/- per share of ₹ 1/- each, for the financial year 2015-16. 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 225%, being ₹ 2.25 per share of ₹ 1/- each, as against 200%, being ₹ 2.00 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 50.70%.

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, Final dividend for the financial year 2007-08 amounting to ₹ 2247834/- and interim dividend for the financial year 2008-09 amounting to ₹ 2165883/- which remained unpaid or unclaimed for a period of 7 years, has been transferred by the Company to the Investors Education and Protection Fund (IEPF) of the Central Government. Further, final dividend for the year 2007-08 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 ₹ 193774/- 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 declared upto the financial year 2014-15 and updated upto the date of 40th AGM held on 21.07.2015, is available on Company's website www.dabur.com. Shareholders are requested to check the said list and if any dividend due to them remains unpaid in the said list (apart from the above mentioned unpaid dividend already transferred to IEPF), can approach the Company for release of their unpaid dividend.

Abridged Financial Statements

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Section 136 of the Companies Act, 2013 read with Rule 10 of the Companies (Accounts) Rules, 2014, the abridged Annual Report containing salient features of the financial statements, including Consolidated Financial Statements, for the financial year 2015-16, 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. Please note that you will be entitled to be furnished, free of cost, the full Annual Report 2015-16, upon receipt of written request from you, as a member of the Company.

Full version of the Annual Report 2015-16 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, including Consolidated Financial Statements, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report) is being sent via email to all shareholders who have provided their email address(es).

Full version of Annual Report 2015-16 is also available for inspection at the registered office of the Company during working hours up to the date of ensuing Annual general meeting (AGM). It is also available at the Company's website at www.dabur.com.

Consolidated Financial Statements

In compliance with the applicable provisions of Companies Act, 2013 including the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2015-16. Consolidated Turnover grew by 8.62% to ₹ 8673.25 crores as compared to ₹ 7985.25 crores in the previous year. Net Profit after Tax and after Minority Interest for the year at ₹ 1252.71 crores is higher by ₹ 186.88 crores as compared to ₹ 1065.83 crores in the previous year.

Operations and Business Performance

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

Corporate Governance

Corporate Governance is all about ethical conduct, openness, integrity and accountability of an enterprise. Good Corporate Governance involves a commitment of the Company to run the business in a legal, ethical and transparent manner and runs from the top and permeates throughout the organization. It involves a set of relationships between a company's management, its Board, shareholders and Stakeholders. It is a key element in improving the economic efficiency of the enterprise. Credibility offered by Corporate Governance helps in improving the confidence of the investors – both domestic and foreign, and establishing productive and lasting business relationship with all stakeholders.

At Dabur Corporate Governance is more a way of business life than a mere legal obligation. Besides complying with the prescribed Corporate Governance practices as per the Listing Regulations the Company has voluntarily adopted various practices of governance conforming to highest ethical and responsible standard of business, globally benchmarked. Strong governance practices of the Company have been rewarded in terms of improved share valuations, stakeholder's confidence, improved market capitalization, high credit ratings and bagging of various awards, etc. These have helped Dabur to pay uninterrupted dividends to its shareholders. Last year (FY 2014-15) the Institute of Company Secretaries of India (ICSI), had certified Dabur India Ltd., as one of the Best Governed Companies of India.

A certificate from Auditors of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the Listing Regulations 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 auditors and the Audit committee in terms of Regulation 17 of the Listing Regulations is attached in the Corporate Governance report, and forms part of this report.

Business Responsibility Report

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

For Business Responsibility Report as stipulated under Regulation 34 of the Listing Regulations, kindly refer to Business Responsibility Report section which forms part of this Annual Report.

Credit Rating

During the year the Company has sustained its long term bank facility credit rating of AAA (stable) which has been reaffirmed by CRISIL. The highest credit rating of AAA awarded by CRISIL reflects the highest degree of safety regarding timely servicing of financial obligations. Further CRISIL 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. The Company's short term bank facility credit rated as A1+ by CRISIL, has been reaffirmed. The rating of A1+ for Commercial Paper has also been reaffirmed by CRISIL. This highest rating of A1+ 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 on 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

In terms of Section 149 and 152 of the Companies Act, 2013 the appointment of women director Ms. Falguni Sanjay Nayar, in the category of Non-Executive Independent Director was confirmed in the AGM of the Company held on 21st July, 2015. Ms. Nayar shall hold office, not subject to retirement by rotation, for a term of five consecutive years commencing from the date of her appointment as additional director in the Company i.e. 28th July, 2014 upto the conclusion of AGM of the Company to be held in the calendar year 2019 or 27th July, 2019 whichever is earlier.

Pursuant to Section 149, 152 and other applicable provisions 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 AGM. Consequently, Dr. Anand C Burman and Mr. Pritam Das Narang, Directors will retire by rotation at the ensuing AGM, and being eligible, offer themselves for re-appointment in accordance with provisions of the Companies Act, 2013.

A brief resume of the Directors proposed to be 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 AGM.

The Directors recommend their re-appointment at the ensuing AGM.

Pursuant to provisions of Section 134(3)(d) of the Companies Act, 2013, with respect to statement on declaration given by Independent Directors under Section 149(6) of the Act, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of independence as provided in the said Section 149(6).

Key Managerial Personnel

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

| | |
|-----------------------|---|
| Mr. P D Narang: | Whole Time Director |
| Mr. Sunil Duggal: | Chief Executive Officer and Whole Time Director |
| Mr. Lalit Malik: | Chief Financial Officer |
| Mr. Ashok Kumar Jain: | V P (Finance) and Company Secretary |

During the year there was no change (appointment or cessation) in the office of KMP.

Policy on Directors' appointment and Policy on remuneration

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is attached as 'Annexure 2 & 3' respectively, which forms part of this report.

Particulars of remuneration of Directors/ KMP/ Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as 'Annexure 4' which forms part of this report. The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid Rules forms part of this report. However, as per first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company and others entitled thereto. The said information is available for inspection by members at the registered office of the Company during business hours on all working days upto the date of ensuing annual general meeting. Any member interested in obtaining a copy thereof, may also write to the Company Secretary at the registered office of the Company.

Employees Stock Option Plan

During the year, 433531 options in 3 tranches were granted to eligible employees of the Company in terms of Employees Stock Option Plan (Dabur ESOP 2000). During the year, 2629180 options were exercised by the employees after vesting. Accordingly, the Company has made the allotment of 308180 equity shares on May 13, 2015, 269250 equity shares on August 24, 2015 and 2051750 equity shares on September 21, 2015 against the options exercised by the employees.

During the financial year 2015-16, there has been no change in the Employees Stock Option Plan (Dabur ESOP 2000) of the Company. Further, it is confirmed that the ESOP Scheme of the Company is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014.

The applicable disclosures as stipulated under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 with regard to Employees Stock Option Plan of the Company are available on the website of the Company at www.dabur.com and weblink for the same is <http://www.dabur.com/in/en-us/investor/investor-information/esops>

Number of Meetings of the Board

During the Financial Year 2015-16, 4 (four) number of Board Meetings were held. For details thereof kindly refer to the section 'Board of Directors- Number of Board Meetings', in the Corporate Governance Report.

Performance Evaluation of the Board, its Committees and Individual Directors

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, *inter-alia*, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors.

A structured questionnaire, covering various aspects of the functioning of the board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the Board and Committee meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc., is in place. Similarly, for evaluation of individual Director's performance, the questionnaire covering various aspects like his/her profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc., is also in place.

Board members had submitted their response for evaluating the entire Board, respective committees of which they are members and of their peer Board members, including Chairman of the Board.

The Independent Directors had met separately on February 25, 2016 without the presence of Non-Independent Directors

and the members of management and discussed, *inter-alia*, the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires.

The Directors expressed their satisfaction with the evaluation process.

Directors' Responsibility Statement

Pursuant to the provisions under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm:

- a. 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;
- b. 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 a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That they had prepared the Annual Accounts on a going concern basis;
- e. That they had laid down Internal Financial Controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory Auditors and their Report

M/s G. Basu & Co., Chartered Accountants, Statutory Auditors of the Company, will retire at the conclusion of the ensuing AGM and being eligible have consented and offered themselves for re-appointment as Statutory Auditors for the financial year 2016-17. Pursuant to Section 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has

received certificate dated April 4, 2016 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 20, 2016 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.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditor's Report are self-explanatory.

Cost Auditors and their Report

As per Section 148 of the Companies Act, 2013 read with Rules framed thereunder, M/s Ramanath Iyer & Company, Cost Accountants, (Firm's Membership No. 000019) were re-appointed as Cost Auditors for the financial year 2015-16 to conduct cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of ensuing annual general meeting. They have also been appointed as Cost Auditors for financial year 2016-17 by the Board of Directors, upon recommendation of Audit Committee, to conduct cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

The Cost Audit Report for the financial year 2014-15, issued by M/s Ramanath Iyer & Company, Cost Auditors, in respect of the various products prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs (MCA) on 29th September, 2015.

Secretarial Auditors and their Report

M/s Chandrasekaran Associates, Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2015-16 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as Annexure 5` and forms part of this report.

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the financial year 2015-16 which call for any explanation from the Board of Directors.

Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

Internal Financial Control System

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has a well placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's IFC system also comprises due compliances with Company's policies and Standard Operating Procedures (SOP's) and audit and compliance by in-house Internal Audit Division, supplemented by internal audit checks from Price Waterhouse & Co., Bangalore LLP, 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. During the year the Internal auditors have also been engaged for providing assistance in improvising IFC framework (including preparation of Risk & Control Matrices for various processes) and deployment of Self Assessment Tool.

To further strengthen the internal control process, the Company has developed a very comprehensive legal compliance system 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.

Adequacy of Internal Financial Controls with reference to the financial statements

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company which should be adequate and shall operate effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report.

To ensure effective Internal Financial Controls the Company has laid down the following measures:

- All operations are executed through Standard Operating Procedures (SOPs) in all functional activities for which key manuals have been put in place. The manuals are updated and validated periodically.
- All legal and statutory compliances are ensured on a monthly basis for all locations in India through a fully automated tool called 'e-nforce'. Non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately. Any regulatory amendment is updated periodically in the system.
- Approval of all transactions is ensured through a pre-approved Delegation of Authority (DOA) Schedule which is in-built into the SAP system. DOA is reviewed periodically by the management and compliance of DOA is regularly checked and monitored by the auditors.
- The Company follows a robust 2-tier internal audit process:
 - Tier-1: Management/ Strategic/ Proprietary audits are conducted on regular basis throughout the year as per agreed audit plan.
 - Tier-2: Transaction audits are conducted regularly to ensure accuracy of financial reporting, safeguard and protection of all the assets. Stock audit is conducted on quarterly basis at all locations in India. Fixed Asset Verification is done on an annual basis including AS-28 testing at all locations.
 - The Audit Reports for the above audits are compiled and submitted to management committee and audit committee for review and necessary action.
- The Company's Books of Accounts are maintained in SAP and transactions are executed through SAP (ERP) setups to ensure correctness/ effectiveness of all transactions, integrity and reliability of reporting.
- The Company has a comprehensive risk management framework.
- The Company has a robust mechanism of building budgets at an integrated cross-functional level. The budgets are reviewed on a monthly basis so as to analyze the performance and take corrective action, wherever required.
- The Company has in place a well-defined Whistle Blower Policy/ Vigil Mechanism.
- The Company has a system of Internal Business Reviews. All departmental heads discuss their business issues and future plans in monthly review meetings. They review their achievements vs. budgets in quarterly review meetings. Specialized issues like investments, property, FOREX are discussed in their respective internal committee meetings.
- Compliance of secretarial functions is ensured by way of secretarial audit.

- Compliance relating to cost records of the company is ensured by way of cost audit.
- The Internal auditors have also been engaged for providing assistance in improvising IFC framework (including preparation of Risk & Control Matrices for various processes) and deployment of Self Assessment Tool.

Development and implementation of Risk Management

Dabur has in place comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically. The Risk Management Committee of the Board is responsible for preparation of Risk Management Plan, reviewing and monitoring the same on regular basis, identifying and reviewing critical risks on regular basis, updating the Risk Register on quarterly basis, reporting of key changes in critical risks to the Board on an ongoing basis, reporting of critical risks to Audit Committee in detail on yearly basis and such other functions as may be prescribed by the Board.

The Committee holds quarterly meetings to review the critical risks identified. The risks faced by the Company, their impact and their minimization procedures are assessed categorically under the broad heads of High, Medium and Low risks. The non-critical risks faced by the company and their mitigation are also reviewed by the committee on a quarterly basis. The Risk Register of the Company is also audited by internal auditors of the Company.

Further the risks control systems are instituted to ensure that the risks in each business process are mitigated. The two joint Chief Risk Officers (CROs) are 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. The Board is responsible for framing, implementing and monitoring the risk management plan of the Company. During the year, Price Waterhouse & Co., Bangalore LLP, Internal auditors, have been engaged for preparing Risk & Control Matrices for various processes as a part of Internal financial control framework.

In the opinion of the Board there has been no identification of elements of risk that may threaten the existence of the Company.

Nature of business

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

During the year Dabur India Limited has launched a new premium natural baby care brand 'Dabur Baby' which shall have a range of baby care products.

Asian Consumer Care Pakistan Pvt. Ltd., (Pakistan) has entered into Baby Care and Oral Care Category via brands "DermoViva

Baby" and "Dabur Red Toothpaste" respectively. The execution started in Karachi, Lahore and Islamabad during later part of the third quarter of FY 2015-16.

Dabur Pakistan (Pvt.) Limited, (Pakistan) incorporated during the FY 2015-16 for the business of Digestive Category in Pakistan, started its commercial operations in October 2015.

Dabur Tunisie, (Tunisia) has started the production of Fresh Gel Toothpaste during FY 2015-16.

Further updates regarding operational performance and projects undertaken by the subsidiary companies can be referred in the report on performance and financial position of subsidiaries presented elsewhere in this report.

Subsidiaries

During the year Dabur Pakistan (Pvt.) Limited, incorporated in Pakistan has become our step down subsidiary company, upon issuance of shares by the said company to our existing wholly owned subsidiary- Dabur International Limited.

Pursuant to Section 129 (3) of the Companies Act, 2013 and Accounting Standard- 21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its subsidiaries.

Further, a separate statement containing the salient features of the financial statements of subsidiaries of the company in the prescribed form AOC-1 has been disclosed in the Consolidated Financial Statements.

In terms of provisions of Section 136 of the Companies Act, 2013, the Company shall place separate audited accounts of the subsidiary companies on its website at www.dabur.com. The Company will make available physical copies of these documents upon request by any shareholder of the Company/ subsidiary interested in obtaining the same.

These documents shall also be available for inspection at the registered office of the Company during business hours up to the date of ensuing AGM.

Report on the performance and financial position of Subsidiaries, Associates and Joint Venture Companies

Pursuant to Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014 the report on performance and financial position of subsidiaries, associates and joint venture companies included in the Consolidated Financial Statements is attached as 'Annexure 6' which forms part of this report.

Information in this respect can also be referred in form AOC-1 which has been disclosed in the Consolidated Financial Statements.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are attached as 'Annexure 7' which forms part of this report.

Environmental, Health and Safety (EHS) Review

Details with respect to Environmental, Health and Safety (EHS) review are attached as 'Annexure 8' which forms part of this report.

Details of policy developed and implemented on Corporate Social Responsibilities (CSR) initiatives

The Company has in place a CSR policy in line with Schedule VII of the Companies Act, 2013. As per the policy the CSR activities are 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 are 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 annual report on CSR activities is furnished in 'Annexure 9' which forms part of this report. Apart from this the Company also releases a detailed Business Responsibility Report which shall be available on its website www.dabur.com.

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 Metropolitan Stock Exchange of India Limited (MSEI) and are actively traded.

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

- Equity shares allotted against the options exercised by employees pursuant to Employees Stock Option Scheme of the Company are:
 - 308180 equity shares allotted on May 13, 2015.
 - 269250 equity shares allotted on August 24, 2015.
 - 2051750 equity shares allotted on September 21, 2015.

Extract of Annual Return

The extract of Annual Return as on March 31, 2016 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies

Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is attached as 'Annexure 10' and forms part of this report.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments under Section 186 of the Act as at the end of the Financial Year 2015-16 are attached as 'Annexure 11' which forms part of this report.

Contracts or arrangements with related parties under Section 188(1) of the Companies Act, 2013

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis.

During the year, the company had not entered into any contract or arrangement with related parties which could be considered 'material' (i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements entered into individually or taken together with previous transactions during the financial year) according to the policy of the Company on materiality of Related Party Transactions. Accordingly, there are no transactions that are required to be reported in form AOC-2.

However, you may refer to Related Party transactions, as per the Accounting Standards, in Note No.55 of the Standalone Financial Statements.

Disclosure on Audit Committee

The Audit Committee as on March 31, 2016 comprises of the following Independent Directors:

Mr. P. N. Vijay (Chairman), Mr. R. C. Bhargava, Dr. S. Narayan, Dr. Ajay Dua and Mr. S. K. Bhattacharyya as members. For more details thereof kindly refer to the section 'Committees of the Board - Audit Committee', in the Corporate Governance Report.

All recommendations of Audit Committee were accepted by the Board of Directors.

Disclosure on Deposit under chapter V

The Company has neither accepted nor renewed any deposits during the Financial Year 2015-16 in terms of Chapter V of the Companies Act, 2013.

Disclosure on Vigil Mechanism

The Company has established a vigil mechanism through which directors, employees and business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear

of reprisal. The Company has set up a Direct Touch initiative, under which all Directors, 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. Further information on the subject can be referred to in section `Disclosures` - Whistle-Blower Policy / Vigil Mechanism of the Corporate Governance Report.

Disclosure under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013

At Dabur, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, colour, gender, religion, political opinion, national extraction, social origin, sexual orientation or age.

At Dabur, every individual is expected to treat his/her colleagues with respect and dignity. This is enshrined in values and in the Code of Ethics & Conduct of Dabur. The Direct Touch (Whistle-Blower & Protection Policy) policy provides a platform to all employees for reporting unethical business practices at workplace without the 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.

The Company also has in place `Prevention of Sexual Harassment Policy`. This Anti-Sexual Harassment policy of the Company is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

An Internal Complaints Committee (ICC) is in place to redress complaints received regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed off during the year:

- No. of complaints received: Nil
- No. of complaints disposed off: NA

Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concerns status and company`s operations in future

The Company has not received any significant or material orders passed by any regulatory Authority, Court or Tribunal which shall impact the going concern status and Company`s operations in future.

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
DR. ANAND C BURMAN

Place: New Delhi
Date : April 28, 2016

Chairman
DIN: 00056216

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, 2016, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that all investor grievances were redressed within 30 days of lodgement of grievance and as on 31.03.2016 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)

S Lahiri
Partner

Place: New Delhi
Date : April 28, 2016

Membership No. 51717

Policy on Appointment of Board Members

Constitution & Size

Members

- Chairman
- Promoter Family nominee(s)
- Executive Members
- Independent Members

Profile

- Board should ideally comprise of 12 Members
- 50% of Members should be Independent

- The Chairman should be elected by the Board and should be Non-Executive
- Not more than 4 nominees from the Promoter's family including Chairman

The skill profile of Independent Board Members will be driven by the key tasks defined by the Board for them

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

Skill profile of Independent Board Members (multiple skills could be combined in one individual)

| Key Skill Area/ Qualification | Essential/ Positive Attributes | Desirable Attributes |
|-----------------------------------|--|---|
| 1. Strategy/ Business Leadership | • 2-3 years experience as a CEO, preferably of an MNC in India | FMCG experience |
| 2. Corporate Strategy Consultant | • Consultant/Academician with experience in FMCG Industry and business strategy | Basic understanding of Finance |
| 3. Sales and Marketing experience | • At least 10 years experience in sales and marketing • Good understanding of commercial processes • 2-3 years as head of sales or marketing | Experience with FMCG or other consumer products |
| 4. Corporate Law | • Expert knowledge of Corporate Law | Experience in trade/ consumer related laws |
| 5. Finance | • At least 5 years as a CEO or as head of a merchant banking operation | FMCG experience |

| Key Skill Area/ Qualification | Essential/ Positive Attributes | Desirable Attributes |
|---|--|---|
| 6. Trade Policy & Economics | • Expert knowledge of Trade & Economic Policies | FMCG experience |
| 7. Administration & Government Relations | • Retired Bureaucrat | Basic understanding of Finance & Business |
| 8. Ayurvedic specialist (till Ayurvedic specialities Business is part of FMCG business) | • Ayurvedic doctor with a minimum of 20 years experience as a practitioner/ researcher | Basic understanding of Finance and business |

Other Directors could be based on Company's priority at a particular time:

- Knowledge of export markets that Dabur is focusing on
- Commodity procurement expert

Board Diversity

- There should not be concentration of Board Members based on a particular skill profile.
- Board member should be selected preferably from all the key skill areas defined earlier.
- Gender diversity: Board should have atleast one Women Director.

Criteria for Determining Independence of a Director

1. Should be a person of integrity and possesses relevant expertise and experience.
2. Should be a person other than a Managing Director or Whole Time Director or Nominee Director.
3. Should neither be nor have been a Promoter of the Company or its holding, subsidiary or associate Company.
4. Should not be related to Promoters or Directors in the Company, its holding, subsidiary or associate Company.
5. Apart from receiving sitting fees, should have or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year.
6. None of his/her relatives should have or had any pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their Promoters, or Directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
7. Neither himself nor any of his relatives -
 - holds or has held the position of a Key Managerial Personnel or is or has been an employee of the

Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the Financial Year in which he is proposed to be appointed;

- is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the Financial Year in which he is proposed to be appointed, of –
 - a firm of Statutory Auditors or Secretarial Auditors or Cost Auditors of the Company or its holding, subsidiary or associate Company; or
 - any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten percent or more of the gross turnover of such firm;
 - holds together with his relatives two percent or more of the total voting power of the Company.
 - is a Chief Executive or Director, by whatever name called of any Non-Profit Organization that receives twenty-five percent or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company.
 - is a material supplier, service provider, or customer or a lessor or lessee of the Company.
8. Should not be less than 21 years of age.
 9. Shall possess such other qualifications as may be prescribed.
 10. Shall not serve as Independent Director in
 - more than 7 listed companies;
 - more than 3 listed companies (if serving as a Whole Time Director in any listed Company).

Remuneration Policy

1. Objective :

We design our remuneration policy to attract, motivate and retain the Directors, KMP and other employees who are the drivers of organization success and helps us to run the Company successfully and to retain our industry competitiveness. Pay mix is designed to reflect the performance and is aligned to the long term interest of the shareholders.

2. Policy :

Remuneration Design and Mix

a. Total Fixed Pay: Enable us to attract, retain and develop the talent we need to succeed

1. Is competitive with leading companies where we recruit for talent.
2. Reinforces roles and accountabilities.
3. Is flexible and supportive of our organization's growth.
4. Is responsive to specific market pressures in terms of getting key talent from the market.
5. Provides salary Management guidelines so that decisions are made with confidence, integrity and speed.

b. Short term Incentive Plans (one year) : Create a process to effectively reward people for their contributions to the success of the Company in the short term

1. Utilizes Company, business unit/ department and individual- based metrics based on the principle of line of sight and impact.
2. Is supported by clear, frequent communication and simple tools to administer.

c. Long term Incentive Plans in form of performance based ESOP: Enable us to attract and retain key talent and create a process to effectively reward key talent for their contributions to the long term success of the Company

1. A significant portion of the key talent compensation delivered through restricted ESOP Plans with retention expectations in place to ensure alignment of the Executive interest with those of shareholders.

2. Utilizes Company and business unit/department based metrics which are necessary for long term business sustenance and share holder wealth creation.
3. Utilizes measures that are clear, strategically focused, and easily supported by our systems.
4. Provides suitable rewards to the performer, consistent with our strategy, and reinforce our culture.
5. Helps to make our pay competitive with leading companies where we recruit for talent.

d. Benefits: Provide programs that meet people's needs and are cost effective and utilize Innovative programs that make us distinctive as an organization

1. Be competitive with companies of our size and where we compete for talent.
2. Provide benefits that are truly meaningful to people, supported by highly effective communication and easy administrative support.
3. Provide benefits, services, or events that will make us distinctive in the marketplace and consistent with our culture and values.
4. Provide benefits that are cost effective from both an individual and a Company perspective.

e. Recognition: Utilize effective practices that are supported by innovative programs that reinforce our desired culture and make us a special place to work

1. Reinforces individual and team's behaviour that makes us more competitive, efficient, and important to our customers.
2. To create more employee touch points and recognition on formal and informal basis.
3. Utilize a variety of programs, events and activities that keep the process exciting.

f. Annual Performance Linked Enhancement that recognizes the performance of the resource keeping in view the achievement of organizational goals and Departmental goals.

g. Remuneration to Independent Directors:

1. Sitting Fee as approved by the Board.
2. Travel Cost and other out of pocket expenses for attending the Board & Committee Meetings.
3. No Stock options.

Tools for an effective Remuneration Policy implementation:

1. Remuneration Benchmark studies
2. Compilation of Live data while recruiting talent
3. Talent attrition studies
4. Benchmarking with Best Industry Practices
5. Participation in various forums

Annexure 4

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| Rule | Particulars | | | |
|-------|--|--|--|-----------|
| (i) | *The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year. | a | Mr. Sunil Duggal, Chief Executive Officer | 34.99 : 1 |
| | | b | Mr. P D Narang, Whole Time Director | 35.09 : 1 |
| (ii) | The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year. | a | Mr. Sunil Duggal, Chief Executive Officer | 13% |
| | | b | Mr. P D Narang, Whole Time Director | 13% |
| | | c | Mr. Lalit Malik, Chief Financial Officer | 14.96% |
| | | d | Mr. Ashok Kumar Jain, VP (Finance) & Company Secretary | 12.95% |
| (iii) | *The percentage increase in the median remuneration of employees in the financial year. | | | 12% |
| (iv) | The number of permanent employees on the rolls of the Company. | | | 4044 |
| (v) | The explanation on the relationship between average increase in remuneration and Company performance. | | The Average increase is based on the objectives of Remuneration Policy of the Company that is designed to attract, motivate and retain the employees who are the drivers of organization success and helps the Company to retain its industry competitiveness .Pay mix is designed to reflect the performance and is aligned to the long term interests of the shareholders. | |
| (vi) | Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company. | a | % Increase in Net Sales in 2015 -16 as compared to 2014 -15 | 5.92% |
| | | b | % Increase in PAT in 2015 -16 as compared to 2014 -15 | 23.20% |
| | | c | % Increase in EBIDTA in 2015 -16 as compared to 2014-15 | 20.35% |
| | | For comparison purpose the percentage increase in remuneration of KMP is given in Rule no. (ii) above. | | |

| Rule | Particulars | | | | | |
|---|---|--|--|---|---|---|
| (vii) | Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer. #[on the basis of consolidated financial statements] | Financial Year ended | Closing share Price (NSE) | Market capitalization | #Price Earning Ratio | |
| | | 31.03.2016 | ₹ 249.90 | ₹ 43960.94 Crs. | 35.02 | |
| | | 31.03.2015 | ₹ 265.55 | ₹ 46644.18 Crs. | 43.66 | |
| <i>Closing share price as on 31st March 2016 was ₹249.90. Dabur's offer price during its public issue in 1993 was ₹95. Considering the stock split and bonus shares issued by Dabur from time to time, the adjusted offer price of public issue in 1993 is ₹ 1.58.</i> | | | | | | |
| (viii) | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | The average % managerial increase has been 12% while for others it is about 11.8%. This is based on Remuneration policy of the Company that rewards people differentially based on their contribution to the success of the Company and also ensures that external market competitiveness and internal relativities are taken care of. | | | | |
| (ix) | Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company. | Name of the KMP | % Increase in Remuneration in 2015 -16 as compared to 2014 -15 | % Increase in Net Sales in 2015 -16 as compared to 2014 -15 | % Increase in PAT in 2015 -16 as compared to 2014 -15 | % Increase in EBIDTA in 2015 -16 as compared to 2014-15 |
| | | Mr. Sunil Duggal, CEO | 13% | 5.92% | 23.20% | 20.35% |
| | | Mr. P.D. Narang, WTD | 13% | 5.92% | 23.20% | 20.35% |
| | | Mr. Lalit Malik, CFO | 14.96% | 5.92% | 23.20% | 20.35% |
| | | Mr. Ashok Kumar Jain, VP (Fin.) & CS | 12.95% | 5.92% | 23.20% | 20.35% |
| (x) | The key parameters for any variable component of remuneration availed by the Directors. | The key parameters are: a) Net Sales, b) PAT, c) EBIDTA, d) Net Operating Cash Flow from Business | | | | |
| (xi) | The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year. | None | | | | |
| (xii) | It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company. | | | | | |

*Shares allotted under ESOP Scheme of the Company have not been included.

Annexure-5

Secretarial Audit Report for the Financial Year ended March 31, 2016

The Members,
Dabur India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dabur India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Dabur India Limited ("the Company") for the Financial Year ended on March 31, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d. The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and - Not Applicable
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- vi. The other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their sector/industry are:
 1. Forest Conservation Act, 1980.
 2. Insecticides Act, 1968.
 3. Biological Diversity Act, 2002.
 4. Drug & Cosmetics Act, 1940.
 5. Food Safety and Standards Act, 2006.
 6. National Green Tribunal Act, 2010.

We have also examined compliance with the applicable clauses/Regulations of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India and effective from 01.07.2015.
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited, BSE Limited and Metropolitan Stock Exchange of India Limited / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 01.12.2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further

information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **Chandrasekaran Associates**
Company Secretaries

Rupesh Agarwal
(Partner)

Place: New Delhi

Membership No. A16302

Date : April 28, 2016

Certificate of Practice No. 5673

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A to the Secretarial Audit Report

The Members

Dabur India Limited

- Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on the random test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **Chandrasekaran Associates**
Company Secretaries

Rupesh Agarwal
(Partner)

Place: New Delhi

Membership No. A16302

Date : April 28, 2016

Certificate of Practice No. 5673

Annexure 6

Report on the performance and financial position of Subsidiaries, Associates and Joint Venture Companies is as under:

Kindly refer to Note No. 49 in Consolidated Financial Statements for financial information on Assets, Liabilities, Turnover, Profits, etc.

1. H & B Stores Ltd., India (subsidiary)

The Company operates its specialized beauty retail business under the brand 'NewU'. These stores offer a wide range of beauty and personal care products and are located in premium high footfall malls and markets. NewU offers a unique blend of domestic & international brands. Its stores are spread pan India and the store count at the end of FY 2015-16 stood at 74.

While mostly the stores are Company operated, Company has also franchised stores which are operated by entrepreneurs where products are provided by the Company. Company also operates online through its own portal www.newu.in and various other e-commerce websites. Company has also focused on its own private labels and exclusive international labels, which have good opportunity for growth.

2. Dermoviva Skin Essentials Inc., USA (subsidiary)

Dermoviva operates in the hair care market for ethnic African population through Namaste Laboratories LLC.

3. Dabur International Ltd., UAE (subsidiary)

The principle business activity of the Company is distribution of FMCG products.

The Company's sales have grown by 5% in spite of geopolitical tensions and adverse impact due to foreign exchange fluctuations in various African countries. Key growth markets were mainly UAE 12%, Oman 15% and Morocco 40%. Brands contributing to sales growth are Vatika Enriched Hair Oil 10%, Herbal Tooth Paste 22% and Dermoviva Skin Care 50%. In terms of profitability, EBITDA margins are at 21% same as previous year and Profit after tax grew by 5% to AED 138 million.

4. Naturelle LLC, UAE (subsidiary)

Naturelle LLC located at Ras al Khaimah (RAK) is the manufacturing arm of Dabur International Ltd. During the year the RAK plant's capacity was enhanced from 44,500 MT to 51,000 MT per annum. New manufacturing and packing facilities were set up for Henna Hair Colours and Namaste products. In addition, new packing lines for Shampoo, Toothpaste, Skin Cream and Mouthwash have been installed and commissioned. Various process and automation initiatives have been implemented in RAK during the year to optimize manpower requirement and improve productivity.

5. Dabur Egypt Ltd., Egypt (subsidiary)

Dabur Egypt Ltd. is engaged in the manufacturing and marketing of fast moving consumer goods in Hair Care, Skin Care and Oral Care categories. The Company is a market leader in Hair oils & Hair cream categories in Egypt. It is operating through its State of the art manufacturing facility at 10th of Ramadan City, with an investment of more than 100 million EGP. It is an ISO compliant Company with state of the art quality lab. Warehouse Management system (WMS) has been implemented by the Company during the FY 2015-16. The total employee strength is around 520, which includes 400 Workers and 120 Staff Members.

At the time when economy is going through a challenging phase politically and economically, the Company has managed to achieve turnover of EGP 387 million in the FY 2015-16 (PY EGP 343 million). Profit after tax for FY 2015-16 EGP 54 million (PY EGP 42 million).

6. African Consumer Care Ltd., Nigeria (subsidiary)

The Company is engaged in the business of manufacture and marketing of Toothpaste, Soaps, Toilet Cleaner etc., and in the trading business of Mosquito Repellent Cream.

The manufacturing capacity of the Company is 3.6 lakh cases in Oral Care category and 1.0 lakh cases in the Skin & Baby Care Category.

Performance during FY 2015-16 is as under:

Turnover- Naira 1034 Million, EBITDA- Naira (133) Million, Loss- Naira (214) Million.

7. Dabur Nepal Pvt. Ltd., Nepal (subsidiary)

The Company, one of the largest FMCG companies in Nepal, manufactures & markets wide range of Consumer goods under segments like Food, Consumer Care, Home Care, Personal Care etc. with products like Fruit Juices/ Beverages, Chyawanprash, Glucose, Tooth Paste, Hair Oil, Digestive Tablets, Honey, etc. The Company has emerged as a 'Flag Bearer' of Dabur group in Nepal.

However, FY 2015-16 started with a devastating earthquake in April followed by many after shocks which brought the economy to a standstill. In September 2015, border obstructions started due to dissatisfactions over recently promulgated Constitution of the country. These obstructions continued for over 3 months during which the border was completely closed. These natural and political calamities disrupted the business of the company. This is clearly reflected in terms of turnover and profitability for the FY 2015-16 which has eroded down to around NPR 806.04 Crs. and NPR 10.40 Crs., respectively. Previous year turnover and profitability stood at NPR 940.44 Crs. and NPR 61.59 Crs., respectively.

However, signs of improvements have been seen from mid February, 2016 for the business to move forward to restore the normal pace. The Company is optimistic about its business growth in the years to come.

8. Asian Consumer Care Pakistan Pvt. Ltd., Pakistan (subsidiary)

The year 2015-16 was another difficult year as business remained under pressure due to the trademark litigation over the leading brand Hajmola. The global economic downturn affected Pakistan market and the purchasing power weakened significantly coupled with separation of Digestive Segment into a separate entity resulting in de-growth of the business for the year.

The recessionary economic atmosphere brought forward, uncertain political environment and extensive heat wave during summer resulted in lesser demand for Hair Oils, but despite all these pressure over the category Vatika Hair Oils grew by 14% ensuing in an increase in market share by 1.9%.

To built platform for the future growth, the Company entered into Baby Care and Oral Care Category by launching brands “DermaViva Baby”, and “Dabur Red Toothpaste” respectively. The execution started in Karachi, Lahore and Islamabad during later part of the third quarter. The launches were very well received by trade and consumer off take is building over time.

9. Dabur Pakistan (Pvt.) Limited, Pakistan (subsidiary)

The year 2015-16 was the first year of commercial operations which started w.e.f. 1st October 2015. The Company was incorporated to continue business in Digestive Category including Hajmola in Pakistan.

Due to absence of Hajmola competition gained grounds into the market hence in order to restore the market share and to built platform for the future growth, the Company launched “Dabur Hazmazza” to provide additional choice to the consumer/customer in the market. The launch has been very well received by trade and consumers and off take is increasing progressively.

10. Asian Consumer Care Pvt. Ltd., Bangladesh (subsidiary)

The principal activity of the Company is to manufacture and market Hair Oil, Shampoo, Toothpaste, Honey and other products. The Company had commenced commercial production in FY 2014-15 at its new green field plant at Dhamrai on the outskirts of Dhaka while operations at Narayongonj and Manikgonj were successfully closed down.

During the FY 2015-16, the Company has commenced commercial production of Odofresh at 3P manufacturing location on the outskirts of Dhaka. Major focus for this year was on distribution expansion. As per Nielson Data the coverage of our products has increased from 1.15 lacs to 1.45 lacs outlets.

For FY 2015-16, the turnover of the Company was Taka 129 crore as against Taka 119 crore in the PY, Profit after tax has grown to Taka 11.21 crore as against Taka 6.67 crore in the PY.

The Company expects business performance to further improve during FY 2016-17 basis increase in distribution and stability of Socio Economic Conditions in the Country.

11. Hobi Kozmetik İmalat Sanayi ve Ticaret Anonim Sirketi, Turkey (subsidiary)

Hobi Kozmetik is a Market leader in Liquid Soap and Hair Gel categories and exports to 55 countries. It holds more than 30% of Hair Gel market of Turkey and is recognized as

leading producer in cosmetics sector in its geography. Its product list includes more than 190 personal care and cosmetics products in the categories like Hair Gels, Hair Sprays, Mousses, Hair Shapers, Hair Conditioners, Shampoos, Hair Care Complexes, Body Creams, Hand and Body Lotions, Body Shampoos, Liquid Hand Soaps, Shampoo and Conditioner, Hobby Gel and Hair Shaper Series, Hobby Hand and Skin Care Series and Hobby Liquid Soap.

During FY 2015-16, Sales of the Company was 82.93 million TL (PY 73.71 million TL) and Loss was (1.49) million TL (PY 1.01 million TL).

12. Ra Pazarlama Limited Şirketi, Turkey (subsidiary)

It markets the products that are produced by Hobi Kozmetik.

During FY 2015-16, Sales of the Company was 65.27 million TL (PY 59.47 million TL) and Profit after tax was 2.45 million TL (PY 2.03 million TL).

