

D A B U R I N D I A L I M I T E D

MD	✓			SKC	✓
CS	✓			DPY	✓
RO	✓			DIV	✓
TRA	✓			AC	✓
AGM	✓	✓		SHI	✓
YE	✓	✓	✓		

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A N N U A L R E P O R T

1996 - 97

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DABUR INDIA LIMITED

**BOARD OF DIRECTORS****CHAIRMAN EMERITUS***Mr. R.C. Burman***CHAIRMAN***Mr. A.C. Burman***MANAGING DIRECTORS***Mr. V.C. Burman**Mr. G.C. Burman***DIRECTORS***Air Chief Marshal N C Suri (Retd.)**Mr. Ashok Goenka**Mr. Sidharth Burman**Mr. Pradip Burman**His Highness Maharaja Gaj Singh**Dr. Anand Burman**Mr. Uday S Kotak**Raja Vijay Karan**Mr. Amit Roy - Executive Director (Production)***EXECUTIVE DIRECTOR (FINANCE)
& COMPANY SECRETARY***Mr. P D Narang**B.Com., A.I.C.W.A., M.I.I.A. (USA), F.C.A., F.C.S.***AUDITORS***G. Basu & Company**Chartered Accountants, Calcutta***BANKERS***Punjab National Bank**ANZ Grindlays Bank Ltd.**American Express Bank Ltd.**The Hongkong and Shanghai Banking Corpn. Ltd.**State Bank of India**ABN Amro Bank NV**Citibank NA**Deutsche Bank**United Bank of India***Registered
Office***8/3, Asaf Ali Road
New Delhi-110 002***Head Office***Plot No. 22, Site IV,
Sahibabad,
Ghaziabad-201 010 (U.P.)***Registrar and
Transfer Agents***MCS Limited
Sri Venkatesh Bhawan,
212-A, Shahpur Jat
New Delhi-110 016***Corporate Finance
Office***Harsha Bhawan, Block E,
Connaught Place,
New Delhi-110 001***Sales and
Marketing Office***3, Factory Road,
Adjacent Safdarjung Hospital,
Ring Road,
New Delhi-110 029*

DABUR INDIA LIMITED**DIRECTORS' REPORT**

To,

The Members,

The Directors of your Company have pleasure in presenting the 22nd Annual Report and Audited Accounts for the year ended 31st March, 1997.

FINANCIAL HIGHLIGHTS

The financial results of your Company's working are as under:-

	(Rupees in crores)	
	1996-97	1995-96
Turnover (including other income)	721.41	577.95
Profits after depreciation	42.57	41.33
Less: Provision for Taxation	1.15	7.00
Provision for taxation for earlier year	0.03	—
	41.39	34.33
Add: Provision of earlier years written back	1.51	0.08
Profit after Tax	42.90	34.41
Add: Balance in Profit & Loss Account b/f from the previous year	1.30	0.70
Profit available for appropriation	44.20	35.11
Appropriations		
Debenture Redemption Reserve	1.45	1.25
General Reserve	28.00	24.00
Proposed dividend	8.55	8.55
Adjustment for earlier years	0.56	-
Balance carried over to Balance Sheet	5.64	1.31
	44.20	35.11

DIVIDEND

Your Directors are pleased to recommend a dividend of 30% net of tax i.e. Rs.3 per share, on paid up equity share capital of the Company for the financial year ended 31st March, 1997. Keeping in view the future requirement of funds to finance various plans of expansion, modernisation, diversification and joint ventures, your Directors have maintained the same rate of dividend as in the previous year. The dividend, if approved, will be paid to those members whose names appear on the Register of Members as on 12th September, 1997 subject to the provisions of Section 206A of the Companies Act, 1956.

INVESTOR CONVENIENCE

Your Directors take pleasure in informing you that your Company has joined hands with National Securities Depository Limited to facilitate investors to hold share in electronic form and trade in these shares. This system provides you an option to convert your physical holding to dematerialised form in the depository. The system seeks to eliminate delays in settlement and transfer, bad deliveries and problems due to theft and forgery of share certificates. It is hoped that recourse to the System will eliminate investors grievances to a large extent.