13. Dabur Lanka Pvt. Ltd., Sri Lanka (subsidiary)

The Company has set-up a state of art Tetra Pak manufacturing facility at Yakadagala Estate, Kotadeniyawa, Sri Lanka. Principal activity of the Company is to manufacture fruit juices/ beverages utilizing imported fruit concentrates/ pulp and purees for export. These are processed and packed in Tetra cartons for export to India and other countries. The Company has an allowance to sell up to 10% of the volume of the output to the local Sri Lanka market. FY 2015-16 being the 3rd year after commercial production, marked successful implementation of 200 ml line and introduced 200 ml pack in local market and exported to Dabur India Ltd. The Company has manufactured 18.8 lac cases of 1 lt. and 3.07 lac cases of 200 ml with an annualized Capacity utilization of 55% for 1 lt. and 24% for 200 ml.

Total sales of the Company during the FY 2015-16 were LKR 226.26 crore vs. LKR 85.55 crore in the previous year, with a growth of 164%, Profit after tax was LKR 3.07 crore Vs. LKR (13.6) crore in the previous year.

14. Namaste Laboratories LLC, USA (subsidiary)

The Company is engaged in the business of manufacture, marketing and distribution of hair and other personal care products.

The North America business grew by 15% due to launch of new product developments along with increase in distribution network. Overall performance of International

Region (Europe, Middle East and Sub Sahara Africa) is almost flat. The Company is facing challenges in SSA Region due to sharp currency devaluation in all key markets and to mitigate this risk, the Company is planning to manufacture locally.

North American market continues to be driven by new naturals segment. Key growth drivers for North America market were the Olive Oil Styling products, Curls Unleashed and Monoi Oil brand. These brands which appeal to the new Naturals consumer accounted for significant part of the growth in FY 2015-16. The Company plans to expand the portfolio with these growth drivers and additional natural platforms in FY 2016-17 to continue to meet the needs of the new natural consumer.

15. Namaste Cosmetics, Ltda., Brazil (subsidiary)

The Company's principal activities is to import, export, manufacture, market and distribute personal hygiene products and cosmetics, directly or through third parties.

The Company is in the process of winding up. Sales were Nil in FY 2015-16. Overheads Costs are \$11k for FY 2015-16.

16. Urban Lab International LLC, USA (subsidiary)

The Company is engaged in the business of the manufacture, marketing and distribution of hair and other personal care products. Urban Labs South Africa performance has been driven by Relaxers & Sheen Spray.

17. Hair Rejuvenation & Revitalization Nigeria Ltd., Nigeria (subsidiary)

The principal business activity is to engage in the business of the manufacture, marketing and distribution of hair and other personal care products.

The Company is non-operational for the time being and sales were Nil in FY 2015-16.

18. Healing Hair Lab International LLC, USA (subsidiary)

The entity is a non-operating Company.

19. Dabur (UK) Ltd., UK (subsidiary)

The main activity of the Company is making investments.

20. Dabur Consumer care Pvt. Ltd., Sri Lanka (subsidiary)

Principal activities of the Company include importing, distributing and dealing in all type of consumer care products such as Health Care, Home Care, Hair Care and Personal Care to the local market. FY 2015-16 being the 3rd year of Commercial activities, achieved good growth in import and trade of key brands like Honey, Odonil Blocks, Odonil Spray, Hair Oils- Amla, Almond and Vatika, Sanifresh and Vatika Shampoo. During the year Company has also introduced Red Toothpaste in local market.

Total revenues of the Company during the year were LKR 7.4 crore as against LKR 4.72 crore in the previous year, with a growth of 56.78%.

21. Dabur Tunisie, Tunisia (subsidiary)

The Company is a 100% export oriented Company having its manufacturing plant in the industrial zone of Enfidha in the province of Sousse, Tunisia. It is presently manufacturing Miswak Herbal toothpaste and Miswak Fresh Gel Toothpaste for North African Market (Algeria and Morocco). Approval from local authorities has been obtained to sell locally in Tunisia as well. Existing capacity of the Company is 10000 cases per month. Sales in the FY 2015-16 was TND 5.72 million as against TND 1.52 million in the previous year, Profit after tax was TND 0.26 million as against TND (0.37) million in the previous year.

22. Forum I Aviation Pvt. Ltd., India (Joint Venture)

The Company was founded in 2005 as an air charter Company and it primarily operates in aviation sector. It is working with existing fleet of two aircrafts viz. Hawker 800XP (VT-FAF) & Hawker 850XP (VT-KNB). The Company have five pilots and two cabin crew for ensuring uninterrupted flying to the customers.

The income from operations (including income from recovery of fixed expenses) during the year is ₹ 2528.13 lacs as against ₹ 3345.85 lacs in the previous year. The Company made a Profit before tax of ₹ 55.23 lacs as against the Profit of ₹ 539.93 lacs in the previous year.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A. Conservation of energy:

i. The steps taken or impact on conservation of energy:

A number of energy conservation techniques were initiated and successfully implemented. Some of the key initiatives undertaken in the manufacturing units were as follows-

- Reduction in Power and Fuel consumption at factory locations through
 - Improvement in power factor upto 99%.
 - Reduction in steam consumption by process improvement by 10%.
 - Wet bulb sensor fitted at cooling tower for efficiency monitoring.
 - Installation of energy efficient lighting fixtures.
 - LED/ Solar lights & transparent sheets installed in plants.
 - Incorporation of steam Condensate recovery system to recycle condensate recovered after steam usage.
 - Replacement of HSD Fuel Boiler with the Briquette Fuel Boiler.
 - Installation of economizer in Boilers.
- Reduction in water consumption through reuse of ETP treated water for road cleaning and flushing.
- Additional Investment of ₹ 31 lacs was done for the reduction of energy consumption.
- The energy conservation measures taken during the year have resulted into an yearly saving of approximately ₹ 60 lacs and thereby lowered the cost of production.
- These measures have also led to better pollution control, reduced the impact on environment, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.

ii. The steps taken by the Company for utilizing alternate sources of energy :-

- Generation of Steam by briquette and in-house waste of dry herbs.
 - Usage of Solar Street lights replacing traditional street lights, at various plants.
- #### iii. The capital investment on energy conservation equipments:-
- An amount of ₹ 16.90 lacs was incurred towards capital investment on energy conservation equipments during the Financial Year 2015-16.

B. Technology Absorption:

i. The efforts made towards technology absorption

- SS Horizontal conveyor for feeding of Green Amla provided, to remove rotten amla – Katni Unit
- Economizer for boiler provided – Katni Unit
- Successfully installed Flow Wrap Machine for packing of shampoo sachet through automated flow wrap in place of manual poly bags at Pantnagar Unit.
- Machine trials completed successfully for new technology of Auto Dangler Packing Machine - for Red Tooth Paste at Pantnagar Unit.
- Installed Automatic Hydraulic Tableting Machine for Odonil with reduction in noise level & safe operation at Baddi unit.
- Hajmola Sachet machine modernized with mounting of Photo Electric Sensors to avoid filling of less tablet inside the sachets (Baddi Unit).
- Wet bulb sensor fitted at cooling tower for efficiency monitoring (Baddi Unit).
- Silvasa Unit- In Odomos Line, Cartonator and Auto- Collator has been installed. In Toothpaste line, 180 tubes/ minute line has replaced the 100 tubes/ minute line.

ii. Benefits derived like product improvement, cost reduction, product development, import substitution.

- ₹ 1.51 lacs incentive given by M.P. Electricity Board as a Power Factor improvement incentive for Katni Unit.
- Estimated per case savings for Shampoo Flow

wrap machine is approx. ₹ 5.89, approximate annualized savings is ₹ 35 to 40 lacs (Pantnagar unit).

- Silvasa Unit- Installation of Cartonator and Auto-Collator in Odomos line has reduced manpower requirement by 13 numbers per shift. In Toothpaste line, production has increased by 50cs / shift. Consequently, productivity has improved which has led to reduction in overhead costs.
- Wastage reduction at Silvasa unit- Automation of cartonator and auto-collator has improved the productivity and wastage of Odomos bulk has reduced from 2.02% to 1.70%.

- iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

The details of technology imported: Nil

The year of import : Not Applicable

Whether the technology been fully absorbed : Not Applicable

If not fully absorbed, areas where absorption has not taken place and the reasons thereof : Not Applicable

- iv. The expenditure incurred on Research and Development:

- An expenditure of ₹ 26.58 Crores was incurred towards Research and Development during the Financial Year 2015-16.

C. Foreign Exchange earnings and outgo:

The Foreign Exchange earned in terms of actual inflows during the Financial 2015-16: ₹ 188.20 crores.

The Foreign Exchange outgo in terms of actual outflows during the Financial 2015-16: ₹ 153.01 crores.

Environmental, Health and Safety (EHS) Review

Annexure 8

Environment

In continuation to achieve best environmental pollution control measures on 3R's (Reduce, Reuse & Recycle) philosophy, first time in 'FMCG' effluent treatment technology, Dabur India Ltd. has implemented "Acidification Reaction System" by adding special bio-culture tank called "Acidogenic Bacteria Tank" with the help of in-house technical team. This has delivered a drastic improvement in COD (Chemical Oxygen Demand) /BOD (Biological Oxygen Demand) /Solids /Color results.

Day by day government policies are becoming stringent towards reducing environmental impacts on our natural resources. Dabur is committed to achieve the motive by implementing best technology, Management programs through a combination of energy, water conservation, minimize air emissions, rainwater harvesting and solid waste recycling. All units of Dabur are complying with zero liquid discharge system, have minimized usage of petroleum products by modifying boilers into bio-fuel boilers. There has been a drastic reduction in air emissions.

Ground water is one of the major source of water for us. But Dabur is committed for significantly conserving the resource by installing water efficient technology in process with best effluent treatment system like Reverse Osmosis plants to utilize back treated water into system. Also Dabur recharges

100% roof-top rain water via Rain water harvesting pits back to the ground. Towards other environmental focus areas, the Company has greatly reduced raw water consumption (water 31 Lts/Mt of Production), effluent generation (0.5 Kiloliter/ MT of production), solid-waste generation (25 kg/ MT of production), hazardous waste generation (0.04 Kg/ Mt of production), reduction in GHG emissions (Green House Gases) CO₂ emission 0.01 Kg/MT of production, SO₂ generation 0.003 kg/MT of production to reduce the overall impact on our natural resources and environment.

Beside this all the manufacturing units have complied and are being monitored online for all EHS related legal-statutory requirements laid by Government from time to time.

Dabur is in the process to receive Product Carbon Foot Print (PCF) Certificate from TUV NORD for 3 products - Chyawanprash, Honey and Real Juices. This is first time in India that any Company is declaring their product carbon footprints.

Integration of ISO 9000:15000, ISO 14000:15000 & OHSAS under single IMS manual is one of the future roadmaps to achieve foundation of the overall health, safety and environment framework at Dabur.

To ensure focused delivery on EHS activities, Dabur has conducted quarterly EHS Meet at Rudrapur with EHS

Improvement Plan at manufacturing level. Focus is more on building and engaged EHS culture where expectations are clear, people are trained, interventions are welcomed and consequences are understood.

Safety

Towards Fire-Safety, Dabur has ensured to achieve and maintain globally approved Fire-Safety Standards (i.e. FM/UL approved). All units are in process to install best fire/smoke detection technology to get the information in-time in case of any fire-incident. To mitigate such incident all units are 100% equipped 24x7 with dedicated fire fighting cure team Members. Dabur EHS team identified all available fire hazards by conducting third party Fire-Safety audits/HAZOP study/Risk Assessment studies and made action plan to close all finding from root level. Dabur is committed to building safety culture within by implementing Behavior Based Safety system (BBS), Recording workplace hazards called SBO's, Conducting scheduled Fire-Safety Audits (in-house), adopting on-line Work Permit System (WPS), Daily Toll-box talks, Safety Committee meetings and interaction with all associates, Fire-safety Drills, Safety Week celebration and continuous safety trainings to all concerns. All actions, recommendations are being recorded and evaluated through online inbuilt software called "EHS Management Tracking System" which is in place since last 3 years (earlier known as "Suraksha"). This system gives a major impact in reducing work place hazards/incidents and become incident free organization.

Dabur has always been aware of its responsibilities towards health, safety and environment management and is in the process of further strengthening its current resources.

Key Initiatives taken during the year are as follows:

- Done 47 number of third party Fire Safety Audits and implemented the recommendations.
- Identification/ segregation/ isolation/ separate storage of all flammable chemicals as per petroleum classification.

- Did HAZOP Study for highly flammable processes at Narendrapur, Silvassa, Alwar, Skin Care- Baddi, Jammu to identify process related gaps and their mitigation plan.
- Complete change in fire-fighting PPE's as per IS standards.
- Done third party gap assessment for existing and required Fire Fighting installations as per TAC/NBC guidelines and its implementation.
- Installation of Fire detection System as per international standards (UL/FM Global).
- Basic awareness training programs for floor level team Members on Flammable chemicals handling, usage of suitable PPE's, Safe operation of Fork Lifts, etc.
- Inspection and upgradation of all Lightening Arrestors as per IS 15652.
- All FG/RM stores protected by providing Master Electric power supply On/Off switch and being ensured by concern security after officer hours.
- Fire Brick wall provided for isolation in between RM Store & Production areas.
- Earth Pit and its continuity strengthen by third party monitoring.
- Adequate number of fire exit doors provided in each unit for safe exit during emergency.
- All lab flammable chemicals being stored in UL/FM approved fire cabinets.
- To know electric power cables health, procured Thermal Imaging Sensor at all major locations.

Health

Key Initiatives taken during the year are as follows:

- Occupational health system maintained and monitored.
- Employee's medical fitness & vaccination via external agency.

Annexure 9

Annual report on CSR activities for the Financial Year 2015-16

1. A brief out line of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

Our CSR Vision

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

Our CSR Mission

1. Ensuring socio-economic development of the community through different participatory and need-based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become SELF-RELIANT and build a better tomorrow for themselves.
2. Ensuring environmental sustainability through ecological conservation and regeneration, protection & re-growth of endangered plant species, and promoting biodiversity.

Projects or programmes proposed to be undertaken

- Eradicating Hunger, Poverty & Malnutrition
 - Sanitation Drive to provide easy access to toilet and sanitation facilities in rural households and schools as also to the urban poor.
 - Supplementing nutrition needs of poor and needy through joint initiatives and programmes with local NGOs.
- Preventive Health Care
 - Programme to provide nourishment to kids from underprivileged sections of the society.
 - Promotion of health awareness & immunity building initiatives.
 - Healthcare awareness programme across rural and urban India to create awareness on Malaria, Dengue, Cancer, HIV-AIDS and any chronic disease.
 - Oral hygiene and dental health camps in schools to build awareness about the need for good oral care techniques and hygiene for overall health and well-being.
 - Health care camps across the country to give the urban and rural poor access to safe and reliable healthcare.

- Supporting health and wellness of people through Wellness Centre, offering treatment as well as advice and medicines.
- Addressing Health Care needs of Poor & Needy through joint initiatives and programmes with local NGOs and ASHA workers.
- Ensuring Environment Sustainability
 - Environment sustainability programmes to protect endangered species of herbs & plants, enhancing livelihood of farmers.
 - Tree Plantation Drive across villages/area near our manufacturing units and business locations.
 - Promotion of Solar Energy.
- Employment Enhancing Vocational Skills Development through Vocational Training Centres; providing Beekeeping training
- Promotion of Education through School Support Programme and Non-Formal Education Centres
- Promoting Gender Equality and Empowering Women through Adult Education Centres and Promoting Self Help Groups

Web link: <http://www.dabur.com/in/en-us/csr-be-the-change/csr-policy>

2. The Composition of CSR Committee

CSR Committee consists of Dr. Ajay Dua (Chairman) & Mr. Sanjay Kumar Bhattacharyya, Independent Directors and Mr. P.D. Narang & Mr. Sunil Duggal, Executive Directors.

3. Average net profit of the Company for last three financial years

Profit before tax for last three financial years:

2014-15: ₹ 976.53 Crs., 2013-14: ₹ 861.33 Crs.,
2012-13: ₹ 749.67 Crs.

Average net profit: ₹ 862.51 Crs.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

₹ 17.25 Crs.

5. Detail of CSR spent during the financial year

- a. Total amount spend from (April, 2015 - March, 2016)
₹ 17.44 Crs.
- b. Amount unspent, if any: Nil

c. Manner in which the amount spent during the Financial Year is detailed below:

| (1) | (2) | (3) | (4) | (5) | (6) | (8) | (9) | (10) |
|---------|--------------|--|--|--|--|---|---|----------------------|
| Sl. No. | Activity No. | CSR project or activity identified | Sector in which the Project is covered | Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken | Amount outlay (budget) project or program wise (In ₹ Lakh) | Cumulative expenditure up to the reporting period (In ₹ Lakh) | Amount spent: Direct or through implementing agency | No. of Beneficiaries |
| | 1. | Eradicating Hunger, Poverty & Malnutrition | | | | | | |
| 1 | 1A | Sanitation Drive to provide easy access to toilets and sanitation facilities in rural households and schools | Eradicating Hunger, Poverty & Malnutrition | Uttar Pradesh, Uttarakhand, Himachal Pradesh | 70 | 84 | SUNDESH | |
| 2 | 1B (i) | Drive to improve sanitation facilities for urban poor | Eradicating Hunger, Poverty & Malnutrition | Delhi-NCR, Uttar Pradesh | 10 | 0 | Sulabh International | |
| 3 | 1B (ii) | Drive to improve sanitation facilities for urban poor | Eradicating Hunger, Poverty & Malnutrition | Uttar Pradesh | 10 | 4 | Direct | |
| 4 | 1C | Programmes to meet nutrition needs of poor & needy | Eradicating Hunger, Poverty & Malnutrition | All-India | 300 | 613 | Various NGOs | |
| | 2. | Promoting Healthcare including Preventive Healthcare | | | | | | |
| 5 | 2A | Dil Se Dua programme to fight malnutrition among street children and also involve the general public in this drive | Promoting Healthcare including Preventive Healthcare | Delhi-NCR, Punjab, Uttar Pradesh | 175 | 54 | Direct | |
| 6 | 2B | Immune India awareness programme about the need of immunity in school going children | Promoting Healthcare including Preventive Healthcare | Delhi-NCR, Uttar Pradesh, Bihar, Maharashtra, Madhya Pradesh | 200 | 189 | Direct | |
| 7 | 2C | Dengue Fighter initiative to generate awareness about mosquitoes and prevention from mosquito borne diseases | Promoting Healthcare including Preventive Healthcare | Delhi-NCR, Uttar Pradesh, Karnataka, Maharashtra, Tamil Nadu | 200 | 226 | Direct | |
| 8 | 2D | Brave & Beautiful initiative to spread awareness about Cancer and help cancer survivors lead normal lives | Promoting Healthcare including Preventive Healthcare | All-India | 100 | 0 | Direct | |
| 9 | 2E | Health Camps to provide easy access to reliable healthcare for poor & needy | Promoting Healthcare including Preventive Healthcare | All-India (20 states) | 72 | 63 | Direct | |
| 10 | 2F | Oral hygiene awareness Camps in schools | Promoting Healthcare including Preventive Healthcare | Uttar Pradesh, Madhya Pradesh, Maharashtra | 90 | 0 | Direct | |
| 11 | 2G | Wellness Centre to treat people | Promoting Healthcare including Preventive Healthcare | Delhi | 33 | 23 | Direct | |
| 12 | 2H | Programmes for addressing health care needs of poor & needy | Promoting Healthcare including Preventive Healthcare | All-India | 70 | 119 | Various NGOs | |
| 13 | 2I | Programmes for empowering ASHA workers with knowledge on health care practices & social development | Promoting Healthcare including Preventive Healthcare | Hardoi, Varanasi, Azamgarh, Faizabad (Uttar Pradesh) | 13 | 12 | Direct | |
| | 3. | Ensuring Environment Sustainability | | | | | | |
| 14 | 3A (i) | Programmes to protect endangered species of herbs & plants, enhancing livelihood of farmers | Ensuring Environment Sustainability | Odisha | 0 | 25 | Jivanti Trust | |
| 15 | 3A (ii) | Programmes to protect endangered species of herbs & plants, enhancing livelihood of farmers | Ensuring Environment Sustainability | Tamil Nadu, Kerala | | 21 | Covenant Centre for Development | |
| 16 | 3A (iii) | Programmes to protect endangered species of herbs & plants, enhancing livelihood of farmers | Ensuring Environment Sustainability | Andhra Pradesh | | 16 | Kovel Foundation | |
| 17 | 3A (iv) | Programmes to protect endangered species of herbs & plants, enhancing livelihood of farmers | Ensuring Environment Sustainability | Odisha | 151 | 5 | Bitarni | 3,000 |
| 18 | 3A (v) | Programmes to protect endangered species of herbs & plants, enhancing livelihood of farmers | Ensuring Environment Sustainability | Maharashtra | | 4 | Dr. Balasaheb Sawant Konkani Krishi | |
| 19 | 3A (vi) | Programmes to protect endangered species of herbs & plants, enhancing livelihood of farmers | Ensuring Environment Sustainability | Karnataka | | 30 | Foundation for Revitalisation | |

| (1) | (2) | (3) | (4) | (5) | (6) | (8) | (9) | (10) |
|------------------|------------------------------------|--|--|--|---|---|------------------------|------|
| Sl. Activity No. | CSR project or activity identified | Sector in which the Project is covered | Projects or Programs (1) Local area or other district where projects or programs were undertaken | Amount outlay (budget) project or program wise (In ₹ Lakh) | Cumulative expenditure up to the reporting period (In ₹ Lakh) | Amount spent: Direct or through implementing agency | No. of Beneficiaries | |
| 20 | 3B | Developing & supplying seeds and seedlings to local farmers free of cost to enhance their livelihood and also protect endangered species | Ensuring Environment Sustainability | Uttarakhand | 90 | 84 | Direct | |
| 21 | 3C | Tree Plantation Drive | Ensuring Environment Sustainability | Uttar Pradesh, Uttarakhand, Himachal Pradesh | 5 | 0 | SUNDESH | |
| 22 | 3D | Promotion of Solar Energy | Ensuring Environment Sustainability | Uttar Pradesh | 18 | 19 | SUNDESH | |
| 23 | 4 | Providing Employment Generating Vocational Skills and livelihood enhancement projects | | | | | | |
| 24 | 4A | Vocational Training to women and villagers | Providing Employment Generating Vocational Skills and livelihood enhancement projects | Uttar Pradesh, Uttarakhand, Himachal Pradesh | 43 | 22 | SUNDESH | |
| 25 | 4B | Vocational Training to women and villagers on bee-keeping | Providing Employment Generating Vocational Skills and livelihood enhancement projects | Bihar | 20 | 19 | Jivanti Trust, Jeevika | |
| 26 | 4C | Swavalamban - Training & employment generation programme for rural youths | Providing Employment Generating Vocational Skills and livelihood enhancement projects | Uttar Pradesh, Bihar | 10 | 12 | Direct | |
| 27 | 5 | Promoting Education including Special Education | | | | | | |
| 28 | 5A | Non-Formal Education Centres for providing basic education to out-of-school underprivileged kids | Promoting Education including Special Education | Uttar Pradesh, Uttarakhand, Himachal Pradesh | 5 | 4 | SUNDESH | |
| 29 | 5B | Remedial Education Centres for kids from underprivileged sections of society | Promoting Education including Special Education | Uttar Pradesh, Uttarakhand | 2 | 2 | SUNDESH | |
| 30 | 5C | School Support Programs like benches & desks, potable water facility, educational aids such as libraries learning paintings | Promoting Education including Special Education | Uttar Pradesh, Uttarakhand, Himachal Pradesh | 13 | 11 | SUNDESH | |
| 31 | 6 | Promoting Gender Equality & Women Empowerment | | | | | | |
| 32 | 6A | Adult Literacy Centres for women | Promoting Gender Equality, Women Empowerment | Uttar Pradesh, Uttarakhand, Himachal Pradesh | 5 | 4 | SUNDESH | |
| 33 | 6B | Promoting & managing self help groups for women | Promoting Gender Equality, Women Empowerment | Uttar Pradesh, Uttarakhand, Himachal Pradesh | 7 | 7 | SUNDESH | |
| 34 | 7 | Incidental Expenses | | | | | | |
| 35 | 7A | Incidental & administrative expenses for running these programmes | Incidental Expenses | Uttar Pradesh | 70 | 72 | Direct | |
| 36 | | TOTAL | | | 1,782 | 1,744 | | |

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board report: Not Applicable

7. Responsibility statement of CSR Committee:

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with Company's CSR objectives (i.e. CSRVision and CSR Mission) and CSR Policy of the Company.

(Sunil Duggal)
CEO

(Dr. Ajay Dua)
Chairman - CSR Committee

FORM MGT 9**EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31.03.2016**

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014

I REGISTRATION & OTHER DETAILS:

| | | |
|-----|---|--|
| i | CIN | L24230DL1975PLC007908 |
| ii | Registration Date | 16 th September, 1975 |
| iii | Name of the Company | DABUR INDIA LIMITED |
| iv | Category/Sub-Category of the Company | Public Limited Company |
| v | Address of the Registered office & contact details | 8/3, Asaf Ali Road, New Delhi- 110002 Tel: +91-11-23253488 |
| vi | Whether listed Company | Yes |
| vii | Name, Address & Contact details of the Registrar & Transfer Agent, if any | Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Nanakramguda, Hyderabad – 500 032. Tel: +91 40 67162222, Fax No.: +91 40 23001153 Website - www.karvy.com , Toll free No. - 1800-345-4001 |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

| Sl No. | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the Company |
|--------|--|----------------------------------|------------------------------------|
| 1 | Real Fruit Juices | 10304 | 15.90% |
| 2 | Amla Hair Oil | 20236 | 12.30% |

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

| Sl No. | Name & Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section of Companies Act, 2013 |
|--------|--|---------------------------|--------------------------------|------------------|---|
| 1 | H & B Stores Limited 8/3, Asaf Ali Road, New Delhi -110002, India | U74120DL2007 PLC163361 | Subsidiary | 100% | 2(87)(ii) |
| 2 | Dabur International Limited 12-14, Finch Road, Douglas Isle of Man IM1 2 TT | NA | Subsidiary | 100% | 2(87)(ii) |
| 3 | Dabur (UK) Limited Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands | NA | Subsidiary | 100% | 2(87)(ii) |
| 4 | Dabur Egypt Limited 10 th of Ramadan, A6 Industrial Area 39 Egypt | NA | Subsidiary | 100% | 2(87)(ii) |
| 5 | African Consumer Care Limited Plot B, Olympic Street, Off Alakoso Avenue, Amuwo-Odofin Industrial Area, Festac Town, Lagos, Nigeria | NA | Subsidiary | 100% | 2(87)(ii) |
| 6 | Naturelle LLC Emirates Link Road, Al Jazeera, Al Hamra Industrial Area, P.O. Box No. - 6399, Ras Al Khaimah, UAE | NA | Subsidiary | 100% | 2(87)(ii) |

| SI No. | Name & Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section of Companies Act, 2013 |
|--------|---|---------------------------|--------------------------------|------------------|---|
| 7 | Hobi Kozmetik Imalat Sanayi Ve Ticaret Anonim Sirketi Saray Mah. Site Yolu Sk. N:5/4 Anel Merkez K:2/6 34768 Ümraniye - İstanbul | NA | Subsidiary | 100% | 2(87)(ii) |
| 8 | Ra Pazarlama Limited Sirketi Saray Mah. Site Yolu Sk. N:5/4 Anel Merkez K:2/6-B 34768 Ümraniye - İstanbul | NA | Subsidiary | 100% | 2(87)(ii) |
| 9 | Dabur Tunisie Lot No 606, ZI- Enfidha Sousse, Tunisia | NA | Subsidiary | 100% | 2(87)(ii) |
| 10 | Dermoviva Skin Essentials INC 2711, Centerville Road, Suite 400, Wilmington, Delaware 19808 | NA | Subsidiary | 100% | 2(87)(ii) |
| 11 | Namaste Laboratories LLC 311, S. Wacker Drive, Suite 4300, Chicago, IL 60606 | NA | Subsidiary | 100% | 2(87)(ii) |
| 12 | Hair Rejuvenation & Revitalization Nigeria Ltd. 4, Laulupon Close, OFF Keffi Street, S.W. Ikoyi, Logos, Nigeria. | NA | Subsidiary | 100% | 2(87)(ii) |
| 13 | Healing Hair Laboratories International LLC 2711, Centerville Road, Suite 400, Wilmington, DE 19808 | NA | Subsidiary | 100% | 2(87)(ii) |
| 14 | Urban Laboratories International LLC Corporation Service Company, 2711 Centerville Rd., Suite 400, Wilmington, DE-19808 | NA | Subsidiary | 100% | 2(87)(ii) |
| 15 | Namaste Cosmetics Ltda Av. Bernardino de Campos, No. 98, 14 th floor, Paraiso, 04004-040 City of Sao Paulo, State of Sao Paulo. | NA | Subsidiary | 100% | 2(87)(ii) |
| 16 | Dabur Lanka Private Limited Level 14, West Tower, World Trade Centre, Echelon Square, Colombo - 1 | NA | Subsidiary | 100% | 2(87)(ii) |
| 17 | Dabur Consumer Care Private Limited Level 14, West Tower, World Trade Centre, Echelon Square, Colombo - 1 | NA | Subsidiary | 100% | 2(87)(ii) |
| 18 | Asian Consumer Care Pakistan Private Limited D-25, Block 5 Clifton, Karachi, Pakistan | NA | Subsidiary | 99.99% | 2(87)(ii) |
| 19 | Asian Consumer Care Private Limited Baratia Sutipara, 172 & 173, Kalampara, Dhamrai, Dhaka | NA | Subsidiary | 76% | 2(87)(ii) |
| 20 | Dabur Nepal Private Limited Rampur, Tokani Bara, Nepal | NA | Subsidiary | 97.50% | 2(87)(ii) |
| 21 | Dabur Pakistan Private Limited, Plot No. D-25, Block 5 Clifton, Karachi, Pakistan | NA | Subsidiary | 100% | 2(87)(ii) |
| 22 | Forum I Aviation Private Limited 505, G+5 Building, Indira Gandhi Airport, Opposite Domestic Airport Arrival Terminal - 1, New Delhi - 110037, India | U62200DL2004 PTC131655 | Associate | 19.99% | 2(6) |

IV SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of total Equity)

(i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|--------------------------------|---|----------|-------------------|-------------------|---|----------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| 1. Indian | | | | | | | | | |
| a) Individual/HUF | 2156999 | 0 | 2156999 | 0.12 | 2126999 | 0 | 2126999 | 0.12 | 0 |
| b) Central Govt.or State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corporates | 1194771150 | 0 | 1194771150 | 68.02 | 1195708682 | 0 | 1195708682 | 67.97 | (0.05) |
| d) Bank/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB TOTAL:(A)(1) | 1196928149 | 0 | 1196928149 | 68.14 | 1197835681 | 0 | 1197835681 | 68.09 | (0.05) |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|----------------|-------------------|-------------------|---|----------------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| 2. Foreign | | | | | | | | | |
| a) NRI- Individuals | 315000 | 0 | 315000 | 0.02 | 345000 | 0 | 345000 | 0.02 | 0 |
| b) Other Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB TOTAL:(A)(2) | 315000 | 0 | 315000 | 0.02 | 345000 | 0 | 345000 | 0.02 | 0 |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 1197243149 | 0 | 1197243149 | 68.16 | 1198180681 | 0 | 1198180681 | 68.11 | (0.05) |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds/UTI | 2538024 | 13000 | 2551024 | 0.15 | 16523282 | 13000 | 16536282 | 0.94 | 0.79 |
| b) Banks/FI | 14395655 | 0 | 14395655 | 0.82 | 17015122 | 0 | 17015122 | 0.97 | 0.15 |
| c) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 65922491 | 0 | 65922491 | 3.75 | 63537272 | 0 | 63537272 | 3.61 | (0.14) |
| g) FIs | 368149134 | 0 | 368149134 | 20.96 | 344752692 | 0 | 344752692 | 19.60 | (1.36) |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB TOTAL:(B)(1) | 451005304 | 13000 | 451018304 | 25.68 | 441828368 | 13000 | 441841368 | 25.12 | (0.56) |
| 2. Non Institutions | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | 15263967 | 54000 | 15317967 | 0.87 | 20526489 | 54000 | 20580489 | 1.17 | 0.30 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs | 58854417 | 5921668 | 64776085 | 3.69 | 62887073 | 5498850 | 68385923 | 3.89 | 0.20 |
| ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs | 20406280 | 0 | 20406280 | 1.16 | 21104145 | 0 | 21104145 | 1.20 | 0.04 |
| c) Others (specify) | | | | | | | | | |
| Clearing Members | 611377 | 0 | 611377 | 0.03 | 1483966 | 0 | 1483966 | 0.08 | 0.05 |
| Non Resident Indians | 4624090 | 1546884 | 6170974 | 0.35 | 4932514 | 1477584 | 6410098 | 0.36 | 0.01 |
| Overseas Corporate Bodies | 78000 | 6000 | 84000 | 0.00 | 78000 | 6000 | 84000 | 0.00 | 0 |
| Trusts | 883854 | 0 | 883854 | 0.05 | 1070500 | 0 | 1070500 | 0.06 | 0.01 |
| SUB TOTAL:(B)(2) | 100721985 | 7528552 | 108250537 | 6.16 | 112082687 | 7036434 | 119119121 | 6.77 | 0.61 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 551727289 | 7541552 | 559268841 | 31.84 | 553911055 | 7049434 | 560960489 | 31.89 | 0.05 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 1748970438 | 7541552 | 1756511990 | 100.00 | 1752091736 | 7049434 | 1759141170 | 100.00 | 0.00 |

(ii) Shareholding of Promoters

| Sl No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--|---|---|----------------------------------|--|-------------------------------------|----------------------------------|---|---|
| | | No. of shares | % of total shares of the Company | % of shares pledged encumbered to total shares | No. of shares | % of total shares of the Company | % of shares pledged/ encumbered to total shares | |
| Individuals/ Hindu Undivided Family | | | | | | | | |
| 1 | Anand Chand Burman | 660000 | 0.04 | 0 | 660000 | 0.04 | 0 | 0.00 |
| 2 | Pradip Burman | 364000 | 0.02 | 0 | 364000 | 0.02 | 0 | 0.00 |
| 3 | Gauri Tandon | 339999 | 0.02 | 0 | 339999 | 0.02 | 0 | 0.00 |
| 4 | Gauri Tandon | 338000 | 0.02 | 0 | 338000 | 0.02 | 0 | 0.00 |
| 5 | Asha Burman | 154000 | 0.01 | 0 | 154000 | 0.01 | 0 | 0.00 |
| 6 | Indira Burman | 100000 | 0.01 | 0 | 100000 | 0.01 | 0 | 0.00 |
| 7 | Minnie Burman* | 30000 | 0.00 | 0 | 0 | 0.00 | 0 | 0.00 |
| 8 | Shivani Burman | 30000 | 0.00 | 0 | 30000 | 0.00 | 0 | 0.00 |
| 9 | Amit Burman (HUF) | 30000 | 0.00 | 0 | 30000 | 0.00 | 0 | 0.00 |
| 10 | Pradip Burman (HUF) | 30000 | 0.00 | 0 | 30000 | 0.00 | 0 | 0.00 |
| 11 | Ashok Chand Burman (HUF) | 30000 | 0.00 | 0 | 30000 | 0.00 | 0 | 0.00 |
| 12 | Chetan Burman | 30000 | 0.00 | 0 | 30000 | 0.00 | 0 | 0.00 |
| 13 | Vivek Chand Burman | 15000 | 0.00 | 0 | 15000 | 0.00 | 0 | 0.00 |
| 14 | Eishana Burman | 6000 | 0.00 | 0 | 6000 | 0.00 | 0 | 0.00 |
| Body Corporates | | | | | | | | |
| 15 | Chowdry Associates (owned by Mr. Saket Burman) | 217941800 | 12.41 | 0 | 217941800 | 12.39 | 0 | (0.02)# |
| 16 | VIC Enterprises Private Limited (owned by Mr. V C Burman) | 217734000 | 12.40 | 0 | 217734000 | 12.38 | 0 | (0.02)# |
| 17 | Gyan Enterprises Private Limited (owned by Mrs. Asha Burman) | 202237980 | 11.51 | 0 | 202237980 | 11.50 | 0 | (0.01)# |
| 18 | Puran Associates Private Limited (owned by Dr. Anand C Burman) | 189212000 | 10.77 | 0 | 189212000 | 10.75 | 0 | (0.02)# |
| 19 | Ratna Commercial Enterprise Private Limited (owned by Mr. Pradip Burman Family Trust) | 155463430 | 8.85 | 0 | 156394429 | 8.89 | 0 | 0.04 |
| 20 | Milky Investment and Trading Company (owned by Dr. Anand C Burman) | 106140970 | 6.04 | 0 | 106147503 | 6.03 | 0 | (0.01) |
| 21 | Burmans Fininvest Private Limited (owned by Mrs. Monica Burman) | 53012986 | 3.02 | 0 | 53012986 | 3.01 | 0 | (0.01)# |
| 22 | M B Finmart Pvt. Ltd. (owned by Mr. Mohit Burman) | 26506492 | 1.51 | 0 | 26506492 | 1.51 | 0 | 0.00 |
| 23 | Windy Investments Private Limited (owned by Mr. Gaurav Burman) | 26506492 | 1.51 | 0 | 26506492 | 1.51 | 0 | 0.00 |
| 24 | Sahiwal Investment and Trading Company | 15000 | 0 | 0 | 15000 | 0.00 | 0 | 0.00 |
| Non Resident Individuals | | | | | | | | |
| 25 | Sidharth Burman | 300000 | 0.02 | 0 | 300000 | 0.02 | 0 | 0.00 |
| 26 | Monica Burman | 15000 | 0.00 | 0 | 15000 | 0.00 | 0 | 0.00 |
| 27 | Minnie Burman* | 0 | 0.00 | 0 | 30000 | 0.00 | 0 | 0.00 |
| | Total | 1197243149 | 68.16 | 0 | 1198180681 | 68.11 | 0.00 | (0.05) |

Change in shareholding is due to change in paid up share capital of the Company.

* Mrs. Minnie Burman became NRI during the year.

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

| Sl. No. | Particulars | Share holding at the beginning of the Year | | Cumulative Share holding at the end of the year | |
|---------|--|--|----------------------------------|---|-----------------------------------|
| | | No. of Shares | % of total shares of the Company | No of shares | % of total shares of the Company* |
| | At the beginning of the year | 1197243149 | 68.16 | 1197243149 | 68.06 |
| | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc.) | | | | |
| 1 | Increase (Purchase of shares) Ratna Commercial Enterprises Private Limited | | | | |
| | 29/04/2015 (Purchase of share) | 67446 | 0.00 | 1197310595 | 68.06 |
| | 07/05/2015 (Purchase of share) | 42554 | 0.00 | 1197353149 | 68.06 |
| | 12/05/2015 (Purchase of share) | 10000 | 0.00 | 1197363149 | 68.07 |
| | 05/06/2015 (Purchase of share) | 20000 | 0.00 | 1197383149 | 68.07 |
| | 08/06/2015 (Purchase of share) | 70000 | 0.00 | 1197453149 | 68.07 |
| | 03/08/2015 (Purchase of share) | 23079 | 0.00 | 1197476228 | 68.07 |
| | 24/08/2015 (Purchase of share) | 100000 | 0.01 | 1197576228 | 68.08 |
| | 25/08/2015 (Purchase of share) | 50000 | 0.00 | 1197626228 | 68.08 |
| | 31/08/2015 (Purchase of share) | 30000 | 0.00 | 1197656228 | 68.08 |
| | 24/09/2015 (Purchase of share) | 5000 | 0.00 | 1197661228 | 68.08 |
| | 29/09/2015 (Purchase of share) | 12562 | 0.00 | 1197673790 | 68.08 |
| | 04/11/2015 (Purchase of share) | 10339 | 0.00 | 1197684129 | 68.08 |
| | 05/11/2015 (Purchase of share) | 34661 | 0.00 | 1197718790 | 68.09 |
| | 06/11/2015 (Purchase of share) | 25000 | 0.00 | 1197743790 | 68.09 |
| | 09/11/2015 (Purchase of share) | 10358 | 0.00 | 1197754148 | 68.09 |
| | 10/11/2015 (Purchase of share) | 100000 | 0.01 | 1197854148 | 68.09 |
| | 13/11/2015 (Purchase of share) | 22671 | 0.00 | 1197876819 | 68.09 |
| | 16/11/2015 (Purchase of share) | 20000 | 0.00 | 1197896819 | 68.10 |
| | 16/11/2015 (Purchase of share) | 77329 | 0.00 | 1197974148 | 68.10 |
| | 02/02/2016 (Purchase of share) | 40000 | 0.00 | 1198014148 | 68.10 |
| | 03/02/2016 (Purchase of share) | 40000 | 0.00 | 1198054148 | 68.10 |
| | 10/02/2016 (Purchase of share) | 20000 | 0.00 | 1198074148 | 68.11 |
| | 12/02/2016 (Purchase of share) | 13350 | 0.00 | 1198087498 | 68.11 |
| | 23/02/2016 (Purchase of share) | 36650 | 0.00 | 1198124148 | 68.11 |
| | 24/02/2016 (Purchase of share) | 50000 | 0.00 | 1198174148 | 68.11 |
| 2 | Increase (Purchase of shares) Milky Investment and Trading Company | | | | |
| | 09/06/2015 (Purchase of share) | 6533 | 0.00 | 1198180681 | 68.11 |
| | At the end of the year | | | 1198180681 | 68.11 |

*Based on the paid up share capital of the Company as on 31.3.2016

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | LIFE INSURANCE CORPORATION OF INDIA | | | | |
| | At the beginning of the year | 60171349 | 3.43 | 60171349 | 3.42 |
| | Bought during the year | 3647608 | 0.21 | 63818957 | 3.63 |
| | Sold during the year | (6356762) | (0.36) | 57462195 | 3.27 |
| | At the end of the year | - | - | 57462195 | 3.27 |
| 2 | BARING INDIA PRIVATE EQUITY FUND III LISTED INVESTMENT LIMITED | | | | |
| | At the beginning of the year | 26230000 | 1.49 | 26230000 | 1.49 |
| | Bought during the year | 0 | 0 | 26230000 | 1.49 |
| | Sold during the year | (26230000) | (1.49) | 0 | 0 |
| | At the end of the year | - | - | - | - |
| 3 | MATHEWS PACIFIC TIGER FUND | | | | |
| | At the beginning of the year | 25308038 | 1.44 | 25308038 | 1.44 |
| | Bought during the year | 0 | 0 | 25308038 | 1.44 |
| | Sold during the year | (4190556) | (0.24) | 21117482 | 1.20 |
| | At the end of the year | - | - | 21117482 | 1.20 |
| 4 | GENESIS INDIAN INVESTMENT COMPANY LTD. | | | | |
| | At the beginning of the year | 21633244 | 1.23 | 21633244 | 1.23 |
| | Bought during the year | 0 | 0 | 21633244 | 1.23 |
| | Sold during the year | (21633244) | (1.23) | 0 | 0 |
| | At the end of the year | - | - | - | - |
| 5 | FIRST STATE INVESTMENTS (HONG KONG) LTD. | | | | |
| | At the beginning of the year | 17504128 | 1.00 | 17504128 | 1.00 |
| | Bought during the year | 0 | 0 | 17504128 | 1.00 |
| | Sold during the year | (3822424) | (0.22) | 13681704 | 0.78 |
| | At the end of the year | - | - | 13681704 | 0.78 |
| 6 | SULUQ INVESTMENTS (MAURITIUS) LIMITED | | | | |
| | At the beginning of the year | 16023918 | 0.91 | 16023918 | 0.91 |
| | Bought during the year | 0 | 0 | 16023918 | 0.91 |
| | Sold during the year | (16023918) | (0.91) | 0 | 0 |
| | At the end of the year | - | - | - | - |
| 7 | VANGUARD EMERGING MARKETS STOCK INDEX FUND | | | | |
| | At the beginning of the year | 9504009 | 0.54 | 9504009 | 0.54 |
| | Bought during the year | 82820 | 0 | 9586829 | 0.54 |
| | Sold during the year | (1278327) | (0.07) | 8308502 | 0.47 |
| | At the end of the year | - | - | 8308502 | 0.47 |
| 8 | L.I.C OF INDIA MONEY PLUS GROWTH FUND | | | | |
| | At the beginning of the year | 8733392 | 0.50 | 8733392 | 0.50 |
| | Bought during the year | 0 | 0 | 8733392 | 0.50 |
| | Sold during the year | (610677) | (0.03) | 8122715 | 0.46 |
| | At the end of the year | - | - | 8122715 | 0.46 |
| 9 | HARDING, LOEVNER FUNDS INC. EMERGING MARKETS PORTFOLIO | | | | |
| | At the beginning of the year | 8730904 | 0.50 | 8730904 | 0.50 |
| | Bought during the year | 1069496 | 0.06 | 9800400 | 0.56 |
| | Sold during the year | (3281308) | (0.19) | 6519092 | 0.37 |
| | At the end of the year | - | - | 6519092 | 0.37 |
| 10 | ABU DHABI INVESTMENT AUTHORITY - GULAB | | | | |
| | At the beginning of the year | 8148619 | 0.46 | 8148619 | 0.46 |
| | Bought during the year | 0 | 0 | 8148619 | 0.46 |
| | Sold during the year | (1994530) | (0.11) | 6154089 | 0.35 |
| | At the end of the year | - | - | 6154089 | 0.35 |

(v) Shareholding of Directors & Key Managerial Personnel

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding at the end of the year | |
|-----------|---|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | No of shares | % of total shares of the Company |
| | Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) | | | | |
| 1. | MR. P D NARANG (DIRECTOR & KMP) | | | | |
| | At the beginning of the year | 3325830 | 0.19 | 3325830 | 0.19 |
| | 14/05/2015 (Sale of Shares) | (28500) | 0.00 | 3297330 | 0.19 |
| | 26/05/2015 (Sale of Shares) | (28500) | 0.00 | 3268830 | 0.19 |
| | 03/07/2015 (Sale of Shares) | (9000) | 0.00 | 3259830 | 0.19 |
| | 26/10/2015 (ESOP Allotment) | 1146250 | 0.07 | 4406080 | 0.25 |
| | 03/12/2015 (Sale of Shares) | (25000) | 0.00 | 4381080 | 0.25 |
| | 07/12/2015 (Sale of Shares) | (10000) | 0.00 | 4371080 | 0.25 |
| | 08/12/2015 (Sale of Shares) | (12000) | 0.00 | 4359080 | 0.25 |
| | 17/12/2015 (Sale of Shares) | (16000) | 0.00 | 4343080 | 0.25 |
| | 18/12/2015 (Sale of Shares) | (35000) | 0.00 | 4308080 | 0.24 |
| | 21/12/2015 (Sale of Shares) | (20000) | 0.00 | 4288080 | 0.24 |
| | 22/12/2015 (Sale of Shares) | (90000) | 0.01 | 4198080 | 0.24 |
| | 23/12/2015 (Sale of Shares) | (85000) | 0.00 | 4113080 | 0.23 |
| | 24/12/2015 (Sale of Shares) | (17000) | 0.00 | 4096080 | 0.23 |
| | 28/12/2015 (Sale of Shares) | (105000) | 0.01 | 3991080 | 0.23 |
| | 25/12/2015 (Sale of shares) | (85000) | 0.00 | 3906080 | 0.22 |
| | 30/12/2015 (Sale of shares) | (13000) | 0.00 | 3893080 | 0.22 |
| | 31/12/2015 (Sale of shares) | (6000) | 0.00 | 3887080 | 0.22 |
| | At the end of the year | | | 3887080 | 0.22 |
| 2. | MR. SUNIL DUGGAL (DIRECTOR & KMP) | | | | |
| | At the beginning of the year | 3840000 | 0.22 | 3840000 | 0.22 |
| | 14/05/2015 (ESOP Allotment) | 300000 | 0.02 | 4140000 | 0.24 |
| | 24/06/2015 (Sale of Shares) | (10000) | 0.00 | 4130000 | 0.23 |
| | 25/06/2015 (Sale of Shares) | (40000) | 0.00 | 4090000 | 0.23 |
| | 29/06/2015 (Sale of Shares) | (20000) | 0.00 | 4070000 | 0.23 |
| | 30/06/2015 (Sale of Shares) | (20000) | 0.00 | 4050000 | 0.23 |
| | 02/07/2015 (Sale of Shares) | (11031) | 0.00 | 4038969 | 0.23 |
| | 03/07/2015 (Sale of Shares) | (28969) | 0.00 | 4010000 | 0.23 |
| | 08/07/2015 (Sale of Shares) | (30000) | 0.00 | 3980000 | 0.23 |
| | 11/08/2015 (Pledge of Shares) | (500000) | 0.03 | 3480000 | 0.20 |
| | 04/09/2015 (Sale of Shares) | (79996) | 0.00 | 3400004 | 0.19 |
| | 26/10/2015 (ESOP Allotment) | 846250 | 0.05 | 4246254 | 0.24 |
| | 09/11/2015 (Revocation of Pledge) | 100000 | 0.01 | 4346254 | 0.25 |
| | 20/11/2015 (Sale of Shares) | (22723) | 0.00 | 4323531 | 0.25 |
| | 24/11/2015 (Sale of Shares) | (23531) | 0.00 | 4300000 | 0.24 |
| | 27/11/2015 (Sale of Shares) | (13041) | 0.00 | 4286959 | 0.24 |
| | 01/12/2015 (Sale of Shares) | (6959) | 0.00 | 4280000 | 0.24 |
| | 29/12/2015 (Sale of Shares) | (30000) | 0.00 | 4250000 | 0.24 |
| | 31/12/2015 (Sale of Shares) | (40000) | 0.00 | 4210000 | 0.24 |
| | 12/02/2016 (Sale of Shares) | (50000) | 0.00 | 4160000 | 0.24 |
| | 22/03/2016 (Pledge of Shares) | (100000) | 0.01 | 4060000 | 0.23 |
| | At the end of the year | | | 4060000 | 0.23 |

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding at the end of the year | |
|-----------|---|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | No of shares | % of total shares of the Company |
| 3 | DR. ANAND CHAND BURMAN (DIRECTOR) | | | | |
| | At the beginning of the year | 660000 | 0.04 | 660000 | 0.04 |
| | No change during the year | Nil | Nil | Nil | Nil |
| | At the end of the year | | | 660000 | 0.04 |
| | <i>None of the other Directors holds shares in the Company</i> | | | | |
| 4 | MR. ASHOK KUMAR JAIN - VP (FIN.) & COMPANY SECRETARY - (KMP) | | | | |
| | At the beginning of the year | 250862 | 0.01 | 250862 | 0.01 |
| | 17/09/2015 (ESOP Allotment) | 11550 | 0.00 | 262412 | 0.01 |
| | At the end of the year | | | 262412 | 0.01 |
| 5. | MR. LALIT MALIK CHIEF FINANCIAL OFFICER (KMP) | | | | |
| | At the beginning of the year | 21867 | 0.00 | 21867 | 0.00 |
| | 17/09/2015 (ESOP Allotment) | 9000 | 0.00 | 30867 | 0.00 |
| | 02/12/2015 (Sale of shares) | (2000) | 0.00 | 28867 | 0.00 |
| | At the end of the year | | | 28867 | 0.00 |

V INDEBTEDNESS

(₹ In Crores)

| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | | | |
|--|----------------------------------|-----------------|---------------|--------------------|
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 15.74 | 113.39 | 6.35 | 135.48 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 15.74 | 113.39 | 6.35 | 135.48 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 4.51 | 309.13 | 0 | 313.65 |
| Reduction | 0 | 356.27 | 0.33 | 356.60 |
| Net Change | 4.51 | (47.14) | (0.33) | (42.95) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 20.26 | 66.25 | 6.02 | 92.53 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 20.26 | 66.25 | 6.02 | 92.53 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole time Director and/or Manager:**

(₹ In Crores)

| Sl. No | Particulars of Remuneration | Name of the MD/WTD/Manager | | Total Amount |
|----------|--|---|---|--------------|
| 1 | Gross salary | Mr. P.D. Narang (Whole-Time Director) | Mr. Sunil Duggal (Whole-Time Director) designated as CEO | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax. 1961. | 8.19 | 7.52 | 15.71 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 0.41 | 0.44 | 0.85 |
| | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | - | - | - |
| 2 | No. of Stock options | 5,85,000 | 5,85,000 | 11,70,000 |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | as % of profit | - | - | - |
| | others (specify) | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total (A) (1+3+4+5) | 8.60 | 7.96 | 16.56 |
| | Ceiling as per the Act | 10% of the net profits as per Section 198 of the Companies Act, 2013. | | 120.87 |

B. Remuneration to other Directors:

(₹ In Crores)

| Sl. No | Particulars of Remuneration | Name of the Directors | | | | | | Total Amount |
|----------|--|---|-----------------------|-------------------------|---------------------|-----------------------------------|-----------------------------|--------------|
| 1 | Independent Directors | Mr. P.N. Vijay | Dr. S. Narayan | Mr. R C Bhargava | Dr. Ajay Dua | Mr. Sanjay K Bhattacharyya | Mrs. Falguni S Nayar | |
| | (a) Fee for attending Board / Committee meetings | 0.11 | 0.11 | 0.10 | 0.09 | 0.11 | 0.04 | 0.56 |
| | (b) Commission | Nil | | | | | | |
| | (c) Others, please specify | Nil | | | | | | |
| | Total (1) | 0.11 | 0.11 | 0.10 | 0.09 | 0.11 | 0.04 | 0.56 |
| 2 | Other Non Executive Directors | | | | | | | |
| | (a) Fee for attending Board/ Committee meetings | Nil | | | | | | |
| | (b) Commission | Nil | | | | | | |
| | (c) Others, please specify. | Nil | | | | | | |
| | Total (2) | Nil | | | | | | |
| | Total (B)=(1+2) | 0.11 | 0.11 | 0.10 | 0.09 | 0.11 | 0.04 | 0.56 |
| | Total Managerial Remuneration* (A+B) | | | | | | | 17.12 |
| | Overall Ceiling as per the Act. | 11% of the net profits as per Section 198 of the Companies Act, 2013. | | | | | | 132.95 |

*Total remuneration to Managing Director, Whole-Time Directors and other Directors (Being the total of A and B).

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(₹ In Crores)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|----------|--|----------------------------------|-----------------------------------|------------------------|-------------|
| | | CEO | Company Secretary Mr. A K Jain | CFO Mr. Lalit Malik | Total |
| 1 | Gross Salary | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961. | not applicable (CEO is a WTD) | 1.09 | 1.58 | 2.67 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | NA | 0.04 | 0 | 0.04 |
| | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | NA | 0 | 0 | 0 |
| 2 | No. of Stock Options | NA | 46200 | 60000 | 106200 |
| 3 | Sweat Equity | NA | 0 | 0 | 0 |
| 4 | Commission | NA | 0 | 0 | 0 |
| | - as % of profit | NA | 0 | 0 | 0 |
| | - others, specify | NA | 0 | 0 | 0 |
| 5 | Others, please specify | NA | 0 | 0 | 0 |
| | Total (1+3+4+5) | NA | 1.13 | 1.58 | 2.71 |

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/Compounding fees imposed | Authority (RD/NCLT/Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|--------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | NONE | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | NONE | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | NONE | | |
| Punishment | | | | | |
| Compounding | | | | | |

Annexure 11

Particulars of Loans, Guarantees or investments under Section 186 of the Companies Act, 2013 as on 31.03.2016 are as under:

| Sl. No. | Name of the Entity | Amount (₹ in Crs.) |
|-----------------------|---|-----------------------|
| GUARANTEES | | |
| 1 | Dermoviva Skin Essentials Inc (Wholly Owned Subsidiary) | 927.50 |
| 2 | Dabur Lanka (Pvt.) Ltd. (Wholly Owned Subsidiary) | 67.91 |
| 3 | Forum I Aviation Private Limited (Joint Venture) | 7.14 |
| 4 | Broadcast Audience Research Council | 2.30 |
| INVESTMENTS | | |
| Shares | | |
| 5 | Dabur International Limited (Wholly Owned Subsidiary) | 59.49 |
| 6 | H & B Stores Limited (Wholly Owned Subsidiary) | 29.65 |
| 7 | Dermoviva Skin Essentials Inc (Wholly Owned Subsidiary) | 2.54 |
| 8 | Dabon International Pvt. Ltd. | 0.27 |
| 9 | Forum I Aviation Pvt. Ltd. | 6.99 |
| 10 | Sanat Products Ltd. | 1.05 |
| 11 | Shivalik Solid Waste Management Ltd. | 0.02 |
| Bonds/ NCD | | |
| 12 | Power Finance Corporation Ltd. | 111.34 |
| 13 | Rural Electrification Corporation Ltd. | 136.57 |
| 14 | Power Grid Corporation of India Ltd. | 53.75 |
| 15 | LIC Housing Finance Ltd. | 94.47 |
| 16 | Housing Development Finance Corporation Ltd. | 36.60 |
| 17 | IDFC Bank Ltd. | 85.68 |
| 18 | ICICI Bank Ltd. | 10.00 |
| 19 | Export Import Bank of India | 53.64 |
| 20 | Bajaj Finance Ltd. | 101.88 |
| 21 | Tata Capital Financial Services Ltd. | 50.00 |
| 22 | Reliance Capital Ltd. | 81.02 |
| 23 | Indiabulls Housing Fin. Ltd. | 50.00 |
| 24 | Dewan Housing Finance Corporation Ltd. | 50.96 |
| 25 | L&T Housing Finance Ltd. | 25.00 |
| 26 | Capital First Ltd. | 10.00 |
| 27 | Kotak Mahindra Investments Ltd. | 25.00 |
| 28 | Kotak Mahindra Prime Ltd. | 66.28 |
| 29 | Aditya Birla Finance Ltd. | 51.88 |
| 30 | Tata Capital Housing Finance Ltd. | 25.00 |
| 31 | Sundaram Finance Ltd. | 40.35 |
| 32 | NHPCIL | 45.70 |
| 33 | Family Credit Limited | 52.11 |
| 34 | Can fin. Homes Ltd. | 0.60 |
| 35 | PNB Perpetual | 5.87 |
| 36 | IDFC Infra Debt Fund Ltd. | 4.96 |
| 37 | INDIA Infradebt Ltd. | 24.90 |
| 38 | L&T Infradebt Fund NCD | 17.90 |
| 39 | Commercial paper | 55.06 |
| Fixed Deposits | | |
| Public FDs | | |
| 40 | PNB Housing Fin. Ltd. | 40.00 |
| 41 | HDFC Ltd. | 50.00 |
| 42 | LIC Housing Fin. Ltd. | 5.00 |
| 43 | Shriram Transport Fin. Services Ltd. | 5.00 |
| Bank FDs | | |
| 44 | Kotak Mahindra Bank | 1.90 |
| 45 | Punjab National Bank | 10.00 |
| TOTAL | | 2583.29 |

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 500 listed entities based on market capitalisation at the Bombay Stock Exchange Ltd. (BSE) and the National Stock Exchange of India Ltd. (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 those 9 Principles. Following is the fourth Business Responsibility Report of our Company which is based on the format suggested by SEBI. Detailed Business Responsibility Report for 2015-16 (available at: www.dabur.com/in/en-us/investor/reports/br) 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
5. **E-mail id** : corpcomm@mail.dabur
6. **Financial Year reported:** 2015-16
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 nearly 400 trusted products spread across 21 categories and over 1,000 SKUs.

Principle product categories of the Company with ITC code are:

| Product Description | ITC Code No. |
|-----------------------|--------------|
| Fruit Juice | 20099000 |
| Ayurvedic Medicines | 30049011 |
| Hair Oils | 33059011 |
| Toothpaste and powder | 33061010 |

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.
- Home & Personal care products.
- 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 and Personal care products include products for hair care, skin & body care, oral care and home care.

Some of our leading brands include Dabur *Chyawanprash*, Dabur Honey, Dabur *Amla*, Dabur Red Tooth Paste 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)

Detail of Dabur's international business, through its overseas subsidiaries, 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 |

| Sl. No | Key geographies by total overseas sales | Major products/ categories |
|--------|---|---|
| 3 | Asia (ex-India) - Nepal, Bangladesh, Sri Lanka and Pakistan | Foods, Hair Oils, Shampoos, Digestives and Home Care |
| 4 | U.S.A. | Specialised 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, Turkey and Sri Lanka.

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 | Ghaziabad |
| Jammu & Kashmir | Jammu |
| Rajasthan | Alwar, Newai |
| Madhya Pradesh | Katni, Pithampur |
| West Bengal | Narendrapur, Siliguri |
| Maharashtra | Nasik |
| 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 a global footprint and serves both National and International markets.

Section B: Financial Details of the Company

| | |
|--|-------------------------------|
| 1. Paid up Capital (INR) | : 175.91 crore |
| 2. Total Turnover (INR) | : 5,750.00 crore |
| 3. Total profit after taxes (INR) | : 939.51 crore |
| 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | : 1.86% of PAT for FY 2015-16 |

However, total CSR expenditure is 2.02% of average net profits of the Company made during the three immediately preceding financial years.

5. List of activities in which expenditure in 4 above has been incurred.

Eradicating hunger, poverty and malnutrition

Promoting health care including preventive healthcare

Promoting sanitation

Health care awareness programs on cancer

Ensuring Environmental Sustainability

Providing Employment Generating Vocational Skills and livelihood enhancement projects

Promotion of Education including Special Education

Promoting gender equality and empowering women

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

Following are the subsidiary companies:

- African Consumercare Limited, Nigeria - (Foreign Wholly Owned Subsidiary).
- Asian Consumer Care Pakistan (Pvt.) Ltd., Pakistan - (Foreign Subsidiary).
- Asian Consumer Care Pvt. Ltd., Bangladesh - (Foreign Subsidiary).
- Dabur (UK) Ltd., British Virgin Island - (Foreign Wholly Owned Subsidiary).
- Dabur Consumer Care (Private) Limited, Sri Lanka (Foreign Wholly Owned Subsidiary).
- Dabur Egypt Ltd., Egypt - (Foreign Wholly Owned Subsidiary).
- Dabur International Ltd., Isle of Man - (Foreign Wholly Owned Subsidiary).
- Dabur Lanka (Pvt.) Ltd., Sri Lanka - (Foreign Wholly Owned Subsidiary).
- Dabur Nepal Pvt. Ltd., Nepal - (Foreign Subsidiary).
- Dabur Pakistan Pvt. Ltd., Pakistan - (Foreign Subsidiary).
- Dabur Tunisie, Tunisia - (Foreign Wholly Owned Subsidiary).
- Dermoviva Skin Essentials Inc., USA - (Foreign Wholly Owned Subsidiary).
- H & B Stores Limited (Domestic Wholly Owned Subsidiary).
- Hair Rejuvenation & Revitalization Nigeria Ltd., Nigeria (Foreign Wholly Owned Subsidiary).
- Healing Hair Lab International LLC, USA - (Foreign Wholly Owned Subsidiary).

- Hobi Kozmetik–Turkey (Foreign Wholly Owned Subsidiary).
- Namaste Cosmetics Ltda, Brazil - (Foreign Wholly Owned Subsidiary).
- Namaste Laboratories LLC- USA (Foreign Wholly Owned Subsidiary).
- Naturelle LLC, UAE - (Foreign Wholly Owned Subsidiary).
- RA Pazarlama–Turkey (Foreign Wholly Owned Subsidiary).
- Urban Lab International LLC, USA - (Foreign 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 | We actively engage with our distributors to build their capacity through workshops and training sessions. | <30% |

| Entity | Initiative | % of entity |
|----------------------------|--|-------------|
| B2B customers | We organize customized education programmes for our B2B customers like beauty parlours, 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 of Directors.

| 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 | 00042902 |
| 2. | Name | Ashok Kumar Jain |
| 3. | Designation | V.P. Finance & Company Secretary |
| 4. | Telephone Number | 011-42786000 |
| 5. | E-Mail id | ashok.jain@mail.dabur |

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

| Sl. No. | Questions | Principle 1 | | Principle 2 | | Principle 3 | | Principle 4 | | Principle 5 | | Principle 6 | | Principle 7 | | Principle 8 | | Principle 9 | | |
|---------|---|---------------------------------------|----------------|--------------------------------|------------------|---------------------|------------------------|---------------------------|--------------------------|------------------------------------|------------------|----------------|----------|-------------|----------|-------------|----------|-------------|----------|----------|
| | | Ethics, transparency & Sustainability | accountability | Sustainability products | in life-cycle of | Employee well-being | Stakeholder engagement | Promotion of human rights | Environmental protection | Responsible public policy advocacy | Inclusive growth | Customer value | | | | | | | | |
| 1 | Do you have a policy/policies for | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | |
| 2 | Has the policy been developed in consultation with relevant stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | Does the policy conform to any national / international standards? If yes, specify. | NA | NA | Yes, | Yes, | Yes, | Yes, | Yes, | Yes, | Yes, | Yes, | Yes, | Yes, | Yes, | Yes, | Yes, | Yes, | Yes, | Yes, | Yes, |
| 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 Directors | Yes, CEO | Yes, CEO | Yes, CEO | Yes, CEO | Yes, CEO | Yes, CEO | Yes, CEO | Yes, CEO | Yes, CEO | Yes, CEO | Yes, CEO | Yes, CEO | Yes, CEO | Yes, CEO | Yes, CEO | Yes, CEO | 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 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 6 | Indicate the link for the policy to be viewed online # | Yes | No | Partial | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No |
| 7 | Has the policy been communicatedated to the relevant internal and external stakeholders? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 8 | Does the Company have an in-house structure to implement the policy? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 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 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 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 | No | No | No | No | No | No | No | No | No | No | No | No | No | No |

Code of ethics and conduct: <http://www.dabur.com/img/upload-files/42-codeofconductslidesnew.pdf>
 Whistle blower and protection policy: <http://www.dabur.com/img/upload-files/41-direct-touch-2014.pdf>
 Dividend policy: <http://www.dabur.com/img/upload-files/43-dividend-policy.pdf>
 Investors Policy: <http://www.dabur.com/img/upload-files/40-investors-policy-2013.pdf>
 Policy on Rights of Shareholders: <http://www.dabur.com/in/en-us/investor/investor-information/shareholder-services/shareholder-rights>
 CSR Policy: <http://www.dabur.com/in/en-us/csr-be-the-change/csr-policy>
 Occupational Health, Safety and Environment policy: <http://www.dabur.com/img/upload-files/310-ohse-policy.pdf>

Link for Policies

However, an Independent audit of complete CSR activities of the Company is undertaken.

2A. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| S. 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 of Board of Directors 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 and these reports are available online at <http://www.dabur.com/in/en-us/investor/reports/br>

Section E: Principle-wise performance

Principle 1

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, employees and their representative bodies but it also extends to all our business associates and security holders as well which underlines our commitment towards robust Corporate Governance. This policy provides a platform to these stakeholders for reporting unethical behavior, malpractices, fraud or violation of the Company's policies without fear of reprisal and help in eliminating any kind of wrongful conduct in the system. The policy also includes wrongful conduct 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, three complaints were received under the provisions of the Direct Touch policy. These complaints were investigated and no merit was found in the complaints.

Principle 2

1. 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.

2. 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. Life Cycle Analysis (LCA) of three products viz. Chyawanprash, Honey & Real were conducted to obtain clear and comprehensive information about each of these product's ecological footprint and also help us achieve carbon-neutrality for these products. DIL received Product Carbon Foot Print (PCF) Certificate from TUV NORD for these three products.

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, energy consumption and SOx release in the reporting year across all our units. We have achieved this despite our increasing production figures. Following are initiatives and achievement in this front:

- Replacement of HSD Fuel Boiler with Briquette Fuel Boiler.
- Reduction in Steam Consumption by Process Improvement by 10%.
- Reuse of ETP treated water for road cleaning and flushing.
- Reduction in use of water by 31 Lts/MT of Production.
- Reduction in effluent generation 0.5 Kiloliter/MT of production.
- Reduction in Hazardous waste generation 0.04 Kg/MT of production.
- Reduction in Solid waste 25 kg/MT of production,
- Reduction in CO₂ emission by 0.01 Kg/MT of production.
- Reduction in SO₂ generation by 0.003 kg/MT of production.

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)?

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 work directly with small and marginal farmers. This allows us to revive these endangered species and also promotes sustainable agricultural practices. Inputs procured through this channel constituted around 5-10% of our total inputs purchased.

We strive to reduce the weight and volume of the materials we use for packaging, and 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 and 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 helped revive a host of these endangered species, 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 8 states, stretched over an area of 2,000 acres. It also involves over 1,200 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.

| Location | Crop | No. of beneficiaries | Area (in acres) |
|--------------------|--|----------------------|-----------------|
| Andhra Pradesh | Pippali, Brihatpanchmool | 185 | 1,104 |
| Himachal Pradesh | Ateech, Kuth, Pushkarmool, Sugandhbala, Jatamansi, Kutki, Kapoorkachri | 209 | 187 |
| Maharashtra | Pipli | 89 | 101 |
| Rajasthan | Mulethi, Shankpushpi, Agnimoth, Jeewanti | 198 | 187 |
| Tamilnadu | Chitrakmool, Punarnava, Anantmool | 42 | 46 |
| Uttar Pradesh | Mustak, Brahmi, Khas, Bach, Shalparni, Prishniparni, Mandukparni, BhumiAmaliki, Anantmool, Giloe | 217 | 252 |
| Uttarakhand | Kapurkachri, Sugandhbala, Chirata, Manjishtha, Kutki, Ateech, Bach, Jatamansi, Shaparni, Giloe | 234 | 96 |
| West Bengal | Katchur | 54 | 42 |
| Grand Total | | 1,228 | 2,015 |

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%).**

We have recycled 100% of herbal waste generated during production as fuel for boilers. The percentage of herbal waste recycled is more than 10% of the total 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.

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.

Efforts are underway to achieve zero waste water discharge at our units – such as up gradation of existing effluent treatment plants towards zero discharge scheme by providing ultra filtration, reverse osmosis system; treated water being used for steam generation in boiler or to make in cooling towers installed at all our units; all units successfully utilise all treated water into gardening/ toilet flushing/ fire water storage/ road cleaning etc. and ensured no water mix with outside streams. To add to water conservation, we also have our rain water harvesting projects at all units.

Principle 3

1. **Please indicate the total number of employees.**

Permanent employees 4,044

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis.**

Temporary/Contractual /Casual employees 8,036

3. **Please indicate the number of permanent women employees.**

174 in India

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 | 0 | 0 |
| 2. | Sexual harassment | 0 | 0 |
| 3. | Discriminatory employment | 0 | 0 |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

| | |
|--|------------------------------------|
| a. Permanent Employees | 90% |
| b. Permanent Women Employees | 92% |
| c. Casual/Temporary/ Contractual Employees | 70% |
| d. 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"> Code of Ethics & Conduct and Direct Touch Policy (Whistle Blower & Protection Policy) protects employees against any kind of discrimination based on caste, religion, geography, educational or social background, gender etc. Training and awareness programmes for the safety of our women employees. |

| Stakeholder group | Initiatives |
|---|--|
| Communities around manufacturing facilities | <ul style="list-style-type: none"> 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. |
| Business associates | <ul style="list-style-type: none"> 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. Direct Touch Policy (Whistle Blower & Protection Policy) extends to business associates as well. |
| Customers | <ul style="list-style-type: none"> 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. Member of FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying the Economy (CASCADE) |

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 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 complaint was received pertaining to human rights violation during the past financial year.

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. Various steps taken in this regard, *inter-alia*, are as following:

- Provided for Separate treatment for domestic effluent (sewage & canteen waste).
- Upgradation of existing ETP towards Zero Discharge scheme by providing Ultra Filtration, Reverse Osmosis system.
- Treated water being used for steam generation in boiler or to make in cooling towers.

- Utilisation of all treated water into gardening/toilet flushing/ Fire water storage/ Road cleaning etc and ensured no water mix with outside streams.
- Recharging 100% roof-top rain water via rain water harvesting pits back to the ground.

These steps lead towards reduction of raw water consumption, effluent generation, solid-waste generation, hazardous waste generation, GHG (Green House Gases) emissions to reduce the overall impact on our natural resources and environment and we were able to reduce:

- Water use by 31 Lts/MT of Production;
- Effluent generation by 0.5 Kiloliter/MT of production;
- Hazardous waste generation by 0.04 Kg/MT of production;
- Solid waste by 25 kg/MT of production;
- CO2 emission by 0.01 Kg/MT of production;
- SO2 generation by 0.003 kg/MT of production; which overall impact on our natural resources and environment.

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.

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 – e.g. handling, receiving, storage, processing, disposal etc., of hazardous materials.
 - Services - e.g. 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 help in determining if any risk can be 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 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 are committed to reduce environmental impacts on our natural resources via implementing best technology, Management programs through a combination of reduction in use of energy, water conservation, minimize air emissions, rainwater harvesting and solid waste recycling. Following are some of the steps taken in this direction:

Clean Technology: 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) at our Sahibabad factory to reduce the use of diesel.

Energy Efficiency: minimized usage of petroleum products by modifying our boilers into bio-fuels boilers, we are replacing with more energy efficient equipments, lighting fixtures and also using translucent roofing sheets to use solar light during day time.

Renewable Energy: 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.

Our all units are compliant of zero liquid discharge system. Expanding green cover through plantation drives is another activity that we undertake on an ongoing basis and have declared 1st January 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.

Nil

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.

Dabur believes in being an equal opportunity employer. For us, diversity is not just a buzzword. We believe in diversity in the true sense and offer equal roles and responsibilities to our women employees. Our practices seek to address needs specific to the development, engagement, growth and retention of women employees. Policies have even been framed for promoting an inclusive workplace, where the potential of our women employees is leveraged and every woman feels valued, heard and fully involved with the Company.

We are dedicated to identifying obstacles in attracting and retaining women employees and address these in a participative manner. As we set out to attract more women at our workplace, we believe it is important that we start working towards creating women friendly policies.

We have taken several steps towards encouraging women and enhancing workforce diversity, including our initiatives on work-life balance focused on women. Given the fact that a growing number of young employees are working couples, we understand their need and now offer paid Maternity Leave of four months (as against the statutory three months) besides doubling the paternity leave scheme to help people better manage their Work-Life balance.

This International Women's Day, Dabur announced its decision to offer the women employees flexible working hours for four months after joining back office post-Maternity leave. This is in addition to the four-month paid Maternity leave that we offer to our women employees.

Our green house projects for promoting rare species of herbs and medicinal plants directly from small and marginal farmers 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 health and awareness building 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.
- JIVANTI TRUST for community development initiatives in other areas.
- External NGOs (International and national), Government structures for delivering health & nutrition to poor & needy.
- Other organizations– We also collaborate with private organisation in our awareness drives.

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 carried under its CSR policy during the reporting period (2015-16) is ₹ 17.44 crore.

Details of community initiatives are given below:

| Area | Initiative |
|--|--|
| Eradicating Hunger, Poverty & Malnutrition | <ul style="list-style-type: none"> ▪ Programme to fight malnutrition among street children and also involve the general public in this drive. ▪ Programmes to meet nutrition needs of poor & needy. This program was carried in 18 states covering approx. 50,000 beneficiaries. |

| Area | Initiative |
|---|---|
| Promoting health care including preventive healthcare | <ul style="list-style-type: none"> Health Camps to provide easy access to reliable healthcare for poor & needy. Under this program, some 368 camps were organised in 17 states where over 55,000 patients were examined. Awareness programme about the need of immunity in school going children. This program targeted approx 3,000 schools spread over 8 states and covering approx 3 lac students. Oral hygiene awareness Camps in schools. Healthcare awareness programmes. Wellness Centre to treat people. Here, over 1,000 patients were examined. Programmes for aiding and addressing health care needs of poor & needy. |
| Promoting sanitation | <ul style="list-style-type: none"> Sanitation Drive to provide easy access to toilets and sanitation facilities in rural households and to urban poor. This covered 26 villages and 1,038 household toilets were constructed/renovated and this lead to one village as 'open defecation free'. Also 10 no. of toilets were constructed/renovated in 2 schools which benefitted 1,100 students including 450 girl students. |
| Ensuring Environment Sustainability | <ul style="list-style-type: none"> Environment sustainability initiatives to protect endangered species of herbs & plants, enhancing livelihood of farmers. Promotion of solar energy. Under this program, 672 solar lamps were distributed in 7 villages. |

| Area | Initiative |
|---|---|
| Promoting Education including Special Education | <ul style="list-style-type: none"> Non-Formal Education Centers for providing basic education to out-of-school underprivileged kids. School Support Programs like benches & desks, potable water facility, educational aids such as libraries learning paintings. |
| Promoting Gender Equality & Empowering Women | <ul style="list-style-type: none"> Adult literacy centers for women. Promoting Self-Help Groups for women. |
| Providing Employment Generating Vocational Skills and livelihood enhancement projects | <ul style="list-style-type: none"> Vocational Training to women and villagers. Training & employment generation programme for rural youths. |

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.

This year a new Programme “Swavalamban” is initiated in tie-up with RUDSETI to train rural youth and make them more employable. The rural youth will be offered employment guaranteed training in 3 areas: salesman, merchandisers & promoters.

The objective of the project is to provide skill development training to youth from economically weaker sections of the society and help them gain employment through our 3rd party partners.

Principle 9

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

70% of consumer cases (7 in number) are pending as on the end of financial year. A total of 10 number of consumer cases were received during 2015-16 and 3 of these were 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 Act and Drugs and Cosmetics 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 2015-16 | Remarks |
|------------------------------------|---|--|---------------------------------------|
| Alleged Unfair trade practices | 1 | 0 | Complaint dismissed by the Commission |
| Alleged Irresponsible advertising | 8 | 0 | 8 complaints were disposed off |
| Alleged Anti-competitive behaviour | 0 | 0 | No case was filed against the Company |

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.

Independent Auditor's Report on the Financial Statements

To,
The Members of Dabur India Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Dabur India Limited ("the Company"), which comprise the balance sheet as at 31st March, 2016, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its 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, 2015 ("the Order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the Annexure-2 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f) Our separate report on adequacy of internal financial control system and operating effectiveness of such controls is enclosed in Annexure-1.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion

and to the best of our information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21 and 23 to the financial statements.
- b) The Company did not have any long-term contract including derivative contract which may lead to any foreseeable loss.
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

S Lahiri
Partner

Place: New Delhi
Date : April 28, 2016

(Membership number: 51717)

Annexure-1

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Dabur India Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our

audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **G. Basu & Co.**

Chartered Accountants

Firm's registration number: 301174E

S Lahiri

Partner

Place: New Delhi
Date : April 28, 2016

(Membership number: 51717)

Annexure-2

Auditors' Report as per the Companies (Auditor's Report) Order, 2016

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
in the register maintained under Section 189 of the Companies Act, 2013.
- 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 title deeds of immovable property are held in the name of the Company.
2. The inventories have been physically verified at reasonable intervals during the year by the management. The discrepancies noticed on physical verification between the physical stock and book records were not material and have been properly dealt with in the books of accounts.
3. The company has not granted any loans, secured or unsecured to companies, firms, or other parties covered
4. The Company has complied to the provisions of Section 185 and 186 of the Companies Act, 2013 in respect to loans, investments, guarantees and securities.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified.
6. On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013 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.

7. a) According to information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues to the extent applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were

outstanding as at 31st March, 2016 for a period of more than six months from the date of becoming payable.

b) The dues on account of Sales Tax, Income Tax, Excise Duty, Service tax, wealth tax, custom duty, value added tax and cess disputed by the company and not being paid, vis-a-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 | 1998-99 to 2013-14 | 19.73 | Assessing Authority Commissioner's Level / Revision Board |
| | | 1997-98 to 2003-04, 2005-06 to 2011-12 | 7.85 | Appellate Tribunal |
| | | 1990-91 to 2000-01 2006-07 to 2010-11, 2012-13 to 2015-16 | 6.98 | High Courts |
| Income Tax Act, 1961 | Income Tax | 2009-10, 2011-12 to 2015-16 | 0.38 | Assessing Officer |
| | | 2008-09 | 0.01 | Commissioner (Appeal) |
| Central Excise Act, 1944 | Excise Duty | 1993 to 2001, 1996 & 1998 | 5.15 | Dy. Commissioner |
| | | 1994-2014 | 3.32 | Commissioner (Appeal) |
| | | 1994-2014 | 86.11 | Tribunal |
| Service tax (Finance Act 1994) | Service Tax | 2004-2011 | 39.01 | Tribunal |
| | | 2013-2015 | 0.01 | Commissioner (Appeal) |

8. 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 bank or government. Company has no debenture holder or any financial institutional borrowing during the year.

9. Neither any term loan has been obtained during the year nor any money was raised by way of public offer (including debt instruments) during the year by the company.

10. No fraud has been noticed or reported on or by the company during the year.

11. The managerial remuneration has been paid or provided in accordance with the provisions of Section 197 read with Schedule V of the Act.

12. The Company is not a Nidhi Company, accordingly paragraph 3 (xii) of the Order is not applicable.

13. All the transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details of related parties transactions have been disclosed in the Financial Statements as required by the applicable accounting standard.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. The Company has not entered into any non-cash transactions with directors.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: New Delhi
Date : April 28, 2016

S Lahiri
Partner
(Membership number: 51717)

Balance Sheet

as at March 31, 2016

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | Note | As at March 31, 2016 | As at March 31, 2015 |
|---|--------|-------------------------|-------------------------|
| I EQUITY AND LIABILITIES | | | |
| 1. Shareholders' Funds | | | |
| a) Share Capital | 3 | 175.91 | 175.65 |
| b) Reserves and Surplus | 4 | 2,695.87 | 2,160.54 |
| 2. Non-current liabilities | | | |
| a) Deferred Tax Liabilities (Net) | 5 | 64.47 | 50.35 |
| b) Long-term provisions | 6 | 45.03 | 42.79 |
| 3. Current Liabilities | | | |
| a) Short-term borrowings | 7 | 86.51 | 129.13 |
| b) Trade payables | 8 | 931.34 | 756.64 |
| c) Other current liabilities | 9 | 187.75 | 168.10 |
| d) Short-term provisions | 10 | 268.13 | 205.16 |
| Total | | 4,455.01 | 3,688.36 |
| II ASSETS | | | |
| 1. Non-current assets | | | |
| a) Fixed Assets | | | |
| i) Tangible assets | 11 | 673.49 | 662.43 |
| ii) Intangible assets | | 17.04 | 20.09 |
| iii) Capital work-in-progress | | 24.96 | 12.22 |
| b) Non-current investments | 12 | 1,763.39 | 1,387.00 |
| c) Long-term loans and advances | 13 | 23.66 | 12.30 |
| d) Other non-current assets | 14 | 0.02 | 2.00 |
| 2. Current assets | | | |
| a) Current investments | 15 | 661.48 | 391.17 |
| b) Inventories | 16 | 615.56 | 550.60 |
| c) Trade receivables | 17 | 420.69 | 338.79 |
| d) Cash and Bank Balances | 18 | 54.16 | 123.94 |
| e) Short-term loans and advances | 19 | 123.91 | 114.08 |
| f) Other current assets | 20 | 76.65 | 73.74 |
| Total | | 4,455.01 | 3,688.36 |
| Summary of significant accounting policies | 2 | | |
| Contingent liabilities, capital and other commitments | 21, 22 | | |

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **DABUR INDIA LIMITED**

For **G. BASU & CO.**

Chartered Accountants
Firm Regn. No. 301174E

DR. ANAND C BURMAN

Chairman
DIN: 00056216

P D NARANG

Whole Time Director
DIN: 00021581

SUNIL DUGGAL

Whole Time Director
DIN: 00041825

S LAHIRI

Partner
Membership No. 51717

A K JAIN

VP (Finance) and
Company Secretary

LALIT MALIK

Chief Financial Officer

Place : New Delhi

Date : April 28, 2016

Statement of Profit and Loss

for the year ended March 31, 2016

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | Note | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|------|--------------------------------------|--------------------------------------|
| I Gross Revenue from sale of products | | 5,822.16 | 5,493.30 |
| Less: Excise Duty | | (82.53) | (74.38) |
| Net Revenue from sale of products | | 5,739.63 | 5,418.92 |
| Sale of Services | | 0.07 | 0.10 |
| Other Operating Revenues | | 10.30 | 12.26 |
| Revenue from Operations | 25 | 5,750.00 | 5,431.28 |
| II Other Income | 26 | 196.64 | 137.85 |
| III Total Revenue (I +II) | | 5,946.64 | 5,569.13 |
| IV Expenses | | | |
| Cost of materials consumed | 27 | 1,847.75 | 1,921.09 |
| Purchase of stock in trade | 28 | 988.14 | 937.25 |
| Changes in inventories of FG , WIP & Stock in trade: | 29 | | |
| Finished Goods | | (9.07) | (40.66) |
| Work in Progress | | (9.62) | 11.29 |
| Stock in trade | | (5.08) | (2.88) |
| Employee benefits expenses | 30 | 431.77 | 392.99 |
| Finance costs | 31 | 9.83 | 9.89 |
| Depreciation and Amortisation expenses | 32 | 72.82 | 65.97 |
| Other Expenses | 33 | 1,407.36 | 1,273.70 |
| Total Expense | | 4,733.90 | 4,568.64 |
| V Profit before exceptional and extraordinary items and tax (III - IV) | | 1,212.74 | 1,000.49 |
| VI Exceptional Items | | - | (23.96) |
| VII Profit before extraordinary items and tax (V - VI) | | 1,212.74 | 976.53 |
| VIII Extraordinary Items | | - | - |
| IX Profit before tax (VII - VIII) | | 1,212.74 | 976.53 |
| X Tax expense | | | |
| (1) Current tax | | 259.11 | 204.69 |
| (2) Deferred Tax | | 14.12 | 9.60 |
| (3) Earlier year tax | | - | (0.34) |
| XI Profit/(Loss) for the year from continuing operations (IX - X) | | 939.51 | 762.58 |
| XII Earnings per equity share in ₹ (before extraordinary items) | | | |
| (1) Basic | 35 | 5.34 | 4.35 |
| (2) Diluted | | 5.31 | 4.32 |
| XIII Earnings per equity share in ₹ (after extraordinary items) | | | |
| (1) Basic | 35 | 5.34 | 4.35 |
| (2) Diluted | | 5.31 | 4.32 |
| 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 **DABUR INDIA LIMITED**

For **G. BASU & CO.**

Chartered Accountants
Firm Regn. No. 301174E

DR. ANAND C BURMAN

Chairman
DIN: 00056216

P D NARANG

Whole Time Director
DIN: 00021581

SUNIL DUGGAL

Whole Time Director
DIN: 00041825

S LAHIRI

Partner
Membership No. 51717

A K JAIN

VP (Finance) and
Company Secretary

LALIT MALIK

Chief Financial Officer

Place : New Delhi

Date : April 28, 2016

Statement of Cash Flow (Pursuant to AS-3) Indirect Method for the year ended March 31, 2016

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|--------------------------------------|--------------------------------------|
| A. Cash Flow From Operating Activities | | |
| Net Profit Before Tax | 1,212.74 | 976.53 |
| Add: | | |
| Depreciation | 72.82 | 65.97 |
| Loss on Sale of Fixed Assets | 0.88 | 0.78 |
| Fixed Assets Discarded | 1.38 | 0.85 |
| Deferred Employees Compensation Amortised | 44.85 | 39.20 |
| Provision for Contingent Liability | 6.00 | 7.51 |
| Exceptional Items - H & B writeoff | - | 23.96 |
| Interest | 3.20 | 5.14 |
| Unrealised Loss / (Gain) in Foreign Exchange | 2.14 | (0.87) |
| | 131.27 | 142.54 |
| | 1,344.01 | 1,119.07 |
| Less: | | |
| Interest Received | 157.25 | 107.59 |
| Profit on Sale of Investment | 21.53 | 17.95 |
| Profit on Sale of Assets | 4.66 | 0.52 |
| Operating Profit Before Working Capital Changes | 183.44 | 126.06 |
| Working Capital Changes | 1,160.57 | 993.01 |
| (Increase)/Decrease in Inventories | (64.95) | 7.60 |
| (Increase)/Decrease in Trade & Other Receivables | (78.59) | (42.98) |
| Increase/(Decrease) in Trade Payables And Other Payables | 203.99 | 85.66 |
| (Increase)/Decrease in Working Capital | 60.45 | 50.28 |
| Cash Generated from Operating Activities | 1,221.02 | 1,043.29 |
| Tax Paid | 260.73 | 204.09 |
| Cash Used(-)/(+)Generated From Operating Activities (A) | 960.29 | 839.20 |
| B. Cash Flow From Investing Activities | | |
| Acquisition of Fixed Assets | (106.84) | (111.06) |
| Sale of Fixed Assets | 9.47 | 14.93 |
| Purchases of Investment | (7,135.71) | (6,259.30) |
| Interest Received | 138.64 | 84.67 |
| Proceed of Sale of Investments | 6,596.80 | 5,654.59 |
| Payment (-)/Proceeds(+) from Loan to Subsidiaries | - | - |
| Cash Used(-)/(+)Generated In Investing Activities (B) | (497.64) | (616.17) |
| C. Cash Flow From Financing Activities | | |
| Proceeds from Share Capital & Premium | 17.06 | 45.50 |
| Repayment(-)/Proceeds (+) of Long Term Loan | - | - |
| Repayment(-)/Proceeds(+) from Short Term Secured Loan | 5.19 | (2.05) |
| Repayment(-)/Proceeds(+) from Short Term Unsecured Loans | (47.82) | 86.89 |
| Payment of Dividend | (351.12) | (394.79) |
| Corporate Tax on Dividend | (71.58) | (67.16) |
| Interest Paid | (3.20) | (5.14) |
| Cash Used(-)/(+)Generated in Financing Activities (C) | (451.47) | (336.75) |
| Net Increase(+)/Decrease (-) in Cash and Cash Equivalents (A+B+C) | 11.18 | (113.72) |
| Cash and Cash Equivalents Opening Balance | 35.83 | 146.34 |
| Unrealised Gain/(Loss) on Foreign Currency | 3.31 | 3.21 |
| Cash and Cash Equivalents Closing Balance | 50.32 | 35.83 |
| Cash and Cash Equivalents (Year End) | 50.32 | 35.83 |
| Balances with banks with Restatement | 33.25 | 33.10 |
| Cheques / drafts in Hand | 16.50 | 1.91 |
| Cash-in-Hand | 0.57 | 0.82 |

As per our report of even date attached

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

S LAHIRI
Partner
Membership No. 51717

Place : New Delhi
Date : April 28, 2016

For **DABUR INDIA LIMITED**

DR. ANAND C BURMAN
Chairman
DIN: 00056216

A K JAIN
VP (Finance) and
Company Secretary

P D NARANG
Whole Time Director
DIN: 00021581

LALIT MALIK
Chief Financial Officer

SUNIL DUGGAL
Whole Time Director
DIN: 00041825

Notes to the Financial Statements

for the year ended March 31, 2016

1. Company Information

Dabur India Limited (the 'Company') is a domestic public limited Company and is listed on the Bombay Stock Exchange Ltd. [BSE], National Stock Exchange of India Ltd. [NSE] and Metropolitan Stock Exchange of India Ltd. [MSEI]. 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 2006 which continue to apply under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, 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 Schedule III to the Companies Act, 2013.

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

(All amounts in ₹ crores, unless otherwise stated)

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 except for those entailing recognition on realization basis under AS 9 on the ground of uncertainty factor.
- e. All expenses are provided on accrual basis unless stated otherwise.

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 in terms of life span of assets specified in Schedule II of the Companies Act, 2013 except for Moulds which are depreciated in four years on straight line method based on technical advice.
- d. Components relevant to fixed assets, where significant, are separately depreciated in terms of their life span assessed by technical evaluation.
- 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. Leasehold Land is to be amortized over the period of lease.

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 recoverable value of relevant assets. Impairment loss, when crystallizes is charged against revenue of that 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/discarding 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, Silvasa, Pitampur, Kanpur, Alwar, Newai and Jalpaiguri.
- e. Annual discount rate considered for arriving at value-in-use of assets of each CGU is 11.50% 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 at the point of acquisition 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, if any, 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.

(All amounts in ₹ crores, unless otherwise stated)

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.
- iv. Company contributes its share of contribution to Employees Provident Fund Scheme administered by a separate trust with its obligation to make good the shortfall, if any, in trust fund arising on account of difference between the return on investments of the trust and the interest rate on provident fund dues notified periodically by Central Government.

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. ESI on the basis of actual liability accrued and paid to 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

- Transactions in foreign currencies are recognized at rate of overseas currency ruling on the date of transactions. Gain / Loss arising on account of rise or fall in overseas currencies vis-a-vis reporting currency between the date of transaction and that of payment is charged to Statement of Profit & Loss.
- 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.
- Increase / decrease in foreign currency loan on account of exchange fluctuation are debited / credited to Statement of profit and loss.
- 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 fair 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.

- With the exercise of option and consequent issue of equity share, corresponding ESOP outstanding is transferred to share premium account.
- Employees' contribution for the nominal value of share in respect to option granted to employees of subsidiary Company is being reimbursed by subsidiary companies to holding Company.
- Entitlement of option rises proportionately with the issuance of bonus. Nominal value of

(All amounts in ₹ crores, unless otherwise stated)

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.

- Deferred employees compensation under ESOP is amortised 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. Expenses and income from lease rentals in respect of operating leases are recognized in 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.

(All amounts in ₹ crores, unless otherwise stated)

3. Share Capital

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Authorized 2,07,00,00,000 [March 31, 2015 : 2,07,00,00,000] Equity Shares of ₹ 1 each | 207.00 | 207.00 |
| Issued, Subscribed and fully Paid up 1,75,91,41,170 [March 31, 2015 : 1,75,65,11,990] Equity Shares of ₹ 1 each | 175.91 | 175.65 |

a. Reconciliation of the number of shares

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|--|----------------------|--------|----------------------|--------|
| | Number of Shares | Amount | Number of Shares | Amount |
| Equity Shares: | | | | |
| Balance as at the beginning of the year | 1,75,65,11,990 | 175.65 | 1,74,38,13,073 | 174.38 |
| Add: Shares issued under ESOP scheme during the year | 16,29,180 | 0.16 | 74,09,160 | 0.74 |
| Add: Bonus shares issued under ESOP scheme during the year | 10,00,000 | 0.10 | 52,89,757 | 0.53 |
| Balance as at the end of the year | 1,75,91,41,170 | 175.91 | 1,75,65,11,990 | 175.65 |

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 final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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:
 - a. Instrument of transfer is in form prescribed under the act & duly stamped and executed by/on behalf of transferor and transferee.
 - b. Transferee consenting or replying affirmatively within specified period of his receipt of notice under Section 56(1) of Companies Act, 2013 issued by the Company in respect of application of transfer of registration of shares made by the transferor.
 - c. Transferee is not of unsound mind.
 - d. 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 March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Equity shares of ₹ 1 held by: | | |
| Chowdry Associates | 21,79,41,800 | 21,79,41,800 |
| 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 | 15,63,94,429 | 15,54,63,430 |
| Milky Investment and Trading Company | 10,61,47,503 | 10,61,40,970 |

(All amounts in ₹ crores, unless otherwise stated)

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

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Number of equity shares issued under merger/amalgamation in last 5 years | Nil | 13,84,620 |

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 for which entire consideration not received in cash) | 77,35,633 | 87,71,28,782 |
|--|-----------|--------------|

f. Shares issued under ESOP scheme part of consideration not being received in cash during the period of five years

| | | |
|--|-------------|-------------|
| Shares issued under ESOP scheme part of consideration not being received in cash | 1,06,81,739 | 1,17,97,378 |
|--|-------------|-------------|

g. Shares reserved for issue under Options

| | | |
|---|-------------|-------------|
| Number of equity shares reserved for issue under options contracts/commitment for sale for shares | 1,13,50,921 | 1,40,95,570 |
|---|-------------|-------------|

Term therein:

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 & Surplus

| Particulars | Details | As at March 31, 2016 | Details | As at March 31, 2015 |
|--|----------|-------------------------|----------|-------------------------|
| Capital Reserve (as per last accounts) | | 26.92 | | 26.92 |
| Securities Premium Account: | | | | |
| Opening Balance | 166.27 | | 37.95 | |
| Add: Addition during the year | 33.10 | 199.37 | 128.32 | 166.27 |
| ESOP Outstanding: (Read with note no. 59) | 190.99 | | 205.84 | |
| Less: Deferred Employee compensation ESOP | 100.13 | 90.86 | 154.15 | 51.68 |
| General Reserve: | | | | |
| Opening Balance | 318.62 | | 239.15 | |
| Add: Transferred from surplus | 95.00 | | 80.00 | |
| | 413.62 | | 319.15 | |
| Less: Transferred to surplus | 0.10 | 413.52 | 0.53 | 318.62 |
| Surplus in Statement of Profit and Loss: | | | | |
| Opening Balance | 1,597.05 | | 1,335.02 | |
| Add: Profit/(Loss) for the year | 939.51 | | 762.58 | |
| Transferred from general reserve | 0.10 | | 0.53 | |
| Total | 2,536.66 | | 2,098.13 | |
| Less: Appropriations | | | | |
| Transferred to General Reserve | 95.00 | | 80.00 | |
| Transitional adjustment on account of depreciation | - | | 3.68 | |
| Bonus shares | 0.10 | | 0.53 | |
| Interim Dividend | 219.88 | | 219.55 | |

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | Details | As at | |
|--|---------|-----------------|-----------------|
| | | March 31, 2016 | March 31, 2015 |
| Proposed Final Dividend | 175.91 | | 131.74 |
| Corporate Tax on Final Dividend | 35.81 | | 26.82 |
| Corporate Tax on Interim Dividend | 44.76 | | 37.31 |
| Dividend adjustments of earlier years | - | | 1.25 |
| Dividend tax adjustment of earlier years | - | 1,965.20 | 0.21 |
| Total | | 2,695.87 | 2,160.54 |

5. Deferred Tax Liabilities (Net)

| Deferred Tax Liability provided during the year: | | | |
|---|-------|--------------|--------------|
| Depreciation | | 92.15 | 74.30 |
| Less: Deferred Tax Assets: | | | |
| Provision for Disputed Liabilities | 6.25 | | 4.13 |
| Provision for Service Benefits | 15.49 | | 13.81 |
| Provision for Doubtful Advances | 0.44 | | 0.43 |
| Provision for Doubtful Debts | 3.32 | | 5.15 |
| Others | 2.18 | 27.68 | 0.43 |
| Net Deferred Tax Liability | | 64.47 | 50.35 |
| Deferred Tax Liability provided during year | | 14.12 | 9.60 |
| Adjustment against Surplus on account of implementation of Schedule II of Companies Act, 2013 | | - | (1.89) |
| (Decrease)/Accretion in Deferred Tax Liability | | 14.12 | 7.71 |

6. Long Term Provisions

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---------------------------------------|-------------------------|-------------------------|
| For Retirement Benefits of Directors' | 45.03 | 42.79 |
| Total | 45.03 | 42.79 |

7. Short-Term Borrowings

| Nature of Borrowings | | Total | Secured | Unsecured |
|---|-----------------------------------|--------------|-------------|--------------|
| Cash Credits from Bank | As at 31 st March 2016 | 7.68 | 7.68 | - |
| | As at 31 st March 2015 | 2.50 | 2.50 | - |
| Packing Credit Loan in foreign currency | As at 31 st March 2016 | 66.25 | - | 66.25 |
| | As at 31 st March 2015 | 112.45 | - | 112.45 |
| Bank Overdrafts | As at 31 st March 2016 | 12.58 | - | 12.58 |
| | As at 31 st March 2015 | 14.18 | - | 14.18 |
| Total | As at 31 st March 2016 | 86.51 | 7.68 | 78.83 |
| | As at 31 st March 2015 | 129.13 | 2.50 | 126.63 |

Notes:

- There is no default in repayment of principal loan or interest thereon.
- No Guarantee Bond has been furnished against any loan.
- Cash Credits are secured by hypothecation of inventories and book debts to bankers in consortium ranking pari passu among Punjab National Bank, Standard Chartered Bank, 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, unless otherwise stated)

8. Trade Payables

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|----------------------------------|-------------------------|-------------------------|
| Creditors for Goods and services | 784.88 | 636.44 |
| Acceptances | 146.46 | 120.20 |
| Total | 931.34 | 756.64 |

9. Other Current Liabilities

| | | |
|-----------------------------|---------------|---------------|
| Unpaid dividends | 5.70 | 5.20 |
| Security Deposits | 6.02 | 6.35 |
| Creditors for capital goods | 4.88 | 3.89 |
| Advances from Customers | 7.24 | 6.54 |
| Statutory Liabilities | 103.79 | 83.97 |
| Other Payables | 60.12 | 62.15 |
| Total | 187.75 | 168.10 |

10. Short-Term Provisions

| | | |
|--|---------------|---------------|
| For Gratuity Payable | 0.45 | - |
| For Post Separation benefit of Directors' | 0.35 | 0.34 |
| For Bonus Payable | 5.56 | 2.12 |
| For Taxation (net of advance ₹ 382.84, PY: ₹ 382.84) | 3.45 | 3.45 |
| For Liability Disputed | 46.60 | 40.69 |
| Proposed Dividend | 175.91 | 131.74 |
| For Dividend Distribution Tax | 35.81 | 26.82 |
| Total | 268.13 | 205.16 |

11. Fixed Assets

| Sl. No | Particulars of Assets | Gross Block | | | | Sale / adjustment during the year | Depreciation / Amortisation | | | | Net Block | | |
|--------------------------------------|-------------------------------|-----------------------------------|---------------|------------------|---------------|-----------------------------------|------------------------------|----------------------|--------------|----------------------|----------------------|----------------------|----------------------|
| | | Gross Cost / Value as on 01.04.15 | Acquisition | Other Adjustment | Sub Total | | Gross Balance as on 31.03.16 | Total as on 01.04.15 | for the year | Sale during the year | Total as on 31.03.16 | W.D.V as on 31.03.16 | W.D.V as on 31.03.15 |
| i) Tangible Assets | | | | | | | | | | | | | |
| | Land: Leasehold | 14.83 | - | - | - | - | 14.83 | 1.42 | 0.15 | - | 1.57 | 13.26 | 13.41 |
| | Land: Freehold | 43.05 | - | - | - | 0.02 | 43.03 | - | - | - | - | 43.03 | 43.05 |
| | Building | 367.91 | 12.39 | 0.66 | 13.05 | 0.08 | 380.88 | 92.52 | 12.48 | 0.06 | 104.94 | 275.94 | 275.39 |
| | Plant & Equipment | 534.40 | 48.44 | 11.51 | 59.95 | 16.91 | 577.44 | 242.72 | 46.22 | 11.33 | 277.61 | 299.83 | 291.68 |
| | Furniture & Fixtures | 53.59 | 5.26 | 0.01 | 5.27 | 1.16 | 57.70 | 32.65 | 3.19 | 1.09 | 34.75 | 22.95 | 20.94 |
| | Vehicles | 18.94 | 4.59 | - | 4.59 | 3.28 | 20.25 | 7.86 | 1.90 | 1.91 | 7.85 | 12.40 | 11.08 |
| | Office Equipment | 41.17 | 2.48 | - | 2.48 | 0.11 | 43.54 | 34.29 | 3.28 | 0.11 | 37.46 | 6.08 | 6.88 |
| | Total | 1,073.89 | 73.16 | 12.18 | 85.34 | 21.56 | 1,137.67 | 411.46 | 67.22 | 14.50 | 464.18 | 673.49 | 662.43 |
| ii) Intangible Assets | | | | | | | | | | | | | |
| | Brands/Trademarks | 12.94 | - | - | - | - | 12.94 | 11.60 | 0.12 | - | 11.72 | 1.22 | 1.34 |
| | Computer Software | 36.07 | 2.55 | - | 2.55 | - | 38.62 | 17.32 | 5.48 | - | 22.80 | 15.82 | 18.75 |
| | Total | 49.01 | 2.55 | - | 2.55 | - | 51.56 | 28.92 | 5.60 | - | 34.52 | 17.04 | 20.09 |
| iii) Capital Work-in-progress | | | | | | | | | | | | | |
| | Capital Work-in-progress | 12.22 | 24.92 | - | 24.92 | 12.18 | 24.96 | - | - | - | - | 24.96 | 12.22 |
| | Grand Total (i+ii+iii) | 1,135.12 | 100.63 | 12.18 | 112.81 | 33.74 | 1,214.19 | 440.38 | 72.82 | 14.50 | 498.70 | 715.49 | 694.74 |
| | Previous Year | 1,058.92 | 111.92 | 16.10 | 128.02 | 51.82 | 1,135.12 | 388.54 | 71.54 | 19.70 | 440.38 | 694.74 | 670.38 |

(All amounts in ₹ crores, unless otherwise stated)

Note:

- 1 Addition to the above Tangible Fixed Assets includes 7.00 (Previous year 0.94) 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) 18000 sq mtrs of land at Pant Nagar taken on lease for a period of 81 years in the year 2014.
 - m) All lease arrangements are of the nature of operating lease.

12. Non-Current Investments

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| I) Trade Investment (unquoted): | | |
| Investment in Fully paid equity Instruments | | |
| A Forum I Aviation Pvt. Ltd. (Joint Venture) (CY: 7487251 shares, PY: 5308334 shares of face value of ₹ 10 each) | 6.99 | 4.77 |
| B Sanat Products Ltd. (CY: 50000 shares, PY: 50000 shares of face value of ₹ 100 each) | 1.05 | 1.05 |
| C Dabon International Ltd. * | 0.27 | 0.27 |
| (CY: 270000 shares, PY: 270000 shares of face value of ₹ 10 each) | | |
| D Shivalik Solid Waste Management Ltd. (CY: 18000 shares, PY: 18000 shares of face value of ₹ 10 each) | 0.02 | 0.02 |
| II) Investment in subsidiaries in fully paid equity instruments (unquoted) | | |
| A Dabur International Ltd. (CY: 1700000 shares, PY: 1700000 shares of face value of 1 PSTG each) | 59.49 | 59.49 |
| B H & B Stores Ltd. (CY: 296493165 shares, PY: 231493165 shares of face value of ₹ 1 each) | 29.65 | 23.15 |
| C Dermoviva Skin Essentials Inc. (CY: 565000 shares, PY: 565000 shares of face value of USD \$ 1 each) | 2.54 | 2.54 |
| III) Other than trade | | |
| a. Investment in Government or Trust Shares / Securities (unquoted) | | |
| A National Saving Certificates | 0.02 | 0.02 |
| b. Investment in Bonds (quoted) -Fully paid | | |
| A Power Finance Corporation (CY: 1100 units, PY: 1400 units of face value of ₹ 1000000 each) | 111.34 | 140.50 |

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| B Rural Electrification Corporation (CY: 1400 units, PY: 1550 units of face value of ₹ 1000000 each) | 136.57 | 151.57 |
| C Exim Bonds (CY: 500 units, PY: 650 units of face value of ₹ 1000000 each) | 48.57 | 63.30 |
| D Power Grid Corporation Bonds (CY: 450 units, PY: 700 units of face value of ₹ 1000000 each) (CY: 80 units, PY: 80 units of face value of ₹ 1250000 each) | 53.75 | 80.12 |
| E HDFC Ltd. (CY: 350 units, PY: 100 units of face value of ₹ 1000000 each) | 36.60 | 9.51 |
| F LIC Housing Finance Limited (CY: 950 units, PY: 850 units of face value of ₹ 1000000 each) | 94.47 | 84.30 |
| G IDFC Limited (CY: 850 units, PY: 900 units of face value of ₹ 1000000 each) | 85.68 | 93.52 |
| H ICICI Bank Limited (CY: 100 units, PY: 100 units of face value of ₹ 1000000 each) | 10.00 | 10.00 |
| I GOI Securities of the face value ₹ 385 crores (PY: Face value of ₹ 345 crores) | 425.63 | 386.14 |
| J Government SDL of face value of ₹ 145 crores (PY: Face value of ₹ 105 crores) | 154.75 | 116.05 |
| K DVC bonds (CY: Nil units, PY: 96 units of face value of ₹ 1000000 each) | - | 9.55 |
| L SBI Card payment (CY: Nil units, PY: 118 units of face value of ₹ 1000000 each) | - | 12.35 |
| c. Investment in non-convertible debentures (unquoted)-Fully paid | | |
| A NCD of Shriram Transport Finance Co. (CY : Nil units, PY: 23126 units of face value of ₹ 1000 each) | - | 2.31 |
| B NCD of Bajaj Finance Ltd. (CY: Nil units, PY: 5 units of face value of ₹ 10000000 each) (CY: 500 units, PY: 150 units of face value of ₹ 1000000 each) | 51.80 | 19.93 |
| C NCD of Indiabulls Housing Finance Ltd. (CY: 500 units, PY: Nil units of face value of ₹ 1000000 each) | 50.00 | - |
| D NCD of Sesa Sterlite Ltd. (CY: Nil units, PY: 250 units of face value of ₹ 1000000 each) | - | 25.08 |
| E NCD of Air India Ltd. (CY: Nil units, PY: 62 units of face value of ₹ 1000000 each) | - | 7.10 |
| F NCD of Reliance Capital Ltd. (CY: 500 units, PY: 250 units of face value of ₹ 1000000 each) | 50.00 | 25.01 |
| G NCD of Deewan Housing Finance Ltd. (CY: 500 units, PY: Nil units of face value of ₹ 1000000 each) | 50.96 | - |
| H NCD of Kotak Investment Prime Ltd. (CY: 900 units, PY: Nil units of face value of ₹ 1000000 each) | 91.28 | - |

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| I NCD of L&T Housing Finance Ltd. (CY: 100 units, PY: Nil units of face value of ₹ 2500000 each) | 25.00 | - |
| J NCD of Capital First Ltd. (CY: 100 units, PY: Nil units of face value of ₹ 1000000 each) | 10.00 | - |
| K NCD of Aditya Birla Finance Ltd. (CY: 500 units, PY: Nil units of face value of ₹ 1000000 each) | 51.88 | - |
| L NCD of Sundaram Finance Ltd. (CY: 400 units, PY: Nil units of face value of ₹ 1000000 each) | 40.35 | - |
| M NCD of Tata Capital Financial Services Ltd. (CY: 500 units, PY: Nil units of face value of ₹ 1000000 each) | 50.00 | - |
| N NCD of Tata Capital Housing Finance Ltd. (CY: 250 units, PY: Nil units of face value of ₹ 1000000 each) | 25.00 | - |
| d. Investment in Zero Coupon Bonds (unquoted)-Fully paid | | |
| A Bajaj Finance Limited (CY: Nil units, PY: 250 units of face value of ₹ 1000000 each) | - | 29.76 |
| B Tata Capital Finance Services Limited (CY: Nil units, PY: 250 units of face value of ₹ 1000000 each) | - | 29.86 |
| e. Fixed Deposits with others (Unquoted) | | |
| A FD with PNB Housing Finance Co. | 10.00 | - |
| Total | 1,763.66 | 1,387.27 |
| Less: Provision for diminution in carrying cost * | 0.27 | 0.27 |
| Net Amount | 1,763.39 | 1,387.00 |
| Note: | | |
| a. Aggregate cost of quoted investment | 1,157.37 | 1,156.90 |
| b. Aggregate market value of quoted investment | 1,180.84 | 1,157.89 |
| c. Aggregate amount of unquoted investments | 606.29 | 230.37 |

13. Long Term Loans & Advances

| Unsecured & considered good | | |
|--|--------------|--------------|
| Capital Advances | 12.05 | 4.88 |
| Security Deposit with Govt Authorities | 9.99 | 5.65 |
| Advance Payment of Tax (Net of provision of ₹ 259.11, PY: ₹ 272.73) | 1.62 | 1.77 |
| Total | 23.66 | 12.30 |

14. Other Non Current Assets

| | | |
|--|-------------|-------------|
| Long term deposit with banks maturing after 12 months since balance sheet date | 0.02 | 2.00 |
| Total | 0.02 | 2.00 |

(All amounts in ₹ crores, unless otherwise stated)

15. Current Investments

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| A Other than trade - Fully paid | | |
| I. Mutual funds (Quoted) | | |
| A Reliance Mutual Fund (CY: 7981211.348 units, PY: 10000000 units of face value of ₹ 10 each) (CY: 61192.972 units, PY: Nil units of face value of ₹ 1000 each) | 47.86 | 10.00 |
| B Birla Mutual Fund (CY: 2056944.44 units, PY: Nil units of face value of ₹ 100 each) | 50.00 | - |
| C UNION KBC Mutual Fund (CY: Nil units, PY: 341975.94 units of face value of ₹ 1000 each) | - | 47.84 |
| D JM Financial Mutual Fund (CY: 11937417.45 units, PY: Nil units of face value of ₹ 1 each) | 12.11 | - |
| E HDFC Mutual Fund (CY: 55947.47 units, PY: Nil units of face value of ₹ 1000 each) | 16.71 | - |
| F ICICI Prudential Mutual Fund (CY: 2211355.75 units, PY: 5000000 units of face value of ₹ 10 each) | 50.70 | 5.00 |
| G UTI Mutual Fund (CY: 73283.03 units, PY: Nil units of face value of ₹ 1000 each) | 18.16 | - |
| H Indiabulls Mutual Fund (CY: Nil units, PY: 552145.14 units of face value of ₹ 10 each) | - | 75.00 |
| I IDFC Mutual Fund (CY: 217584.22 units, PY: Nil units of face value of ₹ 1000 each) | 40.00 | - |
| J Sundram Mutual Fund (CY: Nil units, PY: 13007554.78 units of face value of ₹ 10 each) | - | 25.00 |
| K BOB Mutual Fund (CY: 5655.557 units, PY: 599.583 units of face value of ₹ 1000 each) | 0.98 | 0.06 |
| L SBI Mutual Fund (CY: 168321.05 units, PY: Nil units of face value of ₹ 1000 each) | 40.00 | - |
| II. Commercial Papers (Unquoted) | | |
| A Kotak Mahindra Investments Ltd of the face value of ₹ 35 crores (PY: Face value of ₹ 25 crores) | 32.14 | 22.78 |
| B Fullerton India Credit Co Ltd of the face value of ₹ 25 crores (PY: Face value of ₹ 25 crores) | 22.92 | 22.79 |
| C Reliance Capital Limited of the face value of ₹ Nil crores (PY: Face value of ₹ 50 crores) | - | 45.60 |
| III. Non-convertible debentures (unquoted) | | |
| A NCD of Reliance Capital Ltd. (CY: 300 units, PY: Nil units of face value of ₹ 1000000 each) | 31.02 | - |
| B NCD of Bajaj Finance Ltd. (CY : 498 units, PY: Nil units of face value of ₹ 1000000 each) | 51.05 | - |
| C NCD of Family Credit Limited (CY : 483 units, PY: Nil units of face value of ₹ 1000000 each) | 52.56 | - |
| D NCD of India Infradebt Fund (CY : 299 units, PY: Nil units of face value of ₹ 1000000 each) | 29.96 | - |
| E NCD of L&T Infradebt Fund (CY : 72 units, PY: Nil units of face value of ₹ 2500000 each) | 18.05 | - |
| F NCD of Can Finance Homes Limited (CY : 6 units, PY: Nil units of face value of ₹ 1000000 each) | 0.60 | - |

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| IV. Investment in Bonds (quoted) -Fully paid | | |
| A NPCIL Bonds (CY : 457 units, PY: 200 units of face value of ₹ 1000000 each) | 45.72 | 20.00 |
| B PNB Bonds (CY : 59 units, PY: Nil units of face value of ₹ 1000000 each) | 5.87 | - |
| C EXIM Bonds (CY : 50 units, PY: Nil units of face value of ₹ 1000000 each) | 5.07 | - |
| V. Fixed Deposits with others (Unquoted) | | |
| A FD with Sriram Finance Transport Corp | 5.00 | 50.00 |
| B FD with HDFC Ltd. | 50.00 | - |
| C FD with PNB Housing Finance Ltd. | 35.00 | 67.10 |
| Total | 661.48 | 391.17 |
| a. Aggregate cost of quoted investment | 333.18 | 182.90 |
| b. Aggregate market value of quoted investment | 334.24 | 184.27 |
| c. Aggregate amount of unquoted investments | 328.30 | 208.27 |

16. Inventories

| | | |
|---|---------------|---------------|
| Raw Materials | 195.31 | 159.65 |
| Packing Materials | 71.12 | 65.38 |
| Work-in-Progress | 86.79 | 77.17 |
| Finished goods | 210.83 | 201.76 |
| Stock-in-trade | 50.86 | 45.78 |
| Stores & spares | 0.65 | 0.86 |
| Total | 615.56 | 550.60 |
| Note: Finished goods includes transit stock | 13.92 | 11.80 |

17. Trade Receivables

| Particulars | Details | As at March 31, 2016 | Details | As at March 31, 2015 |
|--|---------|-------------------------|---------|-------------------------|
| Unsecured: | | | | |
| Debts outstanding for a period exceeding six months since due date for payment considered good | 8.68 | | 6.37 | |
| considered doubtful | 9.58 | | 15.16 | |
| | 18.26 | | 21.53 | |
| Less: Provision for doubtful debts | 9.58 | 8.68 | 15.16 | 6.37 |
| Other debts: considered good | | 412.01 | | 332.42 |
| Total | | 420.69 | | 338.79 |

(All amounts in ₹ crores, unless otherwise stated)

18. Cash & Bank Balances

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| A. Cash and Cash Equivalents | | |
| Cash in hand | 0.57 | 0.82 |
| Cheques / drafts in hand | 16.50 | 1.91 |
| Balances with Banks | | |
| Current Accounts | 17.55 | 22.90 |
| Term Deposit maturing within three months | 10.00 | 5.00 |
| Unpaid Dividend account | 5.70 | 5.20 |
| Total (A) | 50.32 | 35.83 |
| B. Other Bank Balances | | |
| Term Deposit maturing after three months but before twelve months | 3.84 | 88.11 |
| Total (B) | 3.84 | 88.11 |
| C. Fixed Deposit maturing after 12 months | 0.02 | 2.00 |
| Total (A+B+C) | 54.18 | 125.94 |
| Less: Fixed Deposit maturing after 12 months | 0.02 | 2.00 |
| Total Cash & Bank Balances | 54.16 | 123.94 |

Footnote:

1. Other Bank Balances include :-

| | | |
|---|------|------|
| Other commitment (Fixed Deposits pledged with Govt Authorities) | 0.08 | 0.08 |
|---|------|------|

19. Short Term Loans & Advances

| Particulars | Details | As at March 31, 2016 | Details | As at March 31, 2015 |
|--|--------------------------------------|-------------------------|---------|-------------------------|
| Advances to Suppliers | Considered good | 14.26 | 10.47 | |
| | Considered Doubtful | 1.27 | 1.27 | |
| | | 15.53 | 11.74 | |
| | Less: Provision for doubtful advance | 1.27 | 1.27 | 10.47 |
| Advances to Employees | Considered good | 3.69 | 3.15 | |
| | Considered Doubtful | 0.00 | 0.20 | |
| | | 3.69 | 3.35 | |
| | Less: Provision for doubtful advance | 0.00 | 0.20 | 3.15 |
| Balance with Government Authorities (Includes deposits towards appeal/court proceedings of ₹13.44, PY: ₹ 12.42) | Considered good | 74.43 | | 66.69 |
| Deposit with Others | Considered good | 13.10 | | 14.87 |
| Advance Payment of Tax (Net of provision of ₹ 155.28, PY: ₹ 4.70) | Considered good | 3.06 | | 1.30 |
| Others | Considered good | 15.37 | | 17.60 |
| Total | | 123.91 | | 114.08 |

(All amounts in ₹ crores, unless otherwise stated)

20. Other Current Assets

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Unsecured & considered good: | | |
| Interest accrued on FD's, CP's, CD's and Government Bonds | 71.63 | 53.01 |
| Excess of Planned assets towards leave encashment over obligations | 0.08 | 0.29 |
| Excess of Planned assets towards Gratuity over obligations | - | 2.22 |
| Export Incentives Receivable | 1.29 | 4.40 |
| Other Receivables | 3.65 | 13.82 |
| Total | 76.65 | 73.74 |

21. Contingent Liabilities (not provided for)

| Claims against the Company not acknowledged as debts: | | |
|--|---------------|---------------|
| Claims disputed by the Company | 7.77 | 7.93 |
| Claims by employees | 1.00 | 0.86 |
| Excise duty/service tax matters | 93.93 | 133.24 |
| Sales tax matters | 35.23 | 44.89 |
| Income tax matters | 0.40 | 0.37 |
| Demand for stamp duty | 15.30 | - |
| Total | 153.63 | 187.29 |

22. Capital and Other Commitments

| | | |
|---|-----------------|-----------------|
| a. Capital Commitments | | |
| Estimated Amount of Contract in capital account remaining to be executed and not provided for | 38.66 | 27.52 |
| b. Other Commitments | | |
| Guarantees furnished to bank/others in respect of borrowings of subsidiaries/jointly controlled entity/others | 1,029.68 | 1,285.40 |
| c. Letter of credits | - | 2.51 |
| d. Bills discounted | 55.92 | 51.08 |
| Total | 1,124.26 | 1,366.51 |

22A. Information on Loans given, Investments made and Guarantee given pursuant to Sec 186(4) of the Companies Act, 2013**a. Investments made by the Company as at 31st March, 2016.**

| Shares | | |
|---|--------|--------|
| Dabur International Limited (wholly owned subsidiary) | 59.49 | 59.49 |
| H & B Stores Limited (wholly owned subsidiary) | 29.65 | 23.15 |
| Dermoviva Skin Essentials Inc (wholly owned subsidiary) | 2.54 | 2.54 |
| Dabon International Pvt. Ltd | 0.27 | 0.27 |
| Forum I Aviation Pvt. Ltd. | 6.99 | 4.77 |
| Sanat Products Ltd. | 1.05 | 1.05 |
| Shivalik Solid Waste Management Limited | 0.02 | 0.02 |
| Bonds/NCD | | |
| Power Finance Corporation of India | 111.34 | 140.50 |

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---------------------------------------|-------------------------|-------------------------|
| Rural Electrification Corp of India | 136.57 | 151.57 |
| Power Grid Corp of India Ltd | 53.75 | 80.15 |
| LIC Housing Finance Ltd. | 94.47 | 84.30 |
| HDFC Ltd | 36.60 | 9.51 |
| IDFC Ltd | 70.68 | 93.52 |
| IDFC Ltd | 15.00 | - |
| ICICI Bank Limited | 10.00 | 10.00 |
| EXIM Bank | 48.57 | 63.29 |
| Bajaj Finance Ltd. | 51.80 | - |
| Tata Capital Financial Services Ltd. | 50.00 | - |
| Reliance Capital Ltd | 81.02 | 25.01 |
| India bulls Housing Fin. Ltd | 50.00 | - |
| Dewan Housing Fin. Ltd | 50.96 | - |
| L&T Housing Fi. Ltd | 25.00 | - |
| Capital First Ltd. | 10.00 | - |
| Kotak Mahindra Investment Ltd. | 25.00 | - |
| Kotak Mahindra Prime Ltd. | 51.28 | - |
| Aditya Birla Fin. Ltd. | 51.88 | - |
| Tata Capital Housing Fin. Ltd. | 25.00 | 29.86 |
| Sundaram Fin. Ltd. | 40.35 | - |
| Kotak Investment Prime Ltd. | 15.00 | - |
| Nuclear Power Corp of India Ltd. | 45.70 | 20.00 |
| EXIM Bank | 5.07 | - |
| Family Credit Limited | 52.11 | - |
| Bajaj Fin. Ltd. | 50.08 | 49.69 |
| Can Fin. Homes Ltd. | 0.60 | - |
| PNB Perpetual | 5.87 | - |
| IDFC Infra Debt Fund | 4.96 | - |
| INDIA Infradebt Ltd. | 24.90 | - |
| L&T Infradebt Ltd. | 17.90 | - |
| Damodar Valley Corporation | - | 9.55 |
| Sriram Transport Finance Co Ltd. | - | 2.31 |
| Sesa Sterlite Limited | - | 25.08 |
| Air India Limited | - | 7.10 |
| SBI Card & Payment Services Pvt. Ltd. | - | 12.35 |
| Commercial paper | 55.06 | 91.17 |
| Public FDs | | |
| PNB Housing Fin. Ltd. | 40.00 | 67.10 |
| HDFC Ltd | 50.00 | - |
| LIC Housing Fin. Ltd. | 5.00 | - |
| Shriram Transport Fin. Services Ltd. | 5.00 | - |
| IL&FS Financial Services Ltd. | - | 50.00 |
| Bank FDs | | |
| Kotak Mahindra Bank | 1.90 | 2.97 |
| Yes Bank | - | 86.00 |
| HDFC Bank | - | 5.00 |
| Punjab National Bank | 10.00 | - |
| Total Investments | 1,578.43 | 1,207.32 |

(All amounts in ₹ crores, unless otherwise stated)

b. Corporate Guarantees given by the Company in respect of loans obtained by others as at 31st March, 2016

| Name of the Company | Purpose | As at | As at |
|-------------------------------------|-------------------------|-----------------|-----------------|
| | | March 31, 2016 | March 31, 2015 |
| Dabur International Limited | Against Bank Borrowings | - | 409.18 |
| Dermoviva Skin Essentials Inc | Against Bank Borrowings | 927.50 | 702.79 |
| Dabur Lanka Pvt Ltd. | Against Bank Borrowings | 67.91 | 64.03 |
| Dabur Nepal Pvt Ltd. | Against Bank Borrowings | - | 62.48 |
| Forum I Aviation Pvt. Ltd. | Against Bank Borrowings | 7.14 | 7.14 |
| Broadcast Audience Research Council | Against Bank Borrowings | 2.30 | 2.30 |
| | | 1,004.85 | 1,247.92 |

23. Information (Pursuant to AS-29) - Brief particulars of provision on disputed liabilities

| Nature of Liability | Particulars of dispute | Opening Provision | Provision made during the period | Provision adjusted during the period | Closing Provision |
|---------------------|---|-------------------|----------------------------------|--------------------------------------|-------------------|
| Sales Tax | Classification matter and rate difference | 2.74 | - | 0.09 | 2.65 |
| Entry Tax | Entry tax | 2.03 | - | - | 2.03 |
| Excise | Classification matter | 7.39 | 6.00 | - | 13.39 |
| Service Tax | Service Tax Distribution (ISD) | 28.53 | - | - | 28.53 |
| | | 40.69 | 6.00 | 0.09 | 46.60 |

- Resulting outflows against above liabilities, pending before Sales Tax DC/Tribunal/CCT's, if mature, are expected to be in succeeding financial year.
- Withdrawal of provision relates to crystallization of liability in actual term & subsequent payment made by Company in relevant context.
- Provisions are made herein for medium risk oriented issues as a measure of abundant precaution.
- Company presumes remote risk possibility of further cash outflow pertaining to contingent liabilities and commitments listed in point 21 & 22 above.

24. Proposed Dividend

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|-----------------------------------|-----------------------------------|
| The final dividend proposed for the year is as follows: | | |
| On Equity Shares of ₹ 1 each | | |
| Amount of dividend proposed | 175.91 | 131.74 |
| Dividend per Equity Share (in ₹) | 1.00 | 0.75 |

(All amounts in ₹ crores, unless otherwise stated)

25. Revenue from Operations

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|--------------------------------------|--------------------------------------|
| A Sale of Products (Read with note no.36) | 5,822.16 | 5,493.30 |
| Domestic | 5,616.48 | 5,273.61 |
| Export | 205.68 | 219.69 |
| B Sale of Services | 0.07 | 0.10 |
| C Other Operating Revenues | 10.30 | 12.26 |
| Export Subsidy | 2.24 | 2.28 |
| Sale of Scrap | 7.91 | 9.83 |
| Miscellaneous Receipts | 0.15 | 0.15 |
| D Less Excise Duty | (82.53) | (74.38) |
| Total | 5,750.00 | 5,431.28 |

26. Other Income

| | | |
|---|---------------|--------|
| Interest Income | 157.25 | 107.59 |
| Net gain/(loss) on sale of Current Investments (other than trade) | 21.53 | 17.95 |
| Gain on Sale of Fixed Assets | 4.66 | 0.52 |
| Miscellaneous Receipts | 2.56 | 2.78 |
| Bad Debts Provision written back | - | 0.09 |
| Rent Received | 10.64 | 8.92 |
| Total | 196.64 | 137.85 |

27. Cost of Materials Consumed

| | | |
|---|-----------------|----------|
| Raw material consumed (Read with note no.38, 39) | 1,198.54 | 1,222.62 |
| Packing material consumed | 649.21 | 698.47 |
| Total | 1,847.75 | 1,921.09 |

Note: Cost of material consumed includes ₹ 1.24 (₹ 1.28) towards research and development.**28. Purchase of Stock-In-Trade**

| | | |
|------------------------|---------------|--------|
| Shampoo | 7.47 | 74.64 |
| Tooth Powder & Paste | 104.71 | 33.69 |
| Hajmola | 39.61 | 49.99 |
| Fruit, Nectar & Drinks | 470.88 | 435.87 |
| Vegetable Pastes | 16.30 | 20.80 |
| Others | 349.17 | 322.26 |
| Total | 988.14 | 937.25 |

(All amounts in ₹ crores, unless otherwise stated)

29. Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|--------------------------------------|--------------------------------------|
| A Opening Inventories | | |
| i. Finished Goods | 201.76 | 161.10 |
| ii. Work in Progress | 77.17 | 88.46 |
| iii. Stock-in-trade | 45.78 | 42.90 |
| B Closing Inventories | | |
| i. Finished Goods | 210.83 | 201.76 |
| ii. Work in Progress (Read with note no. 37) | 86.79 | 77.17 |
| iii. Stock-in-trade | 50.86 | 45.78 |
| Total | (23.77) | (32.25) |

30. Employee Benefits Expenses

| | | |
|--|---------------|---------------|
| Salaries, Wages and Bonus | 344.47 | 313.16 |
| Contribution to Provident and Other Funds | 29.04 | 26.20 |
| Workmen and Staff Welfare | 13.41 | 14.43 |
| ESOP Expenses (Amortisation of Deferred Employees Compensation under ESOP) | 44.85 | 39.20 |
| Total | 431.77 | 392.99 |

Note: Employee benefit expenses includes ₹ 12.85 (₹ 10.88) towards research and development.

31. Finance Cost

| | | |
|---|-------------|-------------|
| Interest Expense | 3.20 | 5.14 |
| Bank Charges | 0.93 | 1.03 |
| Net (gain)/loss on foreign currency transaction & translation | 5.70 | 3.72 |
| Total | 9.83 | 9.89 |

32. Depreciation & Amortisation expenses

| | | |
|--|--------------|--------------|
| Depreciation on Tangible fixed assets (Read with note no.11) | 67.22 | 62.19 |
| Amortisation of Intangible fixed assets (Read with note no.11) | 5.60 | 3.78 |
| Total | 72.82 | 65.97 |

Note: Depreciation & Amortisation includes ₹ 1.44 (₹ 1.25) towards research and development.

(All amounts in ₹ crores, unless otherwise stated)

33. Other Expenses

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|--------------------------------------|--------------------------------------|
| Increase/(Decrease) of excise duty on inventory | 0.62 | 0.29 |
| Power and Fuel | 47.77 | 50.61 |
| Stores and Spares Consumed | 16.80 | 17.38 |
| Repair to Building | 4.93 | 3.88 |
| Repair to Plant and Machinery | 7.42 | 6.93 |
| Repair to Others | 15.95 | 11.09 |
| Processing Charges | 22.18 | 18.14 |
| Rates and taxes | 4.00 | 3.76 |
| Rent | 41.12 | 42.23 |
| Insurance | 7.66 | 6.05 |
| Sales Tax | 12.49 | 11.51 |
| Freight and Forwarding Charges | 102.25 | 103.02 |
| Commission,Discount and Rebate | 39.92 | 37.64 |
| Advertisement and Publicity | 712.03 | 646.54 |
| Travel and Conveyance | 49.79 | 47.19 |
| Legal and Professional | 39.19 | 25.71 |
| Telephone and Fax Expenses | 4.60 | 4.60 |
| Security Expenses | 11.15 | 8.35 |
| General Charges | 215.25 | 181.02 |
| Director's Fees | 0.56 | 0.61 |
| Auditor's Remuneration | 1.14 | 1.08 |
| Donation | 12.96 | 11.48 |
| Provision for Doubtful Debts | 0.83 | 1.84 |
| Loss on Sale of Fixed Assets | 0.88 | 0.78 |
| Fixed Assets Discarded | 1.38 | 0.85 |
| Provision for Liabilities disputed | 6.00 | 7.51 |
| Corporate Social Responsibility | 17.44 | 14.71 |
| Other Expenses | 11.05 | 8.90 |
| Total | 1,407.36 | 1,273.70 |

34. Research and Development Expenditure

| | | |
|---|--------------|--------------|
| Cost of Raw material (forming part of note no . 27) | 1.24 | 1.28 |
| Employee Benefit Expenses (forming part of note no. 30) | 12.85 | 10.88 |
| Depreciation (forming part of note no. 32) | 1.44 | 1.25 |
| Other expenses (forming part of note no. 33) | | |
| Power & Fuel | 1.33 | 1.26 |
| Repairs | 1.96 | 1.78 |
| Freight | 0.01 | 0.01 |
| General expense | 5.32 | 3.92 |
| Rent | 0.15 | 0.06 |
| Rates & Taxes | 0.10 | 0.11 |
| Travel & Conveyance | 0.91 | 0.73 |
| Legal & Professional | 0.58 | 0.21 |
| Telephone | 0.28 | 0.24 |
| Security Charges | 0.27 | 0.28 |
| Donation | 0.14 | 0.30 |
| Total | 26.58 | 22.31 |

(All amounts in ₹ crores, unless otherwise stated)

35. Earning Per Share

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|--------------------------------------|--------------------------------------|
| Net Profit After Tax | 939.51 | 762.58 |
| Weighted average number of Equity Shares outstanding | 1,75,80,57,105 | 1,75,43,64,645 |
| Basic Earnings Per Share [Face Value of ₹ 1 each] | 5.34 | 4.35 |
| Add: Weighted number of potential equity shares on account of Employees Stock Options | 1,17,86,220 | 1,17,63,461 |
| Weighted average number of Equity Shares outstanding [inclusive dilutive ESOP Shares outstanding] | 1,76,98,43,325 | 1,76,61,28,106 |
| Diluted Earnings Per Share [Face Value of ₹ 1 each] | 5.31 | 4.32 |
| Profit after consideration of Extraordinary items | 939.51 | 762.58 |
| Basic Earnings Per Share [Face Value of ₹ 1 each] | 5.34 | 4.35 |
| Diluted Earnings Per Share [Face Value of ₹ 1 each] | 5.31 | 4.32 |

36. Category wise sales (including exports), Net of Excise Duty

| | | |
|----------------------|-----------------|-----------------|
| Health care | 1,572.08 | 1,722.85 |
| Home & personal care | 3,051.69 | 2,610.03 |
| Beverages & culinary | 983.18 | 957.05 |
| Others | 132.68 | 128.99 |
| Total | 5,739.63 | 5,418.92 |

37. Category wise Closing Work-in-progress

| | | |
|----------------------|--------------|--------------|
| Chyawanprash | 39.17 | 36.24 |
| Asava-Arishta | 3.30 | 2.63 |
| Hair Oils | 2.06 | 3.47 |
| Hajmola | 5.53 | 7.86 |
| Tooth Powder & Paste | 10.50 | 7.29 |
| Honey | 3.91 | 2.95 |
| Others | 22.32 | 16.73 |
| Total | 86.79 | 77.17 |

38. Category wise raw material consumed

| | | |
|--------------------------|-----------------|-----------------|
| Coconut Oil | 91.72 | 94.02 |
| Paradichlorobenzene | 30.65 | 36.66 |
| Liquid Liquid Parafin | 62.00 | 81.50 |
| Gold | 28.59 | 27.57 |
| Sorbitol Solution 70% IP | 30.06 | 30.62 |
| Amla Green | 7.71 | 10.59 |
| Others | 947.81 | 941.66 |
| Total | 1,198.54 | 1,222.62 |

(All amounts in ₹ crores, unless otherwise stated)

39. Imported material consumed

| Particulars | For the year ended March 31, 2016 | | For the year ended March 31, 2015 | |
|-------------------------------------|--------------------------------------|----------|--------------------------------------|----------|
| | % | Amount | % | Amount |
| Raw Material | | | | |
| Imported | 3.35% | 40.12 | 1.95% | 23.88 |
| Indigenous | 96.65% | 1,158.42 | 98.05% | 1,198.74 |
| | 100.00% | 1,198.54 | 100.00% | 1,222.62 |
| Packing Material | | | | |
| Imported | 0.04% | 0.29 | 0.28% | 1.98 |
| Indigenous | 99.96% | 648.92 | 99.72% | 696.49 |
| | 100.00% | 649.21 | 100.00% | 698.47 |
| Stores & Spares Consumed | | | | |
| Imported | 0.30% | 0.05 | 0.12% | 0.02 |
| Indigenous | 99.70% | 16.75 | 99.88% | 17.36 |
| | 100.00% | 16.80 | 100.00% | 17.38 |

40. Value of Import on CIF basis

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|--------------------------------------|--------------------------------------|
| Raw Materials | 38.88 | 26.40 |
| Stores & Spares (including packing material) | 0.38 | 2.25 |
| Finished Goods | 102.96 | 37.66 |
| Capital Goods | 6.13 | 6.67 |
| Total | 148.35 | 72.98 |

41. Purchase of major items of raw materials

| | | |
|--------------------------|-----------------|-----------------|
| Coconut Oil | 91.57 | 92.48 |
| Paradichlorobenzene | 30.51 | 35.85 |
| Liquid Liquid Parafin | 63.07 | 79.78 |
| Gold | 28.59 | 27.58 |
| Sorbitol Solution 70% IP | 29.54 | 30.47 |
| Amla Green | 7.56 | 10.28 |
| Others | 983.36 | 936.15 |
| Total | 1,234.20 | 1,212.59 |

42. Sale of products (Gross of Excise Duty)

| | | |
|--------------------|-----------------|-----------------|
| Manufactured Goods | 4,498.95 | 4,231.90 |
| Traded Goods | 1,323.21 | 1,261.40 |
| Total | 5,822.16 | 5,493.30 |

43. Earnings in Foreign Exchange

| | | |
|---------------------|---------------|---------------|
| Export Sales at FOB | 188.20 | 199.92 |
| Total | 188.20 | 199.92 |

(All amounts in ₹ crores, unless otherwise stated)

44. Expenditure in Foreign Currency

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|--------------------------------------|--------------------------------------|
| Professional, Consultation Fees & Others | 2.46 | 1.94 |
| Travelling & Conveyance | 1.99 | 2.25 |
| Royalty | 0.13 | 0.12 |
| Interest on PCFC loan | 0.08 | 0.23 |
| Total | 4.66 | 4.54 |

45. Net Dividend Remitted in Foreign Currency

| | | |
|---|----------|----------|
| Amount of final dividend remitted | 0.01 | 0.01 |
| The year to which dividend relates | 2014-15 | 2013-14 |
| Total number of non-resident shareholders | 38 | 40 |
| Total number of shares held by them on which dividend was due | 1,15,000 | 1,25,000 |
| Amount of interim dividend remitted | 0.01 | 0.02 |
| The year to which dividend relates | 2015-16 | 2014-15 |
| Total number of non-resident shareholders | 37 | 40 |
| Total number of shares held by them on which dividend was due | 1,13,000 | 1,25,000 |

46. Buildings constructed on leasehold land included in the value of building shown in the Fixed Assets Schedule

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--------------|-------------------------|-------------------------|
| Cost | 225.03 | 212.60 |
| Written Down | 164.28 | 166.30 |

47. Corporate Social Responsibility

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 | |
|--|--------------------------------------|--------------------------------------|--------------|
| Gross Amount required to be spent by the Company in accordance with Section 135 of Companies Act, 2013 | 17.25 | 14.66 | |
| Provision made for unspent amount (if any) | - | - | |
| Amount Spent during the year on | Paid | To be Paid | Total |
| (i) Construction / Acquisition of any asset | - | - | - |
| | - | - | - |
| (ii) On purpose other than (i) above | 17.44 | - | 17.44 |
| | (14.71) | - | (14.71) |
| Total | 17.44 | - | 17.44 |
| | (14.71) | - | (14.71) |

* figures in bracket relates to Previous Year

(All amounts in ₹ crores, unless otherwise stated)

48. Defined Benefit Plan**A. Provident Fund (Funded)****[a] Economic Assumptions (actuarial)**

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| i) Expected statutory interest rate on the ledger balance | 8.75% | 8.75% |
| ii) Expected short fall in interest earnings on the fund | 0.05% | 0.05% |

[b] Demographic Assumptions (actuarial)

| | IALM (2006 -08) | IALM (2006 - 08) |
|------------------------------------|-----------------|------------------|
| i) Mortality | None | None |
| ii) Disability | None | None |
| iii) Withdrawal Rate (Age related) | | |
| Up to 30 Years | 17% | 17% |
| Between 31 - 44 Years | 14% | 14% |
| Above 44 Years | 5% | 5% |
| iv) Normal Retirement Age | 58 | 58 |

[c] Reconciliation of Projected Benefit Obligation

| | | |
|---|---------|---------|
| Projected Benefit Obligation at Beginning of year | 160.78 | 143.55 |
| Current Service Cost | 7.02 | 7.20 |
| Interest Cost | 12.86 | 11.48 |
| Contributions by plan participants / employees | 18.63 | 17.41 |
| Actuarial (Gain) / Loss due to Interest guarantee | (0.28) | 0.97 |
| Benefits Paid | (24.09) | (21.16) |
| Past Service Cost | - | - |
| Amalgamations | - | - |
| Curtailments | - | - |
| Settlements / Transfer In | 1.82 | 1.33 |
| Projected Benefit Obligation at the end of year | 176.74 | 160.78 |

[d] Reconciliation of Plan Assets

| | | |
|---|---------|---------|
| Plan Asset at beginning of year | 162.40 | 145.01 |
| Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency | - | - |
| Expected Return on Plan Asset | 14.21 | 12.69 |
| Employer Contribution | 7.02 | 7.20 |
| Plan Participants / Employee Contribution | 18.63 | 17.41 |
| Benefit Payments | (24.09) | (21.16) |
| Asset Gain /(Loss) | (0.09) | (0.08) |
| Amalgamations | - | - |
| Settlements / Transfer In | 1.82 | 1.33 |
| Ending Asset at Fair Value | 179.90 | 162.40 |

(All amounts in ₹ crores, unless otherwise stated)

[e] Expense to be recognized in the statement of profit and loss of the Company

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Company Contribution to the PF Fund | 7.02 | 7.20 |
| Net Liability, if any * | - | - |
| Total | 7.02 | 7.20 |

* there is surplus in the fund, so the value is taken as zero.

B. Gratuity, Leave Salary and Post Separation Benefits of Director

| Particulars | Gratuity (funded) | Leave Salary (funded) | Post Separation benefits of Director (Unfunded) |
|--|----------------------|--------------------------|---|
| a. Defined Benefit Plan | | | |
| Expenses recognized during the period: | | | |
| I. Past Service Cost | CY - | - | - |
| | PY - | - | - |
| II. Current Service Cost | CY 4.35 | 2.50 | 1.23 |
| | PY 3.90 | 2.40 | 1.20 |
| III. Interest Cost | CY 3.39 | 1.08 | 3.45 |
| | PY 3.32 | 1.03 | 3.44 |
| IV. Expected return on Plan Assets | CY (3.91) | (1.20) | - |
| | PY (3.75) | (1.13) | - |
| V. Actuarial Loss/(Gain) | CY 1.84 | 0.83 | (1.97) |
| | PY 0.65 | 1.06 | (1.53) |
| VI. Total expenses recognized during the year (I+II+III+IV+V) | CY 5.67 | 3.21 | 2.72 |
| | PY 4.12 | 3.36 | 3.11 |
| b. Reconciliation of opening & closing balances of obligations: | | | |
| I. Obligation as on 01.04.2015 | CY 43.77 | 13.87 | 43.13 |
| | PY 39.08 | 12.09 | 40.49 |
| II. Past service cost | CY - | - | - |
| | PY - | - | - |
| III. Current service cost | CY 4.35 | 2.50 | 1.23 |
| | PY 3.90 | 2.40 | 1.20 |
| IV. Interest cost | CY 3.39 | 1.08 | 3.45 |
| | PY 3.32 | 1.03 | 3.44 |
| V. Actuarial (Gain)/ Loss | CY 1.20 | 0.84 | (1.97) |
| | PY 0.80 | 0.93 | (1.53) |
| VI. Settlement | CY (3.06) | (4.03) | (0.47) |
| | PY (3.33) | (2.58) | (0.47) |
| VII. Obligation as on 31.03.2016 | CY 49.65 | 14.26 | 45.37 |
| | PY 43.77 | 13.87 | 43.13 |

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | | Gratuity (funded) | Leave salary (funded) | Post Separation benefits of Director (Unfunded) |
|--|----|----------------------|--------------------------|---|
| c. Change in Plan Assets: | | | | |
| (Reconciliation of opening and closing balances) | | | | |
| I. Fair Value of Plan Assets as on 01.04.2015 | CY | 45.99 | 14.17 | - |
| | PY | 42.42 | 12.75 | - |
| II. Expected Return on Plan Assets | CY | 3.91 | 1.20 | - |
| | PY | 3.75 | 1.13 | - |
| III. Actuarial Gain/ (Loss) | CY | (0.64) | 0.01 | - |
| | PY | 0.15 | (0.13) | - |
| IV. Employer Contribution | CY | 3.00 | 4.00 | - |
| | PY | 3.00 | 3.00 | - |
| V. Settlement | CY | (3.06) | (4.03) | - |
| | PY | (3.33) | (2.58) | - |
| VI. Fair value of Plan Assets as on 31.03.2016 | CY | 49.20 | 15.35 | - |
| | PY | 45.99 | 14.17 | - |

d. Closing Obligation vis-a-vis Planned Assets:

| | | | | |
|---|----|--------|--------|-------|
| I. Obligation as on 31.03.2016 | CY | 49.65 | 14.26 | 45.37 |
| | PY | 43.77 | 13.87 | 43.13 |
| II. Fair value of planned assets as on 31.03.2016 | CY | 49.20 | 15.35 | - |
| | PY | 45.99 | 14.17 | - |
| Deficit/(Surplus) | CY | 0.45 | (1.09) | 45.37 |
| | PY | (2.22) | (0.30) | 43.13 |

Amount recognised in current year and previous four years**e. Gratuity**

| Particulars | As at March 31 | | | | |
|--|----------------|--------|--------|-------|--------|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| Present value of DBO | 49.65 | 43.77 | 39.08 | 34.97 | 29.53 |
| Fair value of plan assets | 49.20 | 45.99 | 42.42 | 33.66 | 24.81 |
| Deficit/(Surplus) | 0.45 | (2.22) | (3.34) | 1.31 | 4.71 |
| Actuarial (Gain) / Loss on Plan Obligation | 1.20 | 0.80 | (0.21) | 1.84 | 1.89 |
| Actuarial Gain / (Loss) on Plan Assets | (0.64) | 0.15 | 0.27 | 0.67 | (1.08) |

f. Leave Salary

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Present value of DBO | 14.26 | 13.87 | 12.09 | 11.29 | 9.95 |
| Fair value of plan assets | 15.35 | 14.17 | 12.75 | 13.53 | 8.59 |
| Deficit/(Surplus) | (1.09) | (0.30) | (0.66) | (2.24) | 1.37 |
| Actuarial (Gain) / Loss on Plan Obligation | 0.84 | 0.93 | 0.12 | 0.74 | 0.48 |
| Actuarial Gain / (Loss) on Plan Assets | 0.01 | (0.13) | (0.12) | 0.14 | (0.59) |

(All amounts in ₹ crores, unless otherwise stated)

g. Post separation Benefit of Directors

| Particulars | As at March 31 | | | | |
|--|----------------|--------|--------|--------|--------|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| Present value of DBO | 45.37 | 43.13 | 40.49 | 39.64 | 40.50 |
| Fair value of plan assets | - | - | - | - | - |
| Deficit/(Surplus) | 45.37 | 43.13 | 40.49 | 39.64 | 40.50 |
| Actuarial (Gain) / Loss on Plan Obligation | (1.97) | (1.53) | (0.84) | (3.53) | (2.98) |
| Actuarial Gain / (Loss) on Plan Assets | - | - | - | - | - |

h. Investment details of plan assets as on 31.03.2016 100% reimbursement right from Insurance Company for fund managed by it

i. Actuarial Assumption :**(i) Financial Assumption**

| | |
|---|-------|
| Discount Rate (%) | 8.00% |
| Estimated rate of return on plan assets (%) | 8.50% |
| Salary escalation ratio inflation (%) | 9.50% |

(ii) Method of computation

Projected unit credit method

(iii) Demographic Assumption

Life Expectancy IALM (2006-08)

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

k. The estimate of future salary increase take in-to account regular increment , promotional increases and increment.

l. Demographics assumptions take into account mortality factor as per IALM (2006-08) ultimate criteria, employees and normal retirement age at 58.

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

n. CY- Current year, PY - Previous year

49. Defined Contribution Plan

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Employees State Insurance | 1.23 | 1.62 |
| Employees Superannuation Fund | 3.99 | 3.96 |
| Total | 5.22 | 5.58 |

50. Auditors Remuneration

| | | |
|---------------------------|-------------|-------------|
| Audit Fees | 0.64 | 0.63 |
| Certification and Others | 0.20 | 0.16 |
| Reimbursement of Expenses | 0.30 | 0.29 |
| Total | 1.14 | 1.08 |

(All amounts in ₹ crores, unless otherwise stated)

51. Information Pursuant to Clause 25 of AS 19 Issued by ICAI relating to Operating Lease (As Lessee)

| i) The future minimum lease payment under non-cancellable operating lease | Not Later than 1 year | Later than 1 year not later than 5 year | Later than 5 year |
|---|-----------------------|---|-------------------|
| Building & Machine | 1.12 (1.52) | 0.57 (0.57) | - |
| Cars | 0.73 (0.79) | 0.88 (0.86) | - |

- ii) Lease rent debited to Profit & Loss account of the year ₹ 1.16 (Previous year ₹ 1.03).
- 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

52. Information Pursuant to Clause 46 of AS 19 Issued by ICAI relating to Operating Lease (As Lessor)

| i) The future minimum lease payment under non-cancellable operating lease | Not Later than 1 year | Later than 1 year not later than 5 year | Later than 5 year |
|---|-----------------------|---|-------------------|
| Building | 1.19 (1.03) | 0.94 (2.13) | - |

- ii) Lease rent credited to Profit & Loss account of the year ₹ 1.03 (Previous year ₹ Nil).
- iii) Irrevocable lease agreement relates to buildings, lease period not exceeding five years in respect of any arrangement
- iv) Figures in bracket relates to previous year

53. 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 | 1.00 | INR | 66.25 | Adverse currency Fluctuations |
| | PY | USD | 1.80 | INR | 112.45 | |
| b) Outstanding overseas exposure not being hedged against adverse currency fluctuation | | | | | | |
| i) Export Receivable | CY | EUR | 0.01 | INR | 0.38 | |
| | PY | EUR | 0.02 | INR | 1.46 | |
| | CY | GBP | - | INR | - | |
| | PY | GBP | 0.01 | INR | 0.88 | |
| | CY | USD | 0.37 | INR | 24.82 | |
| | PY | USD | 0.61 | INR | 38.33 | |
| ii) Overseas Creditors | CY | AUD | 0.00 | INR | 0.06 | |
| | PY | AUD | - | INR | - | |
| | CY | USD | 0.21 | INR | 14.13 | |
| | PY | USD | - | INR | - | |
| | CY | GBP | 0.00 | INR | 0.08 | |
| | PY | GBP | 0.00 | INR | 0.02 | |
| iii) Advances to supplier | CY | USD | 0.04 | INR | 2.73 | |
| | PY | USD | 0.01 | INR | 0.54 | |
| iv) Advance from customers | CY | USD | 0.02 | INR | 1.17 | |
| | PY | USD | - | INR | - | |

(All amounts in ₹ crores, unless otherwise stated)

54. Investment in Joint Venture Information (Pursuant to AS-27)

- (a) The Company is a party to joint venture agreement controlling the management of Forum I Aviation Private 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 share holder's agreement.
- (b) Share of the Company in assets, outside liability, net worth, income and expenses not being accounted for herein works out to ₹ 13.56 (Previous year 9.67), ₹ 1.90 (Previous year 1.20), ₹ 11.66 (Previous year 8.47), ₹ 4.31 (Previous year 5.42) and ₹ 4.32 (Previous year 4.63) 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 20% (Previous year 16.67%). Said amount ₹ 6.98 (previous year 4.77) appears under investment head in balance sheet of the Company.
- (d) Company's commitment towards revenue expenditure of the JCE amounting to ₹ 4.01 (Previous year 5.05) 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 22 of these notes.
- (f) No income from said investment, unless realized in cash, is recognized in this stand alone account.

55. A. Related Party Disclosures:**(a) Related parties where control exists:-**

| | |
|--|----------------------------------|
| H & B Stores Limited | Domestic Wholly Owned Subsidiary |
| 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 |
| Dabur International Ltd., UAE | 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 Pakistan Pvt. Ltd. | 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., Nigeria | Foreign Wholly Owned Subsidiary |
| Healing Hair Lab International LLC, USA | Foreign Wholly Owned Subsidiary |
| Urban Lab International LLC, USA | Foreign Wholly Owned Subsidiary |
| Dabur Lanka (Pvt.) Ltd, Sri Lanka | Foreign Wholly Owned Subsidiary |
| Namaste Cosmetics Ltda, Brazil | Foreign Wholly Owned Subsidiary |
| Dabur Consumer Care Pvt. Ltd., Srilanka | Foreign Wholly Owned Subsidiary |
| Dabur Tunisie, Tunisia | Foreign Wholly Owned Subsidiary |

(All amounts in ₹ crores, unless otherwise stated)

(b) Other related parties in transaction with the Company:

- (I) **Joint Venture /Partnership** : Forum I Aviation Private Limited
- (II) **Key Managerial Personnel** : 1. Mr. P D Narang, Whole Time Director
2. Mr. Sunil Duggal, CEO cum Whole Time Director
3. Mr. Lalit Malik, Chief Financial Officer (CFO)
4. Mr. A K Jain, VP (Finance) and Company Secretary
- (III) **Directors** 1. Dr. Anand C Burman, Chairman
2. Mr. Amit Burman, Vice Chairman
3. Mr. Mohit Burman, Director
4. Mr. Saket Burman, Director
5. Mr. P N Vijay, Independent Director
6. Mr. R C Bhargava, Independent Director
7. Dr. S Narayan, Independent Director
8. Dr. Ajay Dua, Independent Director
9. Mr. Sanjay Kumar Bhattacharyya, Independent Director
10. Ms. Falguni Sanjay Nayar, Independent Director
- (IV) **Others**
- a) **Sharing/Directors in Common** 1. Jetways Travels Private Limited
2. Lite Bite Foods Private Limited
- b) **Relatives of Directors** 1. Mr. Vivek Chand Burman
2. Mrs. Asha Burman

B. Related Parties Transactions as an 31.03.2016

| Particulars | Subsidiary | Joint Venture | Key Managerial Personnel | Directors | Others | Total | Outstanding as on 31.03.2016 |
|--------------------------------------|--------------------|----------------|--------------------------|------------------|----------------|--------------------|------------------------------|
| (A) Profit & Loss A/c* | | | | | | | |
| 1. Purchase of Goods/Services | 422.33 (447.49) | - | - | - | 7.07 (9.89) | 429.40 (457.38) | 72.74 (4.70) |
| 2. Sale of Goods | 76.33 (86.28) | - | - | - | - | 76.33 (86.28) | 8.17 (11.60) |
| 3. Royalty Expense | 0.13 (0.12) | - | - | - | - | 0.13 (0.12) | - (0.36) |
| 4. General Expenses | - | 4.01 (5.05) | - | - | - | 4.01 (5.05) | 0.03 (0.46) |
| 5. Remuneration/Pension | - | - | 19.02 (17.36) | - | - | 19.02 (17.36) | - |
| 6. Post Separation Benefit | - | - | 3.19 (2.51) | (0.80) (0.21) | 0.33 (0.40) | 2.72 (3.12) | - |
| 7. Reimbursement of Expenses | - | - | 0.65 (0.31) | - | - | 0.65 (0.31) | - |
| 8. Employee Stock Option Scheme | 10.53 (7.23) | - | 26.61 (22.52) | - | - | 37.14 (29.76) | - |
| 9. Interest Received on Sec. Deposit | - | 0.03 (0.02) | - | - | - | 0.03 (0.02) | - |
| 10. Sitting Fees | - | - | - | 0.56 (0.61) | - | 0.56 (0.61) | - |
| (B) Balance Sheet* | | | | | | | |
| 11. Equity Contribution | 6.50 (4.00) | 2.21 | - | - | - | 8.71 (4.00) | 99.71 (91.00) |
| 12. Security Deposit | - | - | - | - | - | - | 0.38 0.38 |
| (C) Off Balance Sheet Item* | | | | | | | |
| 13. Guarantees & Collaterals | 243.07 (344.16) | - | - | - | - | 243.07 (344.16) | 1,002.55 (1,245.62) |

*Previous Balance as on 31.03.2015

(All amounts in ₹ crores, unless otherwise stated)

Notes:

- A. Item referred to in 1 above includes Purchases from Dabur Nepal Pvt. Ltd. ₹ 320.05 (₹ 410.05) and Dabur Lanka Pvt. Ltd. ₹ 101.98 (₹ 37.44).
- B. Item referred to in 2 above includes Sales to Dabur International Ltd, Naturelle LLC, Dabur Nepal Pvt. Ltd., Asian Consumer Care Ltd ₹ 6.76, ₹ 28.48, ₹ 10.12, ₹ 14.13 respectively (₹ 19.17, ₹ 23.85, ₹ 12.41, ₹ 12.39 respectively)
- C. Item referred to in 3 above relates to royalty paid to Dermoviva Skin Essentials Inc. ₹ 0.13 (₹ 0.12)
- D. Item referred to in 4 above relates to joint venture expenses paid to Forum I Aviation Pvt. Ltd. ₹ 4.01 (₹ 5.05)
- E. Item referred to in 8 above includes ESOP given to Dabur International Ltd ₹ 10.48 (₹ 5.85)
- F. Item referred to in 9 above relates to interest received on security deposit from Forum I Aviation Pvt. Ltd. ₹ 0.03 (₹ 0.02)
- G. Item referred to in 11 above relates to investment in equity shares of Forum I Aviation Pvt. Ltd. ₹ 2.21 (₹ Nil) and H & B Stores Ltd ₹ 6.50 (₹ 4.00)
- H. Figures in bracket relate to previous year
- 56.** 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.
- 57.** 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.

(All amounts in ₹ crores, unless otherwise stated)

58 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 |
| Revenue | | | | | | | | | | |
| External Sales | 4,623.77 | 4,332.88 | 983.18 | 957.05 | 132.68 | 128.99 | - | - | 5,739.63 | 5,418.92 |
| Inter-segment sales | - | - | - | - | - | - | - | - | - | - |
| Total Revenue | 4,623.77 | 4,332.88 | 983.18 | 957.05 | 132.68 | 128.99 | - | - | 5,739.63 | 5,418.92 |
| Result | | | | | | | | | | |
| Segment result | 1,221.58 | 1,030.84 | 123.74 | 108.91 | 2.92 | 4.21 | - | - | 1,348.24 | 1,143.96 |
| Unallocated corporate expenses | - | - | - | - | - | - | 282.92 | 241.17 | 282.92 | 241.17 |
| Operating profit | 1,221.58 | 1,030.84 | 123.74 | 108.91 | 2.92 | 4.21 | (282.92) | (241.17) | 1,065.32 | 902.79 |
| Interest expense | - | - | - | - | - | - | 9.83 | 9.89 | 9.83 | 9.89 |
| Interest income | - | - | - | - | - | - | (157.25) | (107.59) | (157.25) | (107.59) |
| Income Tax(Current + Deferred) | - | - | - | - | - | - | 273.23 | 213.95 | 273.23 | 213.95 |
| Profit from ordinary activities | 1,221.58 | 1,030.84 | 123.74 | 108.91 | 2.92 | 4.21 | (408.73) | (357.42) | 939.51 | 786.54 |
| Exceptional/Extraordinary item | - | - | - | - | - | - | - | (23.96) | - | (23.96) |
| Minority Interest | - | - | - | - | - | - | - | - | - | - |
| Net profit | 1,221.58 | 1,030.84 | 123.74 | 108.91 | 2.92 | 4.21 | (408.73) | (381.38) | 939.51 | 762.58 |
| Other Information | As on | As on | As on | As on | As on | As on | As on | As on | As on | As on |
| | 31/03/16 | 31/03/15 | 31/03/16 | 31/03/15 | 31/03/16 | 31/03/15 | 31/03/16 | 31/03/15 | 31/03/16 | 31/03/15 |
| Segment assets | 1,455.35 | 1,444.85 | 295.47 | 240.81 | 28.68 | 31.72 | - | - | 1,779.50 | 1,717.38 |
| Unallocated corporate assets | - | - | - | - | - | - | 2,675.51 | 1,970.98 | 2,675.51 | 1,970.98 |
| Total assets | 1,455.35 | 1,444.85 | 295.47 | 240.81 | 28.68 | 31.72 | 2,675.51 | 1,970.98 | 4,455.01 | 3,688.36 |
| Segment liabilities | 420.48 | 421.27 | 111.64 | 73.58 | 7.32 | 8.53 | - | - | 539.44 | 503.38 |
| Unallocated corporate liabilities | - | - | - | - | - | - | 1,043.79 | 848.79 | 1,043.79 | 848.79 |
| Total Liabilities | 420.48 | 421.27 | 111.64 | 73.58 | 7.32 | 8.53 | 1,043.79 | 848.79 | 1,583.23 | 1,352.17 |
| Capital Expenditure | 77.26 | 70.64 | 0.94 | 1.13 | 0.92 | 0.96 | 27.72 | 38.33 | 106.84 | 111.06 |
| Depreciation | 44.91 | 40.42 | 2.53 | 2.55 | 0.74 | 0.76 | 24.64 | 22.24 | 72.82 | 65.97 |
| Non-cash expenses other than depreciation | - | - | - | - | - | - | 44.85 | 39.20 | 44.85 | 39.20 |

59. A. Deferred Employee Compensation under ESOP

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Opening Balance | 154.15 | 3.63 |
| Addition during the year | 12.01 | 216.02 |
| Less: Cancelled during the year | 10.65 | 19.07 |
| | 155.51 | 200.58 |
| Less: Amortisation related to subsidiary | 10.53 | 7.23 |
| Less: Amortised during the year | 44.85 | 39.20 |
| Total | 100.13 | 154.15 |

(All amounts in ₹ crores, unless otherwise stated)

B. ESOP Outstanding

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--------------------------------|-------------------------|-------------------------|
| Opening Balance | 205.83 | 92.55 |
| Addition during the year | 12.01 | 216.02 |
| | 217.84 | 308.57 |
| Less: Deletion during the Year | 10.65 | 19.07 |
| Less: Allotted during the year | 16.20 | 83.67 |
| Total | 190.99 | 205.83 |

60. Movement in provision**A. Movement in Provision for Doubtful Debts**

| | | |
|--------------------------------|--------------|-------|
| Opening Provision | 15.16 | 13.41 |
| Provision made during the year | 0.83 | 1.84 |
| | 15.99 | 15.25 |
| Charged to Bad debts | 6.41 | - |
| Excess provision withdrawn | - | 0.09 |
| Closing Provision | 9.58 | 15.16 |

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

| | | |
|--------------------------------|-------------|------|
| Opening Provision | 1.36 | 0.83 |
| Provision made during the year | 1.02 | 1.36 |
| | 2.38 | 2.19 |
| Charged off during the year | 2.19 | 0.83 |
| Closing Provision | 0.19 | 1.36 |

C. Movement of Provision for Tax

| | | |
|---|---------------|--------|
| Opening Provision | 663.72 | 578.43 |
| Provision made during the year | 259.11 | 204.69 |
| | 922.83 | 783.12 |
| Adjustment during the year with advance tax | 122.14 | 119.06 |
| Previous year provision written back | - | 0.34 |
| Closing Provision | 800.69 | 663.72 |

D. Movement of Provision for Doubtful Advances (to employees)

| | | |
|--------------------------------|-------------|------|
| Opening Provision | 0.20 | 0.20 |
| Provision made during the year | - | - |
| | 0.20 | 0.20 |
| Charged off during the year | 0.20 | - |
| Closing Provision | 0.00 | 0.20 |

(All amounts in ₹ crores, unless otherwise stated)

- 61.** Amount due to Micro & Small enterprises under MSMED Act, 2006 is ₹ 11.27 (previous year ₹ 5.07). 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.
- 62.** Sale of Services ₹ 0.07 (previous year ₹ 0.10) relates to hiring charges paid by customers for using Company's machines.
- 63.** Exchange gain works out to ₹ 11.91 (Previous Year ₹ 5.07) and exchange loss ₹ 17.61 (Previous year ₹ 8.79) and their net impact have been debited to Profit & Loss Account under the head "Finance Cost".

64. Inventories Written Down

| | Current Year | Previous Year |
|-----------------------------|--------------|---------------|
| Finished goods written down | 41.57 | 34.15 |

- 65.** 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 ₹ in crores.

As per our report of even date attached

For **DABUR INDIA LIMITED**

For **G. BASU & CO.**

Chartered Accountants
Firm Regn. No. 301174E

DR. ANAND C BURMAN

Chairman
DIN: 00056216

P D NARANG

Whole Time Director
DIN: 00021581

SUNIL DUGGAL

Whole Time Director
DIN: 00041825

S LAHIRI

Partner
Membership No. 51717

A K JAIN

VP (Finance) and
Company Secretary

LALIT MALIK

Chief Financial Officer

Place : New Delhi

Date : April 28, 2016

Consolidated Financial Statements

Independent Auditor's Report

To,
The Members of Dabur India Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Dabur India Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its one jointly controlled entity comprising of the Consolidated Balance Sheet as at 31st March, 2016 the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act,

the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 Consolidated 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 financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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, of the consolidated state of affairs of the Group and its jointly controlled entity as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of one jointly controlled entity, whose financial statements/

financial information reflect total net assets of ₹11.65 as at 31st March, 2016, total revenues of ₹ (0.01) and net cash flows amounting to ₹ 0.22 for the year ended on that date, as considered in the Consolidated Financial Statements. Said financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, and our report in terms of Sub-Sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid, jointly controlled entity, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements / financial information are not material to the Group.

Our opinion on the Consolidated Financial Statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. Our report on adequacy of internal financial control system for financial reporting and operating effectiveness of such control for the parent company and its wholly owned Indian subsidiary is annexed.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - (b) In our opinion, proper books and account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

(All amounts in ₹ crores, unless otherwise stated)

- (d) In our opinion, the aforesaid consolidated financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) No such financial transaction has come to our notice which has any adverse effect on the functioning of the company.
- (f) On the basis of the written representations received from the directors of the Holding Companies and subsidiary (incorporated in India) as on 31st March, 2016 taken on record by the respective Board of Directors of the Holding and subsidiary company none of the directors of such companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
 - a) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, and jointly controlled entity – Refer Note 23 and 24 of the Consolidated Financial Statements.
 - b) The Group and the jointly controlled entity did not have any material foreseeable losses on long term contracts including derivative contracts.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. Besides there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company and jointly controlled company incorporated in India.

For **G. Basu & Co.**

Chartered Accountants

Firm's registration number: 301174E

S Lahiri

Partner

(Membership number: 51717)

Place: New Delhi

Date : April 28, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Financial Statements of the Company which includes Dabur India Ltd and its wholly owned domestic subsidiary H & B Stores Ltd. for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of Dabur India Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one jointly controlled entity and consolidated on the basis of unaudited financial statements, which is company incorporated in India, is based on the facts furnished by the management.

For **G. Basu & Co.**

Chartered Accountants

Firm's registration number: 301174E

S Lahiri

Partner

Place: New Delhi

Date : April 28, 2016

(Membership number: 51717)

Consolidated Balance Sheet

as at March 31, 2016

(All amounts in ₹ crores, unless otherwise stated)

| Sl. No. | Particulars | Note | As at March 31, 2016 | As at March 31, 2015 |
|-----------|---|-------|-------------------------|-------------------------|
| I | EQUITY AND LIABILITIES | | | |
| | 1. Shareholder's Funds | | | |
| | a) Share Capital | 3 | 175.91 | 175.65 |
| | b) Reserves and Surplus | 4 | 3,984.16 | 3,178.49 |
| | 2. Minority Interest | 5 | 21.68 | 18.16 |
| | 3. Non-current liabilities | | | |
| | a) Long-term borrowings | 6 | 341.45 | 210.57 |
| | b) Deferred Tax Liabilities (Net) | 7 | 76.54 | 58.71 |
| | c) Long-term provisions | 8 | 50.88 | 46.21 |
| | 4. Current Liabilities | | | |
| | a) Short-term borrowings | 9 | 449.74 | 522.99 |
| | b) Trade payables | 10 | 1,330.18 | 1,095.84 |
| | c) Other current liabilities | 11 | 356.74 | 543.64 |
| | d) Short-term provisions | 12 | 333.20 | 256.02 |
| | Total | | 7,120.48 | 6,106.28 |
| II | ASSETS | | | |
| | 1. Non-current assets | | | |
| | a) Fixed Assets | 13 | | |
| | i) Tangible assets | | 1,310.36 | 1,234.36 |
| | ii) Intangible assets | | 639.52 | 642.77 |
| | iii) Capital work-in-progress | | 44.80 | 50.30 |
| | b) Non-current investments | 14 | 1,787.31 | 1,407.40 |
| | c) Long-term loans and advances | 15 | 29.51 | 20.75 |
| | d) Other non-current assets | 16 | 18.17 | 20.13 |
| | 2. Current assets | | | |
| | a) Current investment | 17 | 736.54 | 405.97 |
| | b) Inventories | 18 | 1,096.50 | 973.27 |
| | c) Trade receivables | 19 | 809.70 | 710.84 |
| | d) Cash and Bank balances | 20 | 220.40 | 276.04 |
| | e) Short-term loans and advances | 21 | 326.53 | 278.87 |
| | f) Other current assets | 22 | 101.14 | 85.58 |
| | Total | | 7,120.48 | 6,106.28 |
| | Summary of significant accounting policies | 2 | | |
| | Contingent Liabilities, capital and other commitments | 23,24 | | |

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **DABUR INDIA LIMITED**

For **G. BASU & CO.**

Chartered Accountants
Firm Regn. No. 301174E

DR. ANAND C BURMAN

Chairman
DIN: 00056216

P D NARANG

Whole Time Director
DIN: 00021581

SUNIL DUGGAL

Whole Time Director
DIN: 00041825

S LAHIRI

Partner
Membership No. 51717

A K JAIN

VP (Finance) and
Company Secretary

LALIT MALIK

Chief Financial Officer

Place : New Delhi

Date : April 28, 2016

Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | Note | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|------|--------------------------------------|--------------------------------------|
| I Gross Revenue from sale of products | | 8,525.06 | 7,885.54 |
| Less : Excise Duty | | (89.11) | (79.17) |
| Net Revenue from sale of products | | 8,435.95 | 7,806.37 |
| Sale of services | | 0.07 | 0.10 |
| Other operating Revenues | | 18.00 | 20.73 |
| Revenue from operations | 26 | 8,454.02 | 7,827.20 |
| II Other Income | 27 | 219.23 | 158.05 |
| III Total Revenue (I +II) | | 8,673.25 | 7,985.25 |
| IV Expenses | | | |
| Cost of materials consumed | 28 | 2,947.88 | 3,002.63 |
| Purchase of stock in trade | 29 | 919.65 | 743.35 |
| Changes in inventories of FG , WIP & Stock in Trade | 30 | | |
| Finished Goods | | 24.56 | (14.86) |
| Work in Progress | | (19.37) | 9.96 |
| Stock in trade | | (75.72) | (21.01) |
| Employee benefits expenses | 31 | 794.82 | 689.56 |
| Finance cost | 32 | 48.02 | 40.12 |
| Depreciation & Amortisation | 33 | 133.75 | 114.98 |
| Other Expenses | 34 | 2,342.42 | 2,101.16 |
| Total Expense | | 7,116.01 | 6,665.89 |
| V Profit before exceptional and extraordinary items and tax (III - IV) | | 1,557.24 | 1,319.36 |
| VI Exceptional Items | | - | - |
| VII Profit before extraordinary items and tax (V - VI) | | 1,557.24 | 1,319.36 |
| VIII Extraordinary Items | | - | - |
| IX Profit before tax (VII - VIII) | | 1,557.24 | 1,319.36 |
| X Tax expense | | | |
| (1) Current tax | | 283.96 | 235.01 |
| (2) Deferred Tax | | 17.83 | 16.22 |
| (3) Earlier year tax | | - | (0.34) |
| XI Profit/(Loss) for the year from continuing operations (IX - X) | | 1,255.45 | 1,068.47 |
| XII Minority Interest | | 2.74 | 2.64 |
| XIII Profit after Minority Interest | | 1,252.71 | 1,065.83 |
| XIV Earnings per equity share in ₹ (before extraordinary items) | | | |
| (1) Basic | | 7.13 | 6.08 |
| (2) Diluted | | 7.08 | 6.03 |
| XV Earnings per equity share in ₹ (after extraordinary items) | | | |
| (1) Basic | | 7.13 | 6.08 |
| (2) Diluted | | 7.08 | 6.03 |
| 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 **DABUR INDIA LIMITED**

For **G. BASU & CO.**

Chartered Accountants
Firm Regn. No. 301174E

DR. ANAND C BURMAN

Chairman
DIN: 00056216

P D NARANG

Whole Time Director
DIN: 00021581

SUNIL DUGGAL

Whole Time Director
DIN: 00041825

S LAHIRI

Partner
Membership No. 51717

A K JAIN

VP (Finance) and
Company Secretary

LALIT MALIK

Chief Financial Officer

Place : New Delhi

Date : April 28, 2016

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

For the year ended March 31, 2016

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|--------------------------------------|--------------------------------------|
| A. Cash Flow From Operating Activities | | |
| Net Profit Before Tax | 1,557.24 | 1,319.36 |
| Add: | | |
| Depreciation | 133.75 | 114.98 |
| Loss on Sale of Fixed Assets | 1.26 | 2.97 |
| Fixed Assets Discarded | 1.47 | 0.84 |
| Deferred Employees Compensation Amortised | 55.33 | 46.37 |
| Provision for Contingent Liability | 6.01 | 9.16 |
| Interest | 48.02 | 40.12 |
| Unrealised Loss / (Gain) in Foreign Exchange | (2.99) | (5.37) |
| | 242.85 | 209.07 |
| | 1,800.09 | 1,528.43 |
| Less: | | |
| Interest Received | 170.98 | 116.94 |
| Profit on Sale of Investment | 21.53 | 17.95 |
| Profit on Sale of Assets | 5.40 | 0.00 |
| Operating Profit Before Working Capital Changes | 197.91 | 134.89 |
| Working Capital Changes | | |
| (Increase)/Decrease in Inventories | (123.22) | (0.76) |
| (Increase)/Decrease in Trade & Other Receivables | (146.24) | (142.50) |
| Increase/(Decrease) in Trade Payables and Other Payables | 27.79 | 26.44 |
| (Increase)/Decrease in Working Capital | (241.67) | (116.82) |
| Cash Generated From Operating Activities | 1,360.51 | 1,276.72 |
| Tax Paid | 277.93 | 229.51 |
| Cash Used(-)/(+)Generated from Operating Activities (A) | 1,082.58 | 1,047.21 |
| B. Cash Flow From Investing Activities | | |
| Acquisition of Fixed Assets | (216.96) | (267.04) |
| Sale of Fixed Assets | 11.32 | 15.93 |
| Purchases of Investment | (7,215.86) | (6,316.62) |
| Interest Received | 150.11 | 95.98 |
| Proceed of Sale of Investments | 6,653.05 | 5,595.55 |
| Cash Used(-)/(+)Generated In Investing Activities (B) | (618.34) | (876.20) |
| C. Cash Flow From Financing Activities | | |
| Proceeds from Share Capital & Premium | 17.06 | 45.50 |
| Repayment(-)/Proceeds (+) of Long Term Loan | 130.88 | (49.82) |
| Repayment(-)/Proceeds(+) from Short Term Secured Loan | (17.11) | 20.73 |
| Repayment(-)/Proceeds(+) from Short Term Unsecured Loans | (56.15) | 54.52 |
| Payment of Dividend | (350.61) | (394.79) |
| Corporate Tax on Dividend | (71.58) | (67.16) |
| Interest Paid | (47.38) | (25.75) |
| Cash Used(-)/(+)Generated in Financing Activities (C) | (394.89) | (416.77) |
| Net Increase(+)/Decrease (-) in Cash and Cash Equivalents (A+B+C) | 69.35 | (245.76) |
| Cash and Cash Equivalents Opening Balance | 67.75 | 313.21 |
| Unrealised Gain/(Loss) on Foreign Currency | 0.32 | 0.30 |
| Cash and Cash Equivalents Closing Balance | 137.42 | 67.75 |
| Cash and Cash Equivalents (Year End) | 137.42 | 67.75 |
| Balances with banks with restatement | 102.69 | 50.83 |
| Cheques / drafts in hand | 33.61 | 5.74 |
| Cash-in-Hand | 1.12 | 11.18 |

As per our report of even date attached

For **DABUR INDIA LIMITED**

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

DR. ANAND C BURMAN
Chairman
DIN: 00056216

P D NARANG
Whole Time Director
DIN: 00021581

SUNIL DUGGAL
Whole Time Director
DIN: 00041825

S LAHIRI
Partner
Membership No. 51717

A K JAIN
VP (Finance) and
Company Secretary

LALIT MALIK
Chief Financial Officer

Place : New Delhi
Date : April 28, 2016

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

1. Company Information

Dabur India Limited (the 'Company') is a domestic public limited Company and is listed on the Bombay Stock Exchange Ltd. [BSE], National Stock Exchange of India Ltd. [NSE] and Metropolitan Stock Exchange of India Ltd. [MSEI]. 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 2006 which continue to apply under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, 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 Schedule III to the Companies Act, 2013.

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)

(All amounts in ₹ crores, unless otherwise stated)

- 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 (UK) Ltd. and Dabur International Ltd. respectively)
- Asian Consumer Care Pvt. Ltd. (a subsidiary body corporate incorporated in Bangladesh, 76% stake wherein is held by Dabur International Ltd.)
- 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.)
- 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 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 Cosmetics 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.)
 - Dabur Pakistan Private Limited (a wholly owned subsidiary body corporate incorporated in Pakistan 100% stake wherein is held by Dabur International Ltd.)
- ii) In addition to the above, proportionately consolidated herein is the accounts of Forum I Aviation Pvt. Ltd. (a domestic corporate entity jointly controlled by parent Company with others, stake of parent Company being 20% 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:

(All amounts in ₹ crores, unless otherwise stated)

- 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

- a. 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 there by accounting for aggregate of net impact in exchange fluctuation in these regards as exchange reserve shown under broad head of "Reserve and Surplus".
- b. Exchange difference arising on reporting of Long term foreign currency monetary items, pertaining to transactions among group companies/branches, at rates different from those at which they were initially recorded are accumulated under exchange fluctuation reserve. Relevant component of exchange fluctuation reserve is amortisable as per para 46A of AS-11.

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.
- 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 except for those entailing accounting on realization basis under AS 9 on the ground of uncertainty factor.
- e. All expenses are provided on accrual basis unless stated otherwise.

(All amounts in ₹ crores, unless otherwise stated)

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 in terms of life span of assets specified in Schedule II of the Companies Act, 2013 except for Moulds which are depreciated in four years on straight line method based on technical advice.
- d. Components relevant to fixed assets, where significant, are separately depreciated in terms of their life span assessed by technical evaluation.
- e. Patents and Trademarks are being amortized over the period of ten years on straight line basis.
- f. Softwares 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 II of the Companies Act, 2013.

- l. Stores and fixtures in H & B Stores Ltd. 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.
- n. Leasehold land is amortised over the period of lease.

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 & unusability 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 at the point of acquisition 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

(All amounts in ₹ crores, unless otherwise stated)
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.

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

- iv) The parent Company makes specified monthly contributions towards Employee Provident Fund Scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified rate.

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. ESI and government provident fund 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 Law.

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

(All amounts in ₹ crores, unless otherwise stated)
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 fair 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.

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-a-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 & Surplus 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

(All amounts in ₹ crores, unless otherwise stated)

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 of Shares**

| Class of Shares | Face value of one share | Authorised Capital | | Issued, Subscribed & Fully Paid up | |
|-----------------|-------------------------|---------------------|-------------|------------------------------------|-------------|
| | | Total no. of Shares | Total Value | Total no. of Shares | Total Value |
| Equity Shares | CY ₹ 1 | 2,07,00,00,000 | 207.00 | 1,75,91,41,170 | 175.91 |
| | PY ₹ 1 | 2,07,00,00,000 | 207.00 | 1,75,65,11,990 | 175.65 |

(All amounts in ₹ crores, unless otherwise stated)

4. Reserves & Surplus

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Capital Reserve | 29.14 | 29.13 |
| Securities Premium Reserve | 199.47 | 166.37 |
| Legal Reserve | 14.66 | 14.66 |
| Special Fund | 3.14 | 3.14 |
| Employee Housing Reserve Fund | 6.09 | 6.09 |
| ESOP Outstanding (Net of Deferred Employee Compensation ₹ 100.13, PY ₹ 154.15) | 90.86 | 51.68 |
| Exchange Fluctuation Reserve | (240.86) | (197.88) |
| General Reserve | 352.26 | 257.26 |
| Surplus / (deficit) | 3,529.40 | 2,848.04 |
| Total | 3,984.16 | 3,178.49 |

Note:

- ₹ 14.93 out of legal reserve & entire special reserve represents statutory reserve inherited from entities in Turkey at the point of their joining the group which has been retained as above against corresponding debit in the amalgamation adjustment account.
- Reconciliation of Exchange Fluctuation Reserve (pursuant to Clause 40 (b) AS-11)

| | 2015-16 | 2014-15 |
|---|----------|----------|
| Opening Balance | (197.88) | (142.06) |
| Exchange Gain against translation of fixed assets | 10.39 | 6.38 |
| Exchange Loss against others | (55.71) | (63.76) |
| | (243.20) | (199.44) |
| Transferred to Minority Interest | 2.34 | 1.56 |
| Closing Balance | (240.86) | (197.88) |

- Reserve & Surplus has been netted off by Interim dividend ₹ 264.64 (PY ₹ 256.86), Proposed Dividend ₹ 211.73 (PY ₹ 158.56) and Bonus Issue of ₹ 0.10 (PY ₹ 0.53).

5. Minority Interest

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|------------------------------|-------------------------|-------------------------|
| Share Capital | 7.77 | 7.77 |
| Share Premium | 0.09 | 0.09 |
| General Reserve | 0.11 | 0.11 |
| Exchange Fluctuation Reserve | 2.34 | 1.56 |
| Surplus | 11.37 | 8.63 |
| Total | 21.68 | 18.16 |

6. Long Term Borrowings

| Nature of Borrowing | As at March 31, 2016 | | | As at March 31, 2015 | | |
|------------------------|----------------------|-----------|---------------|----------------------|-----------|---------------|
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| Term Loans - From Bank | 341.45 | - | 341.45 | 210.57 | - | 210.57 |
| Total | 341.45 | - | 341.45 | 210.57 | - | 210.57 |

Note: There is no default in repayment of principal loan or interest thereon.

(All amounts in ₹ crores, unless otherwise stated)

7. Deferred Tax Liabilities (Net)

| Particulars | As at | | As at | |
|---|----------------|--------------|----------------|--------------|
| | March 31, 2016 | | March 31, 2015 | |
| Deferred Tax Liability provided during the year: | | | | |
| Depreciation | | 109.14 | | 86.91 |
| Less: Deferred Tax Assets: | | | | |
| Provision for Disputed Liabilities | 6.25 | | 3.85 | |
| Provision for Service Benefits | 19.12 | | 14.59 | |
| Provision for Doubtful Advances | 0.44 | | 0.43 | |
| Provision for Doubtful Debts | 3.60 | | 5.42 | |
| Business Loss | - | | 3.48 | |
| Others | 3.19 | 32.60 | 0.43 | 28.20 |
| Net Deferred Tax Liability | | 76.54 | | 58.71 |
| Deferred Tax Liability provided during year | | 17.83 | | 16.22 |
| Adjustment on account of implementation of Schedule II of Companies Act, 2013 | | | | (2.33) |
| (Decrease)/Accretion in Deferred Tax Liability | | 17.83 | | 13.88 |

8. Long-Term Provisions

| Particulars | As at | | As at | |
|-------------------------------------|----------------|--------------|----------------|--------------|
| | March 31, 2016 | | March 31, 2015 | |
| For Retirement Benefits (Directors) | | 45.28 | | 42.79 |
| For Severance Compensation | | 5.60 | | 3.42 |
| Total | | 50.88 | | 46.21 |

9. Short-Term Borrowings

| Nature of Borrowing | As at March 31, 2016 | | | As at March 31, 2015 | | |
|--|----------------------|---------------|---------------|----------------------|---------------|---------------|
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| Cash credits from Bank | 83.71 | - | 83.71 | 81.50 | - | 81.50 |
| Packing Credit Loan from Banks | - | 66.25 | 66.25 | - | 112.45 | 112.45 |
| Other Loans from Banks | 140.59 | 146.61 | 287.20 | 145.74 | 154.94 | 300.68 |
| Overdraft of current account from Bank | - | 12.58 | 12.58 | 14.17 | 14.19 | 28.36 |
| Total | 224.30 | 225.44 | 449.74 | 241.41 | 281.58 | 522.99 |

Note : There is no default in repayment of principal loan or interest thereon.**10. Trade Payables**

| Particulars | As at | | As at | |
|----------------------------------|----------------|-----------------|----------------|-----------------|
| | March 31, 2016 | | March 31, 2015 | |
| Creditors for Goods and Services | | 1,180.12 | | 975.61 |
| Acceptances | | 150.06 | | 120.23 |
| Total | | 1,330.18 | | 1,095.84 |

(All amounts in ₹ crores, unless otherwise stated)

11. Other Current Liabilities

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Component of term loan repayable within a year | 13.06 | 227.28 |
| Unpaid dividends | 5.70 | 5.20 |
| Creditors for Capital Goods | 11.06 | 11.51 |
| Security Deposits | 10.02 | 9.24 |
| Advances from Customers | 35.21 | 41.82 |
| Interest accrued but not due on loans | 2.77 | 2.13 |
| Statutory Liabilities | 196.52 | 155.78 |
| Other payables | 82.40 | 90.68 |
| Total | 356.74 | 543.64 |

12. Short Term Provisions

| | | |
|---|---------------|---------------|
| For Leave Encashment | 8.31 | 8.36 |
| For Gratuity Payable | 16.02 | 13.00 |
| For Post Separation Benefit of Directors | 0.35 | 0.34 |
| For Taxation (net of advance tax ₹ 467.99, PY ₹ 460.13) | 31.02 | 22.06 |
| For Others | 0.30 | 0.46 |
| For Disputed Liabilities | 47.33 | 41.33 |
| For Bonus | 16.00 | 9.81 |
| For Proposed Dividend | 175.91 | 131.74 |
| For Dividend Tax | 35.81 | 26.82 |
| For Unforeseen Contingencies | 2.15 | 2.10 |
| Total | 333.20 | 256.02 |

(All amounts in ₹ crores, unless otherwise stated)

13. Fixed Assets

| SI No. | Particulars of Assets | Gross Block | | | | | | Depreciation / Amortisation | | | | Net Block | | | | |
|--------------------------------------|-------------------------------|-----------------------------------|-----------------------|----------------------|------------------|---------------|-----------------------------------|-----------------------------|--------------------------------|----------------------|-----------------------------------|-----------------------|----------------------|----------------------|----------------------|-----------------|
| | | Gross Cost / Value as on 01.04.15 | Addition/ Acquisition | Business Combination | Other Adjustment | Sub Total | Sale / adjustment during the year | Exchange Gain/(Loss) | Gross Balance as on 31.03.2016 | Total as on 01.04.15 | Sale / Adjustment during the year | Exchange (Gain)/ Loss | Total as on 31.03.16 | W.D.V as on 31.03.16 | W.D.V as on 31.03.15 | |
| i) Tangible Assets | | | | | | | | | | | | | | | | |
| | Land: Leasehold | 23.18 | - | - | - | - | - | (8.35) | 14.83 | 1.81 | 0.17 | - | (0.32) | 1.66 | 13.17 | 21.37 |
| | Land: Freehold | 68.91 | - | - | - | - | 0.02 | 1.38 | 70.27 | - | - | - | - | - | 70.27 | 68.91 |
| | Building | 621.72 | 12.40 | 26.15 | 16.10 | 54.65 | 0.53 | 17.29 | 693.13 | 137.99 | 22.01 | 0.37 | 8.03 | 167.66 | 525.47 | 483.73 |
| | Plant & Equipment | 984.76 | 48.44 | 47.95 | 31.13 | 127.52 | 21.59 | 47.77 | 1,138.46 | 397.38 | 91.72 | 14.93 | 32.36 | 506.53 | 631.93 | 587.38 |
| | Furniture & Fixtures | 80.51 | 5.26 | 3.61 | 0.05 | 8.92 | 1.33 | 0.68 | 88.78 | 35.94 | 5.78 | 1.17 | 9.54 | 50.09 | 38.69 | 44.57 |
| | Vehicles | 31.18 | 4.59 | 3.17 | - | 7.76 | 4.33 | 0.37 | 34.98 | 14.00 | 3.37 | 2.80 | 0.28 | 14.85 | 20.13 | 17.18 |
| | Office Equipment | 53.25 | 2.48 | 2.26 | 0.11 | 4.85 | 0.48 | (0.12) | 57.50 | 42.03 | 4.95 | 0.42 | 0.24 | 46.80 | 10.70 | 11.22 |
| | Total | 1,863.51 | 73.17 | 83.14 | 47.39 | 203.70 | 28.28 | 59.02 | 2,097.95 | 629.15 | 128.00 | 19.69 | 50.13 | 787.59 | 1,310.36 | 1,234.36 |
| ii) Intangible Assets | | | | | | | | | | | | | | | | |
| | Goodwill | 621.45 | - | - | - | - | - | - | 621.45 | 0.05 | - | - | - | 0.05 | 621.40 | 621.40 |
| | Brands/Trademarks | 13.01 | - | - | - | - | - | 1.59 | 14.60 | 11.62 | 0.22 | - | 0.45 | 12.29 | 2.31 | 1.39 |
| | Computer Software | 42.92 | 2.56 | 0.03 | - | 2.59 | 0.06 | 0.78 | 46.23 | 22.94 | 5.53 | 0.01 | 1.96 | 30.42 | 15.81 | 19.98 |
| | Total | 677.38 | 2.56 | 0.03 | - | 2.59 | 0.06 | 2.37 | 682.28 | 34.61 | 5.75 | 0.01 | 2.41 | 42.76 | 639.52 | 642.77 |
| iii) Capital Work-in-progress | | | | | | | | | | | | | | | | |
| | Capital Work-in-progress | 50.30 | 24.92 | 15.44 | - | 40.36 | 47.39 | 1.54 | 44.80 | - | - | - | - | - | 44.80 | 50.30 |
| | Grand Total (i+ii+iii) | 2,591.19 | 100.65 | 98.61 | 47.39 | 246.65 | 75.73 | 62.93 | 2,825.03 | 663.76 | 133.75 | 19.70 | 52.54 | 830.35 | 1,994.68 | 1,927.43 |
| | Previous year | 2,434.50 | 111.92 | 155.11 | 19.97 | 287.00 | 65.78 | (64.53) | 2,591.19 | 645.89 | 114.98 | 26.20 | (70.91) | 663.76 | 1,927.43 | - |

(All amounts in ₹ crores, unless otherwise stated)

14. Non-Current Investments

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| I) Trade Investment (unquoted): | | |
| Investment in Fully paid equity Instruments | | |
| A Sanat Products Ltd. (CY: 50000 shares, PY: 50000 shares of face value of ₹ 100 each) | 1.05 | 1.05 |
| B Dabon International Ltd. (CY: 270000 shares, PY: 270000 shares of face value of ₹ 10 each) | 0.27 | 0.27 |
| C Shivalik Solid Waste Management Ltd. (CY: 18000 shares, PY: 18000 shares of face value of ₹ 10 each) | 0.02 | 0.02 |
| II) Other than trade | | |
| a) Investment in Government or Trust Shares / Securities (unquoted) | | |
| A National Saving Certificates | 0.02 | 0.02 |
| b) Investment in Bonds (quoted) -Fully paid | | |
| A Power Finance Corporation (CY: 1100 units, PY: 1400 units of face value of ₹ 1000000 each) | 111.34 | 140.50 |
| B Rural Electrification Corporation (CY: 1400 units, PY: 1550 units of face value of ₹ 1000000 each) | 136.57 | 151.57 |
| C Exim Bonds (CY: 500 units, PY: 650 units of face value of ₹ 1000000 each) | 48.57 | 63.30 |
| D Power Grid Corporation Bonds (CY: 450 units, PY: 700 units of face value of ₹ 1000000 each) (CY: 80 units, PY: 80 units of face value of ₹ 1250000 each) | 53.75 | 80.12 |
| E HDFC Ltd. (CY: 350 units, PY: 100 units of face value of ₹ 1000000 each) | 36.60 | 9.51 |
| F LIC Housing Finance Limited (CY: 950 units, PY: 850 units of face value of ₹ 1000000 each) | 94.47 | 84.30 |
| G IDFC Limited (CY: 850 units, PY: 900 units of face value of ₹ 1000000 each) | 85.68 | 93.52 |
| H ICICI Bank Limited (CY: 100 units, PY: 100 units of face value of ₹ 1000000 each) | 10.00 | 10.00 |
| I GOI Securities of the face value ₹ 385 crores (PY: Face value of ₹ 345 crores) | 425.63 | 386.14 |
| J Government SDL of face value of ₹ 145 crores (PY: Face value of ₹ 105 crores) | 154.75 | 116.05 |
| K DVC bonds (CY: Nil units, PY: 96 units of face value of ₹ 1000000 each) | - | 9.55 |
| L SBI Card payment (CY: Nil units, PY: 118 units of face value of ₹ 1000000 each) | - | 12.35 |
| M NPCIL (CY: Nil units, PY: 200 units of face value of ₹ 1000000 each) | - | 20.00 |
| c) Investment in Bonds (unquoted)-Fully paid | | |
| A. Indian Overseas Bank (CY : 18750, PY : 18750 units of face value ₹ 1631 each) | 12.63 | 12.15 |
| B. Syndicate Bank (CY : 18750, PY : 18750 units of face value ₹ 1631 each) | 12.57 | 12.04 |
| C. Axis Bank (CY : 18750, PY : 18750 units of face value ₹ 1631 each) | 12.53 | 11.94 |
| D. Union Bank of India (CY : 18750, PY : 18750 units of face value ₹ 1631 each) | 12.49 | 11.67 |
| E. IDBI Bonds (CY : 68000, PY : 68000 units of face value ₹ 1701 each) | 44.09 | 42.55 |

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| F. Syndicate Bank (CY : 25000, PY: Nil units of face value ₹ 6625 each) | 16.15 | - |
| G. IDBI Bonds (CY : 18000, PY: Nil units of face value ₹ 6625 each) | 12.13 | - |
| d) Investment in non-convertible debentures (unquoted)-Fully paid | | |
| A. NCD of Shriram Transport Finance Co. (CY : Nil units, PY: 23126 units of face value of ₹ 1000 each) | - | 2.31 |
| B. NCD of Bajaj Finance Ltd. (CY: Nil units, PY: 5 units of face value of ₹ 10000000 each) (CY: 500 units, PY: 150 units of face value of ₹ 1000000 each) | 51.80 | 19.93 |
| C. NCD of Indiabulls Housing Finance Ltd. (CY: 500 units, PY: Nil units of face value of ₹ 1000000 each) | 50.00 | - |
| D. NCD of Sesa Sterlite Ltd. (CY: Nil units, PY: 250 units of face value of ₹ 1000000 each) | - | 25.08 |
| E. NCD of Air India Ltd. (CY: Nil units, PY: 62 units of face value of ₹ 1000000 each) | - | 7.10 |
| F. NCD of Reliance Capital Ltd. (CY: 500 units, PY: 250 units of face value of ₹ 1000000 each) | 50.00 | 25.01 |
| G. NCD of Deewan Housing Finance Ltd. (CY: 500 units, PY: Nil units of face value of ₹ 1000000 each) | 50.96 | - |
| H. NCD of Kotak Investment Prime Ltd (CY: 900 units, PY: Nil units of face value of ₹ 1000000 each) | 91.28 | - |
| I. NCD of L&T Housing Finance Ltd. (CY: 100 units, PY: Nil units of face value of ₹ 2500000 each) | 25.00 | - |
| J. NCD of Capital First Ltd. (CY: 100 units, PY: Nil units of face value of ₹ 1000000 each) | 10.00 | - |
| K. NCD of Aditya Birla Finance Ltd. (CY: 500 units, PY: Nil units of face value of ₹ 1000000 each) | 51.88 | - |
| L. NCD of Sundaram Finance Ltd. (CY: 400 units, PY: Nil units of face value of ₹ 1000000 each) | 40.35 | - |
| M. NCD of Tata Capital Financial Services Ltd. (CY: 500 units, PY: Nil units of face value of ₹ 1000000 each) | 50.00 | - |
| N. NCD of Tata Capital Housing Finance Ltd. (CY: 250 units, PY: Nil units of face value of ₹ 1000000 each) | 25.00 | - |
| e) Investment in Zero Coupon Bonds (unquoted)-Fully paid | | |
| A. Bajaj Finance Limited (CY: Nil units, PY: 250 units of face value of ₹ 1000000 each) | - | 29.76 |
| B. Tata Capital Finance Services Limited (CY: Nil units, PY: 250 units of face value of ₹ 1000000 each) | - | 29.86 |
| f) Fixed Deposits with others (Unquoted) | | |
| A. FD with PNB Housing Finance Co. | 10.00 | - |
| Total | 1,787.58 | 1,407.67 |
| Less: Provision for dimunition in carrying cost | 0.27 | 0.27 |
| Net Amount | 1,787.31 | 1,407.40 |
| Footnote:- | | |
| a. Aggregate cost of quoted investment | 1,157.37 | 1,156.90 |
| b. Aggregate market value of quoted investment | 1,180.84 | 1,157.89 |
| c. Aggregate amount of unquoted investments | 630.21 | 250.77 |

(All amounts in ₹ crores, unless otherwise stated)

15. Long Term Loans & Advances

| Particulars | | As at March 31, 2016 | As at March 31, 2015 |
|--|-----------------|-------------------------|-------------------------|
| Advance Payment of Tax (Net of provision of ₹ 267.15, PY: ₹ 272.73) | Considered good | 2.94 | 1.77 |
| Capital Advance | Considered Good | 16.10 | 9.25 |
| Security Deposits with Govt Authorities | Considered Good | 10.47 | 9.73 |
| Total | | 29.51 | 20.75 |

16. Other Non Current Assets

| | | |
|---------------------------------------|--------------|--------------|
| Amalgamation Adjustment Account | 18.07 | 18.07 |
| Bank Deposit maturing after 12 months | 0.10 | 2.06 |
| Total | 18.17 | 20.13 |

Note: Amalgamation adjustment account refers to adjustment of retaining statutory and compulsory reserves of entities merged in the earlier years under Purchase method.

17. Current Investments

| A Other than trade - Fully paid | | |
|--|-------|-------|
| I) Mutual funds (Quoted) | | |
| A) Reliance Mutual Fund (CY: 7981211.348 units, PY: 10000000 units of face value of ₹ 10 each) (CY: 61192.972 units, PY: Nil units of face value of ₹ 1000 each) | 47.86 | 10.00 |
| B) Birla Mutual Fund (CY: 2056944.44 units, PY: Nil units of face value of ₹ 100 each) | 50.00 | - |
| C) UNION KBC Mutual Fund (CY: Nil units, PY: 341975.94 units of face value of ₹ 1000 each) | - | 47.84 |
| D) JM Financial Mutual Fund (CY: 11937417.45 units, PY: Nil units of face value of ₹ 1 each) | 12.11 | - |
| E) HDFC Mutual Fund (CY: 55947.47 units, PY: Nil units of face value of ₹ 1000 each) | 16.71 | - |
| F) ICICI Prudential Mutual Fund (CY: 2211355.75 units, PY: 5000000 units of face value of ₹ 10 each) | 50.70 | 5.00 |
| G) UTI Mutual Fund (CY: 73283.03 units, PY: Nil units of face value of ₹ 1000 each) | 18.16 | - |
| H) Indiabulls Mutual Fund (CY: Nil units, PY: 552145.14 units of face value of ₹ 10 each) | - | 75.00 |
| I) IDFC Mutual Fund (CY: 217584.22 units, PY: Nil units of face value of ₹ 1000 each) | 40.00 | - |
| J) Sundram Mutual Fund (CY: Nil units, PY: 13007554.78 units of face value of ₹ 10 each) | - | 25.00 |
| K) BOB Mutual Fund (CY: 5655.557 units, PY: 599.583 units of face value of ₹ 1001.1191 each) | 0.98 | 0.06 |
| L) SBI Mutual Fund (CY: 168321.05 units, PY: Nil units of face value of ₹ 1000 each) | 40.00 | - |
| M) SBI Ultra Growth (CY: 2702.248 units, PY: Nil units of face value of ₹ 1947.2266 each) | 0.10 | - |
| N) UTI Floating Rate Plan (CY: Nil units, PY: 4170.17581 units of face value of ₹ 10 each) | - | 0.08 |

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| II) Commercial Papers (Unquoted) | | |
| A) Kotak Mahindra Investments Ltd. of the face value of ₹ 35 crores (PY: Face value of ₹ 25 crores) | 32.14 | 22.78 |
| B) Fullerton India Credit Co. Ltd. of the face value of ₹ 25 crores (PY: Face value of ₹ 25 crores) | 22.92 | 22.79 |
| C) Reliance Capital Limited of the face value of ₹ Nil crores (PY: Face value of ₹ 50 crores) | - | 45.60 |
| III) Non-convertible debentures (unquoted) | | |
| A) NCD of Reliance Capital Ltd. (CY: 300 units, PY: Nil units of face value of ₹ 1000000 each) | 31.02 | - |
| B) NCD of Bajaj Finance Ltd (CY : 498 units, PY: Nil units of face value of ₹ 1000000 each) | 51.05 | - |
| C) NCD of Family Credit Limited (CY : 483 units, PY: Nil units of face value of ₹ 1000000 each) | 52.56 | - |
| D) NCD of India Infradebt Fund (CY : 299 units, PY: Nil units of face value of ₹ 1000000 each) | 29.96 | - |
| E) NCD of L&T Infradebt Fund (CY : 72 units, PY: Nil units of face value of ₹ 2500000 each) | 18.05 | - |
| F) NCD of Can Finance Homes Limited (CY : 6 units, PY: Nil units of face value of ₹ 1000000 each) | 0.60 | - |
| IV) Investment in Bonds (quoted) -Fully paid | | |
| A) NPCIL Bonds (CY : 457 units, PY: Nil units of face value of ₹ 1000000 each) | 45.72 | - |
| B) PNB Bonds (CY : 59 units, PY: Nil units of face value of ₹ 1000000 each) | 5.87 | - |
| C) EXIM Bonds (CY : 50 units, PY: Nil units of face value of ₹ 1000000 each) | 5.07 | - |
| V) Fixed Deposits with others (Unquoted) | | |
| A) FD with Sriram Finance Transport Corp | 5.00 | 50.00 |
| B) FD with HDFC Ltd. | 50.00 | - |
| C) FD with PNB Housing Finance Ltd. | 35.00 | 67.10 |
| VI) Investments in Government Securities (unquoted) - Fully Paid | | |
| A) Egyptian Treasury Bills | 74.96 | 34.72 |
| Total | 736.54 | 405.97 |
| Footnote: | | |
| a. Aggregate cost of quoted investment | 333.28 | 182.98 |
| b. Aggregate market value of quoted investment | 334.35 | 184.27 |
| c. Aggregate amount of unquoted investments | 403.26 | 222.99 |

(All amounts in ₹ crores, unless otherwise stated)

18. Inventories

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|------------------|-------------------------|-------------------------|
| Raw Materials | 491.67 | 438.98 |
| Work-in-Progress | 108.17 | 88.80 |
| Finished goods | 312.36 | 336.92 |
| Stock-in-trade | 182.80 | 107.08 |
| Stores & spares | 1.50 | 1.49 |
| Total | 1,096.50 | 973.27 |

19. Trade Receivables

Unsecured:

Debts outstanding for a period exceeding six months since due date for payment

| | | |
|------------------------------------|---------------|---------------|
| Considered good | 9.34 | 6.37 |
| Considered doubtful | 26.08 | 26.51 |
| | 35.42 | 32.88 |
| Less: Provision for doubtful debts | 26.08 | 26.51 |
| | 9.34 | 6.37 |
| Other debts : Considered good | 800.36 | 704.47 |
| Total | 809.70 | 710.84 |

₹ 6.40 (previous year nil) charged off as bad debt out of accumulated provision for doubtful debts

20. Cash & Bank Balances

| | | |
|---|---------------|---------------|
| A. Cash and Cash Equivalents | | |
| Cash in hand | 1.12 | 11.18 |
| Cheques / drafts in hand | 33.61 | 5.74 |
| Balances with Banks | | |
| Current Accounts | 97.00 | 45.63 |
| Term Deposit maturing within three months | - | - |
| Total (A) | 131.73 | 62.55 |
| B. Other Bank Balances | | |
| Term Deposit maturing after three months but before twelve months | 82.97 | 208.29 |
| Unpaid Dividend account | 5.70 | 5.20 |
| Total (B) | 88.67 | 213.49 |
| C. Fixed Deposit maturing after 12 months | 0.10 | 2.06 |
| Total (A+B+C) | 220.50 | 278.10 |
| Less: Fixed Deposit maturing after 12 months | 0.10 | 2.06 |
| Total Cash & Bank Balances | 220.40 | 276.04 |

Footnote:

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

(All amounts in ₹ crores, unless otherwise stated)

21. Short-Term Loans & Advances

| Particulars | | As at March 31, 2016 | | As at March 31, 2015 | |
|--|--------------------------------------|-------------------------|---------------|-------------------------|---------------|
| Loans and Advances to Related Parties | Considered good | - | | - | |
| Advances to Suppliers | Considered good | 86.34 | | 55.56 | |
| | Considered Doubtful | 1.27 | | 1.27 | |
| | | 87.61 | | 56.83 | |
| | Less: Provision for doubtful advance | 1.27 | 86.34 | 1.27 | 55.56 |
| Advances to Employees | Considered good | 19.26 | | 13.59 | |
| | Considered Doubtful | - | | 0.20 | |
| | | 19.26 | | 13.79 | |
| | Less: Provision for doubtful advance | - | 19.26 | 0.20 | 13.59 |
| Balance with Govt Authorities | Considered good | | 145.62 | | 138.51 |
| Advance Payment of Tax (Net of provision of ₹ 155.28, PY: ₹ 4.70) | Considered good | | 3.06 | | 1.30 |
| Deposit with others | Considered good | | 20.31 | | 21.18 |
| Others | Considered good | | 51.94 | | 48.73 |
| Total | | | 326.53 | | 278.87 |

₹ 0.20 charged off as bad advance out of accumulated provision of doubtful advance (to employees).

22. Other Current Assets

| Unsecured and Considered Good | | | |
|--|--|---------------|--------------|
| Interest accrued on FDs, CPs, CDs and Govt. Bonds | | 75.48 | 54.60 |
| Excess of Planned assets towards leave encashment over obligations | | 0.08 | - |
| Export Incentives Receivables | | 1.29 | 4.40 |
| Other Receivables | | 24.29 | 26.58 |
| Total | | 101.14 | 85.58 |

23. Contingent Liabilities

| Claims against the Company not acknowledged as debts | | | |
|--|--|---------------|---------------|
| Civil cases filed against the Company | | 10.41 | 9.08 |
| Claims by employees | | 1.00 | 0.86 |
| Excise Duty/ Service Tax matters | | 93.93 | 133.24 |
| Sales Tax matters | | 58.48 | 49.32 |
| Income Tax matters | | 4.04 | 2.73 |
| Demand for Stamp Duty | | 15.30 | - |
| Total | | 183.16 | 195.23 |

(All amounts in ₹ crores, unless otherwise stated)

24. Capital Commitments

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| a. Capital Commitments | | |
| Estimated Amount of Contract in capital account remaining to be executed and not provided for | 70.06 | 38.95 |
| b. Other commitments | | |
| Bank Guarantees | 61.22 | 72.63 |
| c. Letter of credits | 12.69 | 34.92 |
| d. Bills discounted | 55.92 | 51.08 |
| Total | 199.89 | 197.58 |

25. Information pursuant to AS-29

| Nature of Liability | Particulars of dispute | Opening Provision | Provision made during the period | Provision adjusted during the period | Closing Provision |
|---------------------|---|-------------------|----------------------------------|--------------------------------------|-------------------|
| Sales Tax | Classification matter and rate difference | 2.74 | - | 0.09 | 2.65 |
| Entry Tax | Entry tax | 2.03 | - | - | 2.03 |
| Excise | Classification matter | 7.39 | 6.00 | - | 13.39 |
| Service Tax | Service Tax Distribution (ISD) | 28.53 | - | - | 28.53 |
| Misc Case | Employee claim provision | 0.64 | 0.10 | - | 0.74 |
| Total | | 41.33 | 6.10 | 0.09 | 47.34 |

- Resulting outflows against above liabilities pending before Sales Tax DC/Tribunal/CCT's, if mature, are expected to be in succeeding financial year.
- Withdrawal of provision relates to crystallization of liability in actual & subsequently payment made by Company in relevant context.
- Provisions are made herein for medium risk oriented issues as a measure of abundant precaution.
- Remote risk possibility of further cash outflow is presumed pertaining to contingent liabilities listed in note no. 23 & 24 above.

26. Revenue from Operations

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|------------------------------------|--------------------------------------|--------------------------------------|
| a. Sale of Products | 8,525.06 | 7,885.54 |
| b. Sale of Services | 0.07 | 0.10 |
| c. Other Operating Revenues | 18.00 | 20.73 |
| Export Subsidy | 2.24 | 2.28 |
| Sale of Scrap | 12.21 | 15.78 |
| Display Income & Dealers Regs Fees | 3.55 | 2.67 |
| d. Less Excise Duty | (89.11) | (79.17) |
| Total | 8,454.02 | 7,827.20 |

(All amounts in ₹ crores, unless otherwise stated)

27. Other Income

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|--------------------------------------|--------------------------------------|
| Interest Income | 170.98 | 116.94 |
| Net gain/(loss) on sale of Current Investments (other than trade) | 21.53 | 17.95 |
| Gain on Sale of Fixed Assets | 5.40 | 0.00 |
| Bad Debt Provision written back | - | 0.09 |
| Liability written back | - | 3.07 |
| Rent Received | 11.57 | 9.78 |
| Miscellaneous Receipts | 9.75 | 10.22 |
| Total | 219.23 | 158.05 |

28. Cost of Material Consumed

| | | |
|---------------------------|-----------------|-----------------|
| Raw material consumed | 1,856.67 | 1,890.62 |
| Packing material consumed | 1,091.21 | 1,112.01 |
| Total | 2,947.88 | 3,002.63 |

29. Purchase of Stock in Trade

| | | |
|-------------------|---------------|---------------|
| Purchase of Goods | 919.65 | 743.35 |
| Total | 919.65 | 743.35 |

30. Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade

| | | |
|----------------------------|----------------|----------------|
| Opening Inventories | | |
| Finished Goods | 336.92 | 322.06 |
| Work in Progress | 88.80 | 98.76 |
| Stock-in-trade | 107.08 | 86.07 |
| Closing Inventories | | |
| Finished Goods | 312.36 | 336.92 |
| Work in Progress | 108.17 | 88.80 |
| Stock-in-trade | 182.80 | 107.08 |
| Total | (70.53) | (25.91) |

31. Employee Benefits Expenses

| | | |
|--|---------------|---------------|
| Salaries, Wages and Bonus | 631.18 | 550.12 |
| Contribution to Provident and Other Funds | 53.23 | 43.62 |
| Workmen and Staff Welfare | 30.75 | 28.99 |
| Director's Remuneration | 24.33 | 20.46 |
| ESOP Expenses (Amortisation of Deferred Employees Compensation under ESOP) | 55.33 | 46.37 |
| Total | 794.82 | 689.56 |

(All amounts in ₹ crores, unless otherwise stated)

32. Finance Cost

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---|--------------------------------------|--------------------------------------|
| Interest Expense | 25.23 | 25.54 |
| Bank Charges | 8.08 | 7.05 |
| Net (gain)/loss on foreign currency transaction | 14.71 | 7.53 |
| Total | 48.02 | 40.12 |

33. Depreciation and Amortisation

| | | |
|---|---------------|---------------|
| Depreciation on Tangible Fixed Assets | 128.00 | 111.07 |
| Amortisation of Intangible Fixed Assets | 5.75 | 3.91 |
| Total | 133.75 | 114.98 |

34. Other Expenses

| | | |
|---|-----------------|-----------------|
| Increase/(Decrease) of excise duty on inventory | 0.62 | 0.29 |
| Power and Fuel | 85.80 | 90.35 |
| Stores and Spares Consumed | 27.90 | 26.36 |
| Repair to Building | 7.48 | 6.16 |
| Repair to Plant and Machinery | 16.20 | 15.76 |
| Repair to Others | 32.54 | 24.12 |
| Processing Charges | 32.88 | 23.62 |
| Rates and taxes | 10.71 | 9.59 |
| Rent | 80.03 | 76.56 |
| Insurance | 21.78 | 19.69 |
| Sales Tax | 33.13 | 31.71 |
| Freight and Forwarding Charges | 175.98 | 156.47 |
| Commission, Discount and Rebate | 73.40 | 67.23 |
| Advertisement and Publicity | 1,242.68 | 1,124.38 |
| Travel and Conveyance | 80.60 | 77.13 |
| Legal and Professional | 58.95 | 48.90 |
| Telephone and Fax Expenses | 10.60 | 9.95 |
| Security Expenses | 15.70 | 14.30 |
| General Charges | 282.39 | 228.48 |
| Director's Fees | 0.60 | 0.61 |
| Auditor's Remuneration | 3.26 | 3.06 |
| Donation | 13.73 | 11.78 |
| Corporate Social Responsibility | 17.63 | 14.94 |
| Research & Development Expenditure | 3.12 | 1.99 |
| Provision for Doubtful Debts | 5.97 | 4.76 |
| Loss on Sale of Fixed Assets | 1.26 | 2.97 |
| Fixed Assets Discarded | 1.47 | 0.84 |
| Provision for liabilities disputed | 6.01 | 9.16 |
| Total | 2,342.42 | 2,101.16 |

(All amounts in ₹ crores, unless otherwise stated)

35. Buildings constructed on leasehold land included in the value of building shown in fixed asset schedule.

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--------------|-------------------------|-------------------------|
| Cost | 225.03 | 212.60 |
| Written Down | 164.28 | 166.30 |

36. 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 Biron 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 Biron 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.

37. Defined Benefit Plan**A) Gratuity, Leave Salary and Post Separation Benefits of Director**

| Particulars | Gratuity | Leave Salary | Post Separation benefits of Director |
|--|----------|--------------|--|
| a. Defined Benefit Plan - Expenses recognized during the period: | | | |
| I. Past Service Cost | 0.69 | 0.18 | - |
| | - | - | - |
| II. Current Service Cost | 8.37 | 6.78 | 1.23 |
| | 7.71 | 5.23 | 1.20 |
| III. Interest Cost | 4.99 | 1.91 | 3.45 |
| | 4.48 | 1.65 | 3.44 |
| IV. Expected return on Plan Assets | (4.14) | (1.22) | - |
| | (3.95) | (1.15) | - |
| V. Accumulated Loss/(Gain) | (2.80) | 0.61 | (1.97) |
| | 1.39 | 0.42 | (1.53) |
| VI. Total expenses recognized during the year (I+II+III+IV+V) | 7.11 | 8.26 | 2.71 |
| | 9.63 | 6.15 | 3.11 |
| b. Reconciliation of opening & closing balances of obligations: | | | |
| I. Obligation as on 01.04.2015 | 64.57 | 24.62 | 43.13 |
| | 54.73 | 19.44 | 39.63 |
| II. Past service cost | 0.70 | 0.18 | - |
| | - | - | - |
| III. Current service cost | 8.37 | 6.78 | 1.23 |
| | 7.71 | 5.23 | 1.20 |
| IV. Interest cost | 4.99 | 1.91 | 3.45 |
| | 4.48 | 1.65 | 3.44 |

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | | Gratuity | Leave Salary | Post Separation benefits of Director |
|--|----|----------|--------------|--------------------------------------|
| V. Actuarial (Gain)/ Loss | CY | (3.38) | 0.64 | (1.97) |
| | PY | 1.56 | 0.29 | (1.53) |
| VI. Settlement | CY | (5.03) | (6.55) | (0.47) |
| | PY | (4.00) | (3.94) | (0.47) |
| VII. Obligation as on 31.03.2016 | CY | 70.22 | 27.58 | 45.37 |
| | PY | 64.48 | 22.67 | 43.13 |
| c. Change in Plan Assets: | | | | |
| (Reconciliation of opening and closing balances) | | | | |
| I. Fair Value of Plan Assets as on 01.04.2015 | CY | 49.65 | 14.33 | - |
| | PY | 47.36 | 12.92 | - |
| II. Expected Return on Plan Assets | CY | 4.14 | 1.20 | - |
| | PY | 3.95 | 1.15 | - |
| III. Actuarial Gain/ (Loss) | CY | (0.58) | 0.03 | - |
| | PY | 0.16 | (0.13) | - |
| IV. Employer Contribution | CY | 3.86 | 4.00 | - |
| | PY | 3.39 | 3.00 | - |
| V. Settlement | CY | (3.32) | (4.04) | - |
| | PY | (3.47) | (2.62) | - |
| VI. Fair value of Plan Assets as on 31.03.2016 | CY | 53.75 | 15.52 | - |
| | PY | 51.39 | 14.32 | - |
| d. Closing obligation vis-a-vis Planned Assets: | | | | |
| I. Obligation as on 31.03.2016 | CY | 70.22 | 27.58 | 45.37 |
| | PY | 64.48 | 22.67 | 43.13 |
| II. Fair value of planned assets as on 31.03.2016 | CY | 53.75 | 15.52 | - |
| | PY | 51.39 | 14.32 | - |
| | CY | 16.47 | 12.06 | 45.37 |
| | PY | 13.09 | 8.34 | 43.13 |

e. Investment details of plan assets as on 31.03.2016: 100% reimbursement right from insurance company for fund managed by it

f. Actuarial Assumption :

| | |
|---|------------------------------|
| Discount Rate (%) | 8.00% |
| Estimated rate of return on plan assets (%) | 8.50% |
| Salary escalation ratio inflation (%) | 9.50% |
| Method | Projected unit credit method |

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

h. The estimate of future salary increase take in-to account regular increment , promotional increases and increment.

i. Demographics assumptions take into account mortality factor as per IALM (2006-08) 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.

(All amounts in ₹ crores, unless otherwise stated)

I. Gratuity

| Particulars | As at March 31 | | | | |
|--|----------------|-------|-------|-------|--------|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| Present value of DBO | 70.22 | 64.48 | 54.73 | 43.87 | 35.18 |
| Fair value of plan assets | 53.75 | 51.39 | 47.36 | 36.60 | 26.69 |
| Deficit/(Surplus) | 16.47 | 13.09 | 7.37 | 7.27 | 8.49 |
| Actuarial (Gain) / Loss on Plan Obligation | (3.38) | 0.29 | 1.68 | 4.74 | (2.73) |
| Actuarial Gain / (Loss) on Plan Assets | (0.58) | 0.16 | 0.18 | 0.6 | 1.11 |

m. Leave Salary

| | | | | | |
|--|-------|--------|--------|-------|--------|
| Present value of DBO | 27.58 | 22.67 | 19.44 | 15.77 | 14.70 |
| Fair value of plan assets | 15.52 | 14.32 | 12.92 | 13.72 | 8.78 |
| Deficit/(Surplus) | 12.06 | 8.35 | 6.52 | 2.05 | 5.92 |
| Actuarial (Gain) / Loss on Plan Obligation | 0.64 | 0.29 | (1.44) | 1.79 | (1.61) |
| Actuarial Gain / (Loss) on Plan Assets | 0.03 | (0.13) | (0.12) | 0.14 | 0.60 |

n. Post Separation Benefits of Director

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Present value of DBO | 45.37 | 43.13 | 40.49 | 39.64 | 40.5 |
| Fair value of plan assets | - | - | - | - | - |
| Deficit/(Surplus) | 45.37 | 43.13 | 40.49 | 39.64 | 40.50 |
| Actuarial (Gain) / Loss on Plan Obligation | (1.97) | (1.53) | (0.84) | (3.53) | (2.98) |
| Actuarial Gain / (Loss) on Plan Assets | - | - | - | - | - |

37 (B) Provident Fund (Funded)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| [a] Economic Assumptions (actuarial) | | |
| i) Expected statutory interest rate on the ledger balance | 8.75% | 8.75% |
| ii) Expected short fall in interest earnings on the fund | 0.05% | 0.05% |
| [b] Demographic Assumptions (actuarial) | | |
| i) Mortality | IALM (2006 -08) | IALM (2006 - 08) |
| ii) Disability | None | None |
| iii) Withdrawal Rate (Age related) | | |
| Up to 30 Years | 17% | 17% |
| Between 31 - 44 Years | 14% | 14% |
| Above 44 Years | 5% | 5% |
| iv) Normal Retirement Age | 58 | 58 |
| [c] Reconciliation of Projected Benefit Obligation | | |
| Projected Benefit Obligation at Beginning of year | 160.78 | 143.55 |
| Current Service Cost | 7.02 | 7.20 |
| Interest Cost | 12.86 | 11.48 |
| Contributions by plan participants / employees | 18.63 | 17.41 |
| Actuarial (Gain) / Loss due to Interest guarantee | (0.28) | 0.97 |
| Benefits Paid | (24.09) | (21.16) |
| Past Service Cost | - | - |
| Amalgamations | - | - |
| Curtailments | - | - |
| Settlements / Transfer in | 1.82 | 1.33 |
| Projected Benefit Obligation at End of year | 176.74 | 160.78 |

(All amounts in ₹ crores, unless otherwise stated)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| [d] Reconciliation of Plan Assets | | |
| Plan Asset at beginning of year | 162.40 | 145.01 |
| Foreign currency exchange rate changes on plans measured in a currency different from the enterprise's reporting currency | - | - |
| Expected Return on Plan Asset | 14.21 | 12.69 |
| Employer Contribution | 7.02 | 7.20 |
| Plan Participants / Employee Contribution | 18.63 | 17.41 |
| Benefit Payments | (24.09) | (21.16) |
| Asset Gain /(Loss) | (0.09) | (0.08) |
| Amalgamations | - | - |
| Settlements / Transfer In | 1.82 | 1.33 |
| Ending Asset at Fair Value | 179.90 | 162.40 |

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--|--------------------------------------|--------------------------------------|
| [e] Expense to be recognized in the Statement of Profit and Loss of the Company | | |
| Company Contribution to the PF Fund | 7.02 | 7.20 |
| Net Liability, if any * | - | - |
| Total | 7.02 | 7.20 |

* there is surplus in the fund, so the value is taken as zero.

38. Defined Contribution Plan

Company's contribution to different defined contribution plans

| Particulars | 2015-16 | 2014-15 |
|-------------------------------|-------------|-------------|
| Government Provident Fund | 0.28 | 0.25 |
| Employees State Insurance | 1.26 | 1.65 |
| Employees Superannuation Fund | 3.99 | 3.96 |
| 401K Match | 1.78 | 1.40 |
| | 7.31 | 7.26 |

39. Related Party Disclosures (Pursuant to AS-18)

(a) Related parties where control exists : None

(b) Other related parties in transaction with the Company:

(I) Joint Venture Forum I Aviation Private Limited

(II) Key Managerial Personnel

| | | |
|--|----------------------|---------------------------|
| 1. Mr. P D Narang | 2. Mr. Sunil Duggal | 3. Mr. R S Rana |
| 4. Mr. Sidharth Burman | 5. Mr. Mohit Burman | 6. Mr. Aditya Burman |
| 7. Mr. Gaurav Burman | 8. Mr. Saket Burman | 9. Mr. Vivek Chand Burman |
| 10. Mr. Mohit Malhotra | 11. Mr. Arun Dhawan | 12. Dr. Anand C Burman |
| 13. Mr. Ritesh Agarwal (till July, 2015) | 14. Mr. Anoop Sharma | 15. Mr. Manish Mathur |

(All amounts in ₹ crores, unless otherwise stated)

| | | |
|------------------------------------|--|------------------------------|
| 16. Mr. Feriden Cen Birdinc | 17. Mr. H S Bedi | 18. Mr. Amit Bajla |
| 19. Mr. S K Das | 20. Mr. Aditya Bhargava | 21. Mr. Saidalavi Kannannari |
| 22. Mr. Lalit Malik | 23. Mr. A K Jain | 24. Mr. Sanjay Kashyap |
| 25. Mr. Ankur Jain | 26. Mr. Gautam Bhaduri | 27. Mr. Ashish Jasoria |
| 28. Mr. Sanjay Kumar Munshi | 29. Mr. Jude Linhares | 30. Mr. D K Khurana |
| 31. Mr. Kilas Ram Kuddan Chaurasia | 32. Mr. Vijay Shanker | 33. Mr. Alok Seth |
| 34. Mr. Sukhpal Singh Sethi | 35. Mr. Rohit Shukla (from August, 2015 onwards) | |

(III) Directors

| | | |
|-------------------------------|--------------------|-----------------------------------|
| 1. Dr. Anand C Burman | 2. Mr. Amit Burman | 3. Mr. Mohit Burman |
| 4. Mr. Saket Burman | 5. Mr. P N Vijay | 6. Mr. R C Bhargava |
| 7. Dr. S Narayan | 8. Dr. Ajay Dua | 9. Mr. Sanjay Kumar Bhattacharyya |
| 10. Ms. Falguni Sanjay Nayyar | | |

(IV) Others

| | |
|--------------------------------|------------------------------------|
| a) Sharing/Directors in Common | 1. Jetways Travels Private Limited |
| | 2. Lite Bite Foods Private Limited |
| b) Relatives of Directors | 1. Mr. Vivek Chand Burman |
| | 2. Mrs. Asha Burman |

Related Parties Transactions Consolidated as on March 31, 2016

| Particulars | Joint Venture | Key Managerial Personnel | Directors | Others | Total | Outstanding as on March 31, 2016 |
|----------------------------------|---------------|--------------------------|-----------|--------|---------|----------------------------------|
| (A) Profit & Loss A/c | | | | | | |
| 1. General Expenses | 4.01 | - | - | - | 4.01 | 0.03 |
| | (5.05) | - | - | - | (5.05) | 0.46 |
| 2. Interest Received on Security | 0.03 | - | - | - | 0.03 | - |
| | (0.02) | - | - | - | (0.02) | - |
| 3. Remuneration/Pension | - | 39.15 | - | - | 39.15 | - |
| | - | (36.31) | - | - | (36.31) | - |
| 4. Post Separation Benefit | - | 3.19 | (0.80) | 0.33 | 2.72 | - |
| | - | (2.51) | (0.21) | (0.40) | (3.12) | - |
| 5. Employee Stock Option Scheme | - | 37.09 | - | - | 37.09 | - |
| | - | (28.95) | - | - | (28.95) | - |
| 6. Reimbursement of expenses | - | 0.65 | - | - | 0.65 | - |
| | - | (0.31) | - | - | (0.31) | - |
| 7. Sitting Fees | - | - | 0.56 | - | 0.56 | - |
| | - | - | (0.61) | - | (0.61) | - |
| 8. Purchase of Goods/Services | - | - | - | 7.07 | 7.07 | - |
| | - | - | - | (9.89) | (9.89) | - |
| (B) Balance Sheet* | | | | | | |
| 9. Equity Contribution | 2.21 | - | - | - | 2.21 | - |
| | - | - | - | - | - | - |
| 10. Security Deposit | - | - | - | - | - | 0.38 |
| | - | - | - | - | - | (0.38) |

(All amounts in ₹ crores, unless otherwise stated)

Related Parties Transactions Consolidated as on March 31, 2016

| Particulars | Joint Venture | Key Managerial Personnel | Directors | Others | Total | Outstanding as on March 31, 2016 |
|------------------------------------|---------------|--------------------------|-----------|--------|-------|----------------------------------|
| (C) Off Balance Sheet Item* | | | | | | |
| 11. Guarantees & Collaterals | - | - | - | - | - | 7.14 |
| | - | - | - | - | - | (7.14) |

*Previous Balance as on 31.03.2015

Footnotes:

- Item no. 1 refers to Joint Venture Expenses to JCE (Forum I Aviation Pvt. Ltd.).
- Item no. 2 refers to interest on security deposit given by Forum I Aviation Pvt. Ltd.
- Item no. 3 refers to remuneration paid to Key Managerial Personnel.
- Item no. 4 refers to family pension paid to Mr. Vivek Chand Burman.
- Item no. 7 refers to sitting fees paid to Directors.
- Item no. 8 refers to services received from Jetways Travels Private Limited amounting to ₹ 6.70 (PY ₹ 9.13).
- Item no. 10 refers to security deposit given to JCE (Forum I Aviation Pvt. Ltd.).
- Item no. 11 relates to guarantee bond furnished by parent Company on behalf of Forum I Aviation Pvt. Ltd.

40 (A) Information Pursuant to AS-19 issued by ICAI relating to operating lease (as lessee)

| 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 | 27.88 | 81.56 | 17.95 |
| | (25.79) | (39.69) | (20.30) |
| Cars | 0.73 | 2.43 | - |
| | (0.79) | (0.86) | - |

- Lease rent debited to Profit & Loss account of the year ₹ 38.35 (Previous year ₹ 26.10).
- Irrevocable lease agreement relates to machine & vehicle, lease period not exceeding five years in respect of any arrangement.
- Figures in bracket relates to previous year.

40 (B) 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 | 1.26 | 0.94 | - |
| | (1.86) | (2.13) | - |

- Lease rent credited to Profit & Loss account of the year ₹ 1.86 (Previous year ₹ 76).
- Irrevocable lease agreement relates to buildings, lease period not exceeding five years in respect of any arrangement.
- Figures in bracket relates to previous year.

41. Exchange gain works out to ₹ 41.90 (Previous Year ₹ 20.17) and exchange loss ₹ 56.61 (Previous year ₹ 27.70) and their net impact have been debited to Profit & Loss Account under the head "Finance Cost".

(All amounts in ₹ crores, unless otherwise stated)

42. Investment in Joint Venture

- (a) The parent company is a party to joint venture agreement controlling the management of Forum I Aviation Private 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 20.00% (PY 16.67%).
- (b) Parent company's commitment towards revenue expenditure of the JEC amounting to ₹ 4.01 (Previous year ₹ 5.05) 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 31.03.2016 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 & Liabilities of JCE as on March 31, 2016 is incorporated herein

| Particulars | March 31, 2016 | March 31, 2015 |
|----------------------------|----------------|----------------|
| Deferred Tax Liabilities | 1.62 | - |
| Long Term Provisions | 0.22 | - |
| Secured Loan | - | 0.32 |
| Creditors | (0.32) | 0.50 |
| Security Deposits | 0.38 | 0.38 |
| Fixed Assets | 11.06 | 6.35 |
| Investment | 0.10 | 0.08 |
| Long Term Loans & Advances | 1.32 | - |
| Advance to employee | 0.01 | 0.01 |
| Cash & Bank | 0.58 | 0.20 |
| Debtors | 0.18 | 0.37 |
| Other Advances | 0.30 | 2.66 |

Income and Expenses for the year ended as on March 31, 2016 is incorporated herein

| | | |
|---|--------|------|
| Income | | |
| Misc Receipt (include revenue from flying ₹ 4.31, previous year ₹ 5.41) | 4.31 | 5.42 |
| Total | 4.31 | 5.42 |
| Expenses | | |
| Operation Expenses | 1.79 | 1.89 |
| Payment to and provision for employees | 0.85 | 0.75 |
| Administrative Expenses | 1.63 | 1.85 |
| Financial Expenses | 0.04 | 0.15 |
| Total | 4.32 | 4.63 |
| Profit/(Loss) (forms part of profit in consolidated Profit & Loss A/c) | (0.01) | 0.79 |

- (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.

- 43.** 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.

(All amounts in ₹ crores, unless otherwise stated)

44. Deferred Employee Compensation under ESOP

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Opening Balance | 154.15 | 3.63 |
| Addition during the year | 12.01 | 216.02 |
| Less: Cancelled during the year | 10.65 | 19.07 |
| | 155.51 | 200.58 |
| Less: Amortisation related to subsidiary | 10.53 | 7.23 |
| Less: Amortised during the year | 44.85 | 39.20 |
| Total | 100.13 | 154.15 |

45. ESOP Outstanding

| | | |
|--------------------------------|---------------|---------------|
| Opening Balance | 205.83 | 92.55 |
| Addition during the year | 12.01 | 216.02 |
| | 217.84 | 308.57 |
| Less: Deletion during the Year | 10.65 | 19.07 |
| Less: Allotted during the year | 16.20 | 83.67 |
| Total | 190.99 | 205.83 |

46. 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 |
| Revenue | | | | | | | | | | | | |
| External Sales | 7,087.24 | 6,526.69 | 1,095.59 | 1,053.79 | 115.93 | 91.48 | 137.19 | 134.41 | - | - | 8,435.95 | 7,806.37 |
| Inter-segment sales | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue | 7,087.24 | 6,526.69 | 1,095.59 | 1,053.79 | 115.93 | 91.48 | 137.19 | 134.41 | - | - | 8,435.95 | 7,806.37 |
| Result | | | | | | | | | | | | |
| Segment result | 1,581.58 | 1,343.64 | 157.30 | 157.55 | (0.85) | (1.79) | 2.95 | 5.13 | - | - | 1,740.98 | 1,504.53 |
| Unallocated corporate expenses | - | - | - | - | - | - | - | - | 306.70 | 261.99 | 306.70 | 261.99 |
| Operating profit | 1,581.58 | 1,343.64 | 157.30 | 157.55 | (0.85) | (1.79) | 2.95 | 5.13 | (306.70) | (261.99) | 1,434.28 | 1,242.54 |
| Interest expense | - | - | - | - | - | - | - | - | 48.02 | 40.12 | 48.02 | 40.12 |
| Interest income | - | - | - | - | - | - | - | - | (170.98) | (116.94) | (170.98) | (116.94) |
| Income Tax(Current + Deferred) | - | - | - | - | - | - | - | - | 301.79 | 250.89 | 301.79 | 250.89 |
| Profit from ordinary activities | 1,581.58 | 1,343.64 | 157.30 | 157.55 | (0.85) | (1.79) | 2.95 | 5.13 | (485.53) | (436.06) | 1,255.45 | 1,068.47 |
| Exceptional item/Extraordinary Items | - | - | - | - | - | - | - | - | - | - | - | - |
| Minority Interest | - | - | - | - | - | - | - | - | 2.74 | 2.64 | 2.74 | 2.64 |
| Net profit | 1,581.58 | 1,343.64 | 157.30 | 157.55 | (0.85) | (1.79) | 2.95 | 5.13 | (488.27) | (438.70) | 1,252.71 | 1,065.83 |
| | As on | As on | As on | As on | As on | As on | As on | As on | As on | As on | As on | As on |
| Other Information | 31/03/16 | 31/03/15 | 31/03/16 | 31/03/15 | 31/03/16 | 31/03/15 | 31/03/16 | 31/03/15 | 31/03/16 | 31/03/15 | 31/03/16 | 31/03/15 |
| Segment assets | 2,977.52 | 2,544.02 | 741.47 | 656.29 | 55.19 | 41.77 | 42.24 | 42.44 | - | - | 3,816.42 | 3,284.52 |
| Unallocated corporate assets | - | - | - | - | - | - | - | - | 3,304.06 | 2,821.76 | 3,304.06 | 2,821.76 |
| Total assets | 2,977.52 | 2,544.02 | 741.47 | 656.29 | 55.19 | 41.77 | 42.24 | 42.44 | 3,304.06 | 2,821.76 | 7,120.48 | 6,106.28 |
| Segment liabilities | 647.15 | 508.53 | 332.35 | 316.34 | 27.20 | 19.90 | 9.23 | 10.77 | - | - | 1,015.93 | 855.55 |
| Unallocated corporate liabilities | - | - | - | - | - | - | - | - | 1,962.55 | 1,914.66 | 1,962.55 | 1,914.66 |
| Total liabilities | 647.15 | 508.53 | 332.35 | 316.34 | 27.20 | 19.90 | 9.23 | 10.77 | 1,962.55 | 1,914.66 | 2,978.48 | 2,770.21 |
| Capital Expenditure | 122.32 | 158.60 | 44.09 | 56.42 | 2.31 | 1.84 | 1.54 | 1.46 | 36.35 | 42.34 | 206.61 | 260.66 |
| Depreciation | 84.08 | 69.90 | 20.83 | 17.65 | 1.39 | 1.36 | 1.31 | 1.33 | 26.14 | 24.74 | 133.75 | 114.98 |
| Non-cash expenses other than depreciation | - | - | - | - | - | - | - | - | 55.33 | 46.37 | 55.33 | 46.37 |

(All amounts in ₹ crores, unless otherwise stated)

47. Earning Per Share

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--|-------------------------|-------------------------|
| Net Profit After Tax | 1,252.71 | 1,065.83 |
| Weighted average number of Equity Shares outstanding | 1,75,80,57,105 | 1,75,43,64,645 |
| Basic Earnings Per Share [Face Value of ₹ 1 each] | 7.13 | 6.08 |
| Add: Weighted number of potential equity shares on account of Employees Stock Options | 1,17,86,220 | 1,17,63,461 |
| Weighted average number of Equity Shares outstanding [inclusive dilutive ESOP shares outstanding] | 1,76,98,43,325 | 1,76,61,28,106 |
| Diluted Earnings Per Share [Face value of ₹ 1 each] | 7.08 | 6.03 |
| Profit after consideration of Extraordinary items | 1,252.71 | 1,065.83 |
| Basic Earnings Per Share [Face Value of ₹ 1 each] | 7.13 | 6.08 |
| Diluted Earnings Per Share [Face value of ₹ 1 each] | 7.08 | 6.03 |

48. Inventories Written Down

| | Current Year | Previous Year |
|-----------------------------|--------------|---------------|
| Finished goods written down | 43.91 | 45.97 |

49. (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 ₹ crores.

As per our report of even date attached

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

S LAHIRI
Partner
Membership No. 51717

Place : New Delhi
Date : April 28, 2016

For **DABUR INDIA LIMITED**

DR. ANAND C BURMAN
Chairman
DIN: 00056216

A K JAIN
VP (Finance) and
Company Secretary

P D NARANG
Whole Time Director
DIN: 00021581

LALIT MALIK
Chief Financial Officer

SUNIL DUGGAL
Whole Time Director
DIN: 00041825

(All amounts in ₹ crores, unless otherwise stated)

50. a) Information Pursuant to First Proviso to Sub-Section (3) of Section 129 of Companies Act, 2013**Form AOC-I****(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)****Part A : Subsidiaries**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | |
|---------|---|--|--|---------------|--------------------|--------------|-------------------|-------------|----------|------------------------|------------------------|-----------------------|-------------------|-------------------|--------|
| Sl. No. | Name of Subsidiary | Reporting period of the subsidiary concerned, if different from the holding Company's reporting period | Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries. | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed dividend | % of shareholding | |
| | | Currency | Rate | | | | | | | | | | | | |
| 1 | H & B Stores Ltd. | NA | INR | 29.65 | (1.66) | 55.19 | 27.19 | - | 115.93 | (0.37) | - | (0.37) | - | 100% | |
| 2 | Dermovia Skin Essentials INC. | NA | USD | 66.25 | 114.89 | (70.70) | 495.51 | 451.32 | 469.59 | - | 1.72 | (4.63) | (2.91) | - | 100% |
| 3 | Dabur International Ltd. | NA | AED | 18.03 | 12.95 | 947.27 | 1,185.23 | 225.02 | 733.04 | 1,214.06 | 246.31 | 0.37 | 245.94 | - | 100% |
| 4 | Naturelle LLC. | NA | AED | 18.03 | 3.93 | 9.21 | 264.64 | 251.50 | - | 588.04 | 2.21 | - | 2.21 | - | 100% |
| 5 | Dabur Egypt Ltd. | NA | EGP | 7.46 | 0.10 | 175.52 | 309.35 | 133.73 | 74.94 | 315.42 | 59.47 | 12.66 | 46.80 | - | 100% |
| 6 | African Consumer Care Ltd. | NA | Naira | 0.33 | 33.35 | 11.33 | 63.95 | 19.28 | - | 33.65 | (7.02) | (0.29) | (7.31) | - | 100% |
| 7 | Dabur Nepal Pvt. Ltd. | NA | NPR | 0.625 | 4.87 | 190.00 | 491.23 | 296.37 | 0.01 | 507.58 | 14.61 | 1.31 | 13.30 | - | 97.5% |
| 8 | Asian Consumer Care Pakistan Pvt. Ltd. | NA | PKR | 0.63 | 5.40 | 6.29 | 32.99 | 21.31 | - | 43.94 | 3.18 | 1.26 | 1.92 | - | 99.99% |
| 9 | Asian Consumer Care Pvt. Ltd. | NA | Takka | 0.85 | 24.20 | 27.44 | 127.05 | 75.41 | - | 107.46 | 15.41 | 5.36 | 10.05 | - | 76% |
| 10 | Hobi Kozmetik. | NA | TRL | 23.46 | 41.02 | 63.11 | 180.11 | 75.98 | - | 189.95 | (3.58) | (1.32) | (2.25) | - | 100% |
| 11 | RA Pazarfama. | NA | TRL | 23.46 | 2.48 | 11.73 | 50.09 | 35.87 | - | 150.25 | 6.62 | 1.12 | 5.50 | - | 100% |
| 12 | Dabur Lanka Pvt. Ltd. | NA | LKR | 0.45 | 90.82 | (10.39) | 126.70 | 46.27 | - | 105.69 | 1.29 | - | 1.29 | - | 100% |
| 13 | Namaste Laboratories LLC. | NA | USD | 66.25 | - | 140.62 | 209.88 | 70.42 | - | 558.12 | 10.06 | - | 10.06 | - | 100% |
| 14 | Namaste Cosmetics Ltda. | NA | USD | 66.25 | 1.16 | (0.07) | 0.03 | 0.10 | - | - | (0.07) | - | (0.07) | - | 100% |
| 15 | Urban Laboratories International LLC. | NA | USD | 66.25 | - | (16.00) | (9.38) | 7.03 | 1.33 | 10.54 | 9.21 | - | 9.21 | - | 100% |
| 16 | Hair Rejuvenation & Revitalization Nigeria Ltd. | NA | USD | 66.25 | 0.41 | (0.04) | 0.45 | 0.49 | - | - | (0.05) | - | (0.05) | - | 100% |
| 17 | Healing Hair Laboratories International LLC. | NA | USD | 66.25 | - | - | - | - | - | - | - | - | - | - | 100% |
| 18 | Dabur (UK) Ltd. | NA | USD | 66.25 | 1.62 | 13.03 | 7.12 | (7.53) | 0.34 | - | 14.11 | - | 14.11 | - | 100% |
| 19 | Dabur Consumer Care Pvt. Ltd. (Lanka). | NA | LKR | 0.45 | 6.01 | (2.03) | 7.09 | 3.11 | - | 3.49 | (0.68) | - | (0.68) | - | 100% |
| 20 | Dabur Tunisie. | NA | TND | 33.13 | 7.26 | (1.49) | 14.22 | 8.46 | - | 18.82 | 0.84 | - | 0.84 | - | 100% |
| 21 | Dabur Pakistan Pvt. Ltd. | NA | PKR | 0.63 | 0.31 | (1.03) | 9.23 | 9.95 | - | 8.71 | (0.94) | 0.12 | (1.06) | - | 100% |

b) Part B: Associates and Joint Ventures

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

| Sl. No. | Name of Joint Venture | Forum I Aviation Private Limited |
|---------|---|----------------------------------|
| 1. | Latest audited Balance Sheet Date | March 31, 2016 |
| 2. | Shares of Joint Venture held by the Company on the year end No. | 74,87,251 |
| | Amount of Investment in Joint Venture | 6.99 |
| | Extent of Holding (%) | 20% |
| 3. | Description of how there is significant influence | Not Applicable |
| 4. | Reason why the Joint venture is not consolidated | Not Applicable |
| 5. | Networth attributable to Shareholding as per latest audited Balance Sheet | 11.66 |
| 6. | Profit/Loss for the year (Share of Group) | (0.01) |
| | i. Considered in Consolidation | (0.01) |
| | ii. Not Considered in Consolidation | - |

(All amounts in ₹ crores, unless otherwise stated)

c) Additional information Pursuant to Schedule III of the Companies Act, 2013

| Name of Entity | Net Assets, i.e. Total assets minus Total Liabilities | | Share in Profits or loss | |
|--|--|-----------------|---|-----------------|
| | As % of consolidated Net Assets | Amount | As % of consolidated Profit or loss | Amount |
| 1 | 2 | 3 | 4 | 5 |
| Dabur India Limited | 60.15% | 2,871.75 | 73.05% | 939.51 |
| Subsidiaries | | | | |
| Indian | | | | |
| H & B Stores Ltd. | 0.59% | 27.99 | (0.03%) | (0.37) |
| Foreign | | | | |
| Dabur International Ltd. | 20.11% | 960.21 | 19.12% | 245.94 |
| African Consumer Care Ltd. | 0.94% | 44.68 | (0.57%) | (7.31) |
| Dabur Egypt Ltd. | 3.68% | 175.62 | 3.64% | 46.80 |
| Dabur (UK) Ltd. | 0.31% | 14.64 | 1.10% | 14.11 |
| Hobi Kozmetik | 2.18% | 104.13 | (0.18%) | (2.25) |
| RA Pazarlama | 0.30% | 14.21 | 0.43% | 5.50 |
| Dabur Lanka Pvt. Ltd. | 1.68% | 80.43 | 0.10% | 1.29 |
| Namaste Laboratories LLC | 2.92% | 139.46 | 0.78% | 10.06 |
| Urban Laboratories International LLC | (0.34%) | (16.41) | 0.72% | 9.21 |
| Namaste Cosmetics Ltd. | 0.00% | (0.07) | (0.01%) | (0.07) |
| Hair Rejuvenation & Revitalization Nigeria Ltd | 0.00% | (0.04) | 0.00% | (0.05) |
| Healing Hair Laboratories International LLC | 0.00% | - | 0.00% | - |
| Dabur Consumer Care Pvt. Ltd. Lanka | 0.08% | 3.97 | (0.05%) | (0.68) |
| Dabur Tunisie | 0.12% | 5.77 | 0.07% | 0.84 |
| Dermovia Skin Essentials INC | 0.93% | 44.19 | (0.23%) | (2.91) |
| Dabur Pakistan Private Limited | (0.02%) | (0.72) | (0.08%) | (1.06) |
| Naturelle LLC | 0.28% | 13.14 | 0.17% | 2.21 |
| Dabur Nepal Pvt. Ltd. | 4.08% | 194.86 | 1.01% | 12.97 |
| Asian Consumer Care Pakistan Pvt. Ltd. | 0.24% | 11.68 | 0.15% | 1.92 |
| Asian Consumer Care Pvt. Ltd. | 1.08% | 51.63 | 0.59% | 7.64 |
| Minority Interests in all subsidiaries | 0.45% | 21.68 | 0.21% | 2.74 |
| Joint ventures | | | | |
| Indian | | | | |
| Forum I Aviation Pvt. Ltd. | 0.24% | 11.66 | 0.00% | (0.00) |
| | 100.00% | 4,774.47 | 100.00% | 1,286.04 |

For **G. BASU & CO.**Chartered Accountants
Firm Regn. No. 301174E**S LAHIRI**Partner
Membership No. 51717

Place : New Delhi

Date : April 28, 2016

For **DABUR INDIA LIMITED****DR. ANAND C BURMAN**Chairman
DIN: 00056216**A K JAIN**VP (Finance) and
Company Secretary**P D NARANG**Whole Time Director
DIN: 00021581**LALIT MALIK**

Chief Financial Officer

SUNIL DUGGALWhole Time Director
DIN: 00041825

Notice

Notice is hereby given that the 41st Annual General Meeting (AGM) of the members of Dabur India Limited will be held on Tuesday, the 19th July, 2016 at Air Force Auditorium, Subroto Park, New Delhi – 110010 at 11.00 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2016, the reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company for the financial year ended 31st March, 2016 and the report of Auditors thereon.
2. To confirm the interim dividend already paid and declare final dividend on equity shares for the financial year ended 31st March, 2016.
3. To appoint a Director in place of Dr. Anand C Burman (DIN 00056216) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pritam Das Narang (DIN 00021581) who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s G. Basu & Co., Chartered Accountants (Firm Registration No. 301174E) as Statutory Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM 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 an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s Ramanath Iyer & Co., Cost Accountants having Firm Registration No. 000019 appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2015-16, amounting to ₹4.43 Lakhs (₹ Four lakh Forty three thousand only) plus service tax as applicable and re-imbursalment of out of pocket expenses incurred by them in connection with the aforesaid audit, as recommended by the Audit Committee and approved by

the Board of Directors of the Company, be and is hereby ratified and confirmed.”

Date : April 28, 2016

Place: New Delhi

Regd. Office:

8/3, Asaf Ali Road,
New Delhi - 110 002

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

(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 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/ HERSELF. 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 AGM.
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 that 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 Friday, 1st July, 2016 to Friday, 8th July, 2016 (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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') 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. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) shall send certified true copy of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Company to attend the AGM.
 8. As per Listing Regulations, for securities market transactions and/or for off-market or private transactions involving transfer of shares in physical form, the transferee(s) as well as transferor(s) (including joint holders) shall furnish copy of PAN card to the Company for registration of such transfer of securities. Accordingly, all the shareholders/ transferor(s) / transferee(s) 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.
 9. 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.
 10. SEBI & Ministry of Corporate Affairs (MCA) is promoting electronic communication as a contribution to greener

environment. Accordingly, as a part of green initiative soft copy of the Annual Report 2015-16 is being 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 accordance with Listing Regulations and Section 136 of the Companies Act, 2013 including Rules made thereunder hard copy of Abridged Annual Report 2015-16 is being 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 the duly filled in "e-Communication Registration Form" (available on Company's website www.dabur.com in the 'Investor' section) to the Company/RTA. Members can also submit their form along with attendance slip at the Registration Counter at the 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 41st AGM and the Annual Report 2015-16 will also be available on the Company's website www.dabur.com for download by the members. The Notice of AGM will also be available on the website of RTA- Karvy Computershare Pvt. Ltd. at <https://evoting.karvy.com>. Physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours.

11. Shareholders/Proxies are requested to produce at the Registration Counter(s) the attendance slip sent along with the Annual Report 2015-16, duly completed and signed, for admission to the meeting hall. The route map for the AGM venue is given as 'Annexure 2' to this Notice.

However, in case of non-receipt of attendance slip, members may download the same from Company's website www.dabur.com or write to the Company at its Registered Office for issuing the duplicate attendance slip.

12. 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 AGM so as to enable the management to keep the information ready for replying at the meeting.
13. All 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) of the Central Government. Accordingly, till date the Company has transferred to IEPF the unpaid and unclaimed amount

pertaining to dividends declared up to the financial year 2008-09 (only interim for FY 2008-09). Members who have not yet encashed their dividend warrants for the financial year 2008-09 (final dividend) 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 information regarding unclaimed dividends in respect of dividends declared up to the financial year 2014-15 and updated upto the date of 40th AGM held on 21st July, 2015 has been uploaded on the website of the Company www.dabur.com under 'Investor' section. The said information was also filed with MCA. MCA has also uploaded details of the same on its website at www.iepf.gov.in. Shareholders may kindly check the said information and if any dividend amount is appearing as unpaid against their name, they may 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.

14. As a measure of economy, copies of Annual Report will not be distributed at the venue of the AGM. Members are therefore requested to bring their own copies of the Annual Report to the meeting.
15. In case of joint holders attending the meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.
16. As required under Listing Regulations and Secretarial Standards-2 on General Meetings, details in respect of directors seeking re-appointment at the AGM, is separately annexed hereto as 'Annexure 1'. Directors seeking re-appointment have furnished requisite declarations under section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder.
17. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 11.00 am to 1.00 pm up to the date of AGM and copies thereof are also available at Company's Corporate office at Dabur Corporate Office, Kaushambi, Sahibabad, Ghaziabad 201010. These documents along with 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.
18. 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 (Share

Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions passed in the General Body Meetings will be placed at the AGM.

19. 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 Company's website www.dabur.com. Members holding shares in demat mode may contact their respective Depository Participant for availing this facility.
20. **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, applicable Secretarial Standards and the Listing Regulations a member of the Company holding shares either in physical form or in dematerialized form, may exercise his right to vote by electronic means (e-voting) in respect of the resolution(s) 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 Karvy Computershare Private Limited ("Karvy") as the Authorised Agency to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting).
 - iii) Facility for voting through ballot/ polling paper shall also be made available at the AGM and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.
 - iv) The members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 - v) The Board of Directors have appointed Mr. Navneet Arora, Company Secretary in practice (Certificate of practice No. 3005 and Partner of M/s Navneet K Arora & Co., Company Secretaries) as the Scrutinizer, for conducting the voting/ poll and remote e-voting process in a fair and transparent manner.
 - vi) The cut-off date for the purpose of voting (including remote e-voting) is 12th July, 2016.

- vii) Members are requested to carefully read the instructions for remote e-voting before casting their vote. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:

| | |
|--|---|
| Commencement of remote e-voting | 09:00 a.m. (IST) on 16th July, 2016 |
| End of remote e-voting | 05:00 p.m. (IST) on 18th July, 2016 |

- viii) **The procedure and instructions for remote 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 attendance sheet accompanying the Notice of AGM in case email id is not registered and physical copy of the Annual Report is being received by you. **The said login credentials shall be valid only in case you continue to hold the shares on the cut-off date**). 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 remote e-voting, you shall use your existing User ID and password for casting your vote.
- c) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. 12th July, 2016, may obtain the User id and password in the manner as mentioned below:
 - If the mobile number of the member is registered against shares held in demat form, the member may send SMS : MYEPWD <space> DP ID Client ID to 9212993399

Example for NSDL : MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

 - If the mobile number of the member is registered against shares held in physical form, the member may send SMS: MYEPWD <space> Event number + Folio No. to 9212993399

Example for Physical : MYEPWD <SPACE> XXXX1234567

- If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click “forgot password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - Member may call Karvy’s toll free number 1-800-3454-001.
 - Member may send an e-mail request to evoting@karvy.com
- If the member is already registered with Karvy for remote e-voting, he can use his existing User ID and password for casting the vote without any need for obtaining any new User ID and password.
- d) After entering these details appropriately, click on “LOGIN”.
 - e) 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.**
 - f) You need to login again with the new credentials.
 - g) On successful login, the system will prompt you to select the Event Number for Dabur India Limited.
 - h) 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.

- i) You may then cast your vote by selecting an appropriate option and click on "Submit".
- j) 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).
- k) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- l) 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: info@navneetaroracs.com with a copy to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
- m) Once the vote on a resolution is casted by a Member, the Member shall not be allowed to change it subsequently. **Further, the Members who have casted their vote through remote e-voting shall not be allowed to vote again at the Meeting.**
- n) 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>.
- o) In case of grievances connected to the remote e-voting, please contact Mr. Srikrishna P., Manager at Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad

– 500032 at email id srikrishna.p@karvy.com, contact no. - 040-67162222.

21. Polling at the Meeting

After the items of Notice have been discussed, voting through ballot/ polling paper will be conducted under the supervision of the scrutinizer appointed for voting. A person, whose name is recorded in the register of members or in register of beneficial owners maintained by the depositories as on the cut-off date of 12th July, 2016 and who have not cast their vote by remote e-voting, and being present in the AGM, either personally or through proxy, only shall be entitled to vote at the AGM.

- 22. 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 being 12th July, 2016.
- 23. The Scrutinizer shall after the conclusion of voting at AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than 48 hours of the conclusion of AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or in his absence to the Group Director – Corporate Affairs, who shall countersign the Scrutinizer's Report and shall declare the result forthwith.
- 24. The Scrutinizer's decision on the validity of the vote shall be final and binding.
- 25. The result declared along with the Scrutinizer's report shall be placed on the website of the Company (www.dabur.com) and on Karvy's website (<https://evoting.karvy.com>) immediately after the result is declared and shall simultaneously be forwarded to the Stock Exchanges where the Company's shares are listed.
- 26. The resolutions will be deemed to be passed on the AGM date subject to receipt of requisite number of votes in favour of the resolutions.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 6

The Board of Directors of the Company on the recommendation of Audit Committee, approved the appointment and remuneration of M/s Ramanath Iyer & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2015-16.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rules thereunder, the remuneration payable

to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2015-16 as set out in the resolution for the aforesaid services to be rendered by them.

None of the Directors or Key Managerial Personnel of the Company (including relatives of Directors or Key Managerial Personnel) are in any way, whether financially or otherwise, concerned or interested, in the said resolution.

The Board of Directors recommend the Ordinary Resolution as set out at Item No. 6 of the Notice for approval by the members.

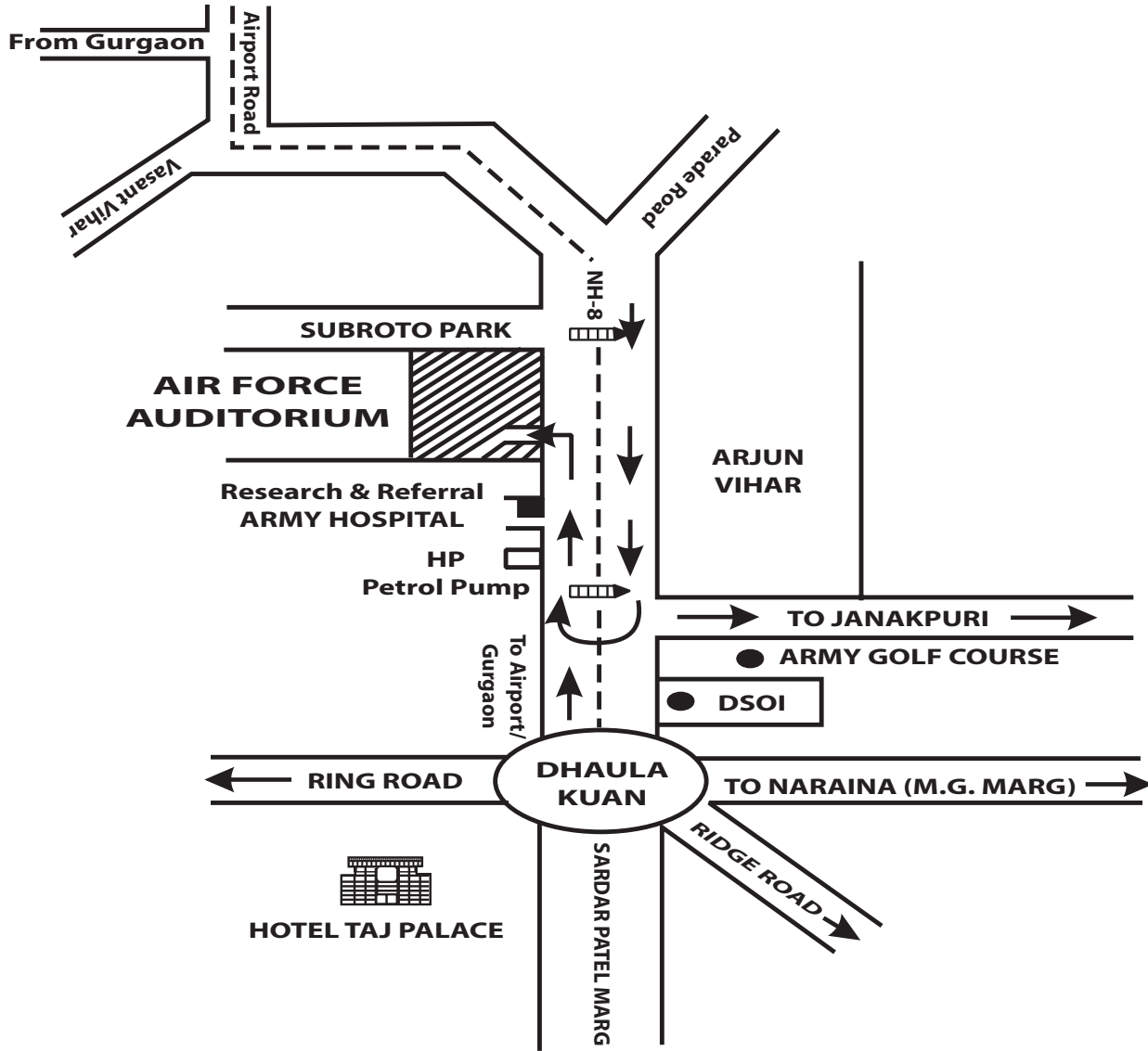
DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN ANNUAL GENERAL MEETING FIXED FOR 19th JULY, 2016

| Name of the Director | Dr. Anand C Burman | Mr. Pritam Das Narang |
|---|--|---|
| Director's Identification Number (DIN) | 00056216 | 00021581 |
| Date of birth | 05.05.1952 | 12.04.1954 |
| Date of appointment | 13.10.1986 | 01.04.1998 |
| Qualification | M.Sc, PHD University of Kansas, USA | B.Com, FCA, FCS, AICWA, MIIA (USA) |
| Experience & Expertise in specific functional area | He joined Dabur in 1980 as Manager R & D and came on the Board of the Company in 1989 and was responsible for Company's diversification into various categories of business. He led the acquisition of Fem, Hobi & Namaste businesses. Presently he is Chairman of the Company. | Mr. P D Narang is the Group Director – Corporate Affairs, of the Company. He is having vast experience in Corporate Finance & Tax Planning, International Finance, Public Issue, Capital Markets, Strategic Planning and Management, Mergers and Acquisitions, Demergers etc. |
| Terms & Conditions of re-appointment | As per Company's Policy on Appointment of Board Members | |
| Remuneration last drawn | As mentioned in the Corporate Governance Report (forming part of Annual Report 2015-16) | |
| Shareholding in the Company as on 31.03.2016 | 660000 equity shares of ₹ 1/- each | 3887080 equity shares of ₹ 1/- each |
| Relationship with other Directors and KMPs of the Company | Nil | Nil |
| No. of Meetings of Board attended during the year | Four (for details please refer to the Corporate Governance Report, forming part of Annual Report 2015-16) | Four (for details please refer to the Corporate Governance Report, forming part of Annual Report 2015-16) |
| List of companies* in which outside directorship held | <ol style="list-style-type: none"> 1. Dabur Research Foundation 2. Aviva Life Insurance Company India Ltd. 3. H & B Stores Ltd. 4. Althea Lifesciences Ltd. 5. Hero Motocorp Ltd. 6. Ester Industries Ltd. 7. Puran Associates Pvt. Ltd. 8. Milky Investment and Trading Company 9. Moonlight Ranch Pvt. Ltd. 10. Excellent (India) Pvt. Ltd. 11. Windy Investment Pvt. Ltd. 12. VIC Enterprises Pvt. Ltd. 13. A.V.B. Finance Pvt. Ltd. 14. Asia Pacific Healthcare Advisors Pvt. Ltd. 15. Dabur Securities Pvt. Ltd. 16. Health Care at Home India Pvt. Ltd. 17. Berkeley HealthEDU Pvt. Ltd. 18. Param Investments Pvt. Ltd. 19. Welltime Investments Pvt. Ltd. | <ol style="list-style-type: none"> 1. Dabur Research Foundation 2. Aviva Life Insurance Company India Ltd. 3. H & B Stores Ltd. 4. Narang Management Consultants Pvt. Ltd. 5. Welltime Housing & Finance Pvt. Ltd. 6. A.V.B. Finance Pvt. Ltd. 7. Riverside Constructions Pvt. Ltd. 8. Superhoze Industries Pvt. Ltd. 9. Litebite Foods Pvt. Ltd. 10. Orbit Commercial Pvt. Ltd. 11. Select Infrastructure Pvt. Ltd. |
| Chairman/Member of the Committee* of Board of Directors of Indian public companies | Nil | Share Issuance and Stakeholders' Relationship Committee <ul style="list-style-type: none"> · H & B Stores Ltd. Audit committee <ul style="list-style-type: none"> · Aviva Life Insurance Company India Ltd. · H & B Stores Ltd. |

* Directorship includes directorship in other Indian companies and Committee memberships includes only Audit committee and Stakeholders' Relationship committees of Indian public companies.

Annexure 2

ROUTE MAP TO THE VENUE OF THE 41ST AGM OF DABUR INDIA LIMITED



Venue: Air Force Auditorium, Subroto Park, New Delhi – 110 010

Landmark: Adjacent to Research & Referral, Army Hospital

NEW



Honey Fruit Spread

Goodness of Honey
Nutrition of Super Fruits



Available in 4 exotic variants



Strawberry



Plum



Exotic Berries



Kiwi



Dabur India Limited

8/3, Asaf Ali Road, New Delhi - 110002, India.

Website: www.dabur.com

Email: corpcomm@dabur.com

Email for Investors: investors@dabur.com

Concept, Content & Design
WYATTPrism
COMMUNICATIONS (info@wyatt.co.in)