EXPANSION/MODERNISATION /DIVERSIFICATION

A second unit commissioned during the year at Baddi, Himachal Pradesh to meet the expanding demand of Pudina Hara, Honey and Shilajit. The Injectable unit at Baddi has been expanded to cater to the growing demand of Generic products. This plant would continue to focus on the expanded range of oncology product. The cost reduction from production economics have been passed on to the consumers for Paclitaxel.

A unit is being set up during the current financial year for manufacturing of our best popular Ayurvedic medicines like Chyawanprash, Janma Ghunti, Lal Tail, Dashmularishta and Ashokarishta at Baddi. This unit has been designed to ensure that the best technology available in the world for processing and packaging is utilized to efficiently produce high quality products. It is expected to commence production during the current year.

The Bulk Drug manufacturing facility at Kalyani West Bengal acquired from Pfizer in August' 96 was upgraded and trial production activities started in December' 96. Semi synthetic Paclitaxel and Docetaxel and various front line anti cancer drugs are being currently produced in Kalyani for the requirements for domestic market as well as for export. The manufacture of Iohexol and

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NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of Dabur India Limited will be held on Friday, 12th September, 1997 at Air Force Auditorium, Subroto Park, New Delhi - 110 010 at 11.30 AM to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1997 and Profit & Loss Account for the year ended on that date alongwith the Reports of the Auditors and Directors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr Ashok Goenka who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr Uday S Kotak who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors 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 Raja Vijay Karan, who was co-opted by the Board as an Additional Director with effect from 1st October, 1996 and who holds office upto the date of this Annual General Meeting and has offered himself for appointment, be and is hereby appointed as a Director of the Company."
7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-
 "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 & 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 Mr R C Burman be and is hereby re-appointed as Chairman Emeritus & Whole time Director of the Company for a period of 5 years w.e.f. 13th October, 1996 on the remuneration and terms & conditions passed by the Board of Directors of the Company in its meeting held on 1st October, 1996 & 8th March, 1997 and also as set out in the explanatory statement attached to the Notice."
8. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-
 "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 & 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 Mr A C Burman be and is hereby re-appointed as Chairman & Whole time Director of the Company for a period of 5 years w.e.f. 13th October, 1996 on the remuneration and terms & conditions passed by the Board of Directors of the Company in its meeting held on 1st October, 1996 & 8th March, 1997 and also as set out in the explanatory statement attached to the Notice."
9. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-
 "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 & 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 Mr V C Burman be and is hereby re-appointed as Managing Director of the Company for a period of 5 years w.e.f. 13th October, 1996 on the remuneration and terms & conditions passed by the Board of Directors of the Company in its meeting held on 1st October, 1996 & 8th March, 1997 and also as set out in the explanatory statement attached to the Notice."
10. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-
 "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 & 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 Mr G C Burman be and is hereby re-appointed as Managing Director of the Company for a period of 5 years w.e.f. 13th October, 1996 on the remuneration and terms & conditions passed by the Board of Directors of the Company in its meeting held on 1st October, 1996 & 8th March, 1997 and also as set out in the explanatory statement attached to the Notice."
11. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-
 "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 & 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 Mr Pradip Burman be and is hereby re-

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appointed as Whole time Director of the Company for a period of 5 years w.e.f. 13th October, 1996 on the remuneration and terms & conditions passed by the Board of Directors of the Company in its meeting held on 1st October, 1996 & 8th March, 1997 and also as set out in the explanatory statement attached to the Notice."

12. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-
 "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 & 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 Dr Anand Burman be and is hereby re-appointed as Whole time Director of the Company for a period of 5 years w.e.f. 13th October, 1996 on the remuneration and terms & conditions passed by the Board of Directors of the Company in its meeting held on 1st October, 1996 & 8th March, 1997 and also as set out in the explanatory statement attached to the Notice."
13. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-
 "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 & 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 Mr Amit Roy be and is hereby appointed as Executive Director - Production of the Company for a period of 5 years w.e.f. 1st October, 1996 on the remuneration and terms & conditions passed by the Board of Directors of the Company in its meeting held on 1st October, 1996 and also as set out in the explanatory statement attached to the Notice."
14. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-
 "RESOLVED THAT in accordance with the provisions of Section 314 and other applicable provisions of the Companies Act, 1956 and also subject to approval of Central Government and of Reserve Bank of India, if any, Mr Amit Burman be and is hereby appointed as Dy General Manager - Operation of the Company/ subsidiary Company for a period of five years w.e.f. the date of approval by members on the remuneration and terms & conditions as set out in the explanatory statement attached to the notice."
15. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-
 "RESOLVED THAT in accordance with the provisions of Section 314 and other applicable provisions of the Companies Act, 1956 and also subject to approval of Central Government and of Reserve Bank of India, if any, Mr Mohit Burman be and is hereby appointed as Dy General Manager - Finance & Purchase of the Company for a period of five years w.e.f. the date of approval by members on the remuneration and terms & conditions as set out in the explanatory statement attached to the notice."
16. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-
 "RESOLVED THAT in accordance with the provisions of Section 314 and other applicable provisions of the Companies Act, 1956 and also subject to approval of Central Government and of Reserve Bank of India, if any, the remuneration payable to Mr Gaurav Burman on his confirmation as Sr Manager - Sales & Marketing and International Business be and is hereby increased for his remaining tenure from the date of approval by member as set out in the explanatory statement attached to the notice."
17. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-
 "RESOLVED THAT in accordance with the provisions of Section 314 and other applicable provisions of the Companies Act, 1956 and also subject to approval of Central Government and of Reserve Bank of India, if any, the remuneration payable to Mr Chetan Burman on his confirmation as Sr Manager - Sales & Marketing be and is hereby increased for his remaining tenure from the date of approval by members as set out in the explanatory statement attached to the notice."
18. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-
 "RESOLVED THAT M/s Bansal & Company, Chartered Accountants, New Delhi be and are hereby reappointed as Branch Auditors of the Company to hold office until the conclusion of next Annual General Meeting of the Company to audit the books of accounts relating to its factory at Alwar for the financial year 1997-98 on such remuneration as may be determined by the Board of Directors."
19. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-
 "RESOLVED THAT M/s Waring & Partners, Chartered Accountants, Ropar Yard, Ropar Road, Canterbury, Kent CT2 7EX, United Kingdom be and are hereby reappointed as Branch Auditors of the Company to hold office until the conclusion of next Annual General Meeting of the Company to carry out the audit of the accounts of London Branch of the Company for the financial year 1997-98 on such remuneration as may be determined by the Board of Directors."
20. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-

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"RESOLVED THAT M/s B D O Patel & Co., Chartered Accountants, Post Box No.1961, DUBAI (UAE) be and are hereby reappointed as Branch Auditors of the Company to hold office until the conclusion of next Annual General Meeting of the Company to carry out the audit of the accounts of Jebel Ali Branch of the Company for the financial year 1997-98 on such remuneration as may be determined by the Board of Directors."

By Order of the Board
for DABUR INDIA LIMITED

Regd. Office: 8/3, Asaf Ali Road,
New Delhi - 110 002
Dated: 21st May, 1997

(P D NARANG)
Executive Director (Finance)
& Company Secretary

NOTES

1. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no.6 to 20 of the notice set out above is annexed herewith.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 22ND ANNUAL GENERAL MEETING.**
3. The Share Transfer Books and Register of Members will remain closed from Tuesday the 19th August, 1997 to Friday, the 12th September, 1997 (both days inclusive) for the purpose of payment of Dividend.
4. The payment of dividend as recommended by the Directors, if approved at the meeting, will be made on or before 23rd October, 1997 to those members whose names appear on Company's Register of Members on 12th September, 1997 subject to the provisions of Section 206A of the Companies Act, 1956.
5. The shareholders are requested to notify the change in address, if any, to the Share Transfer Agent of the Company at the following address quoting their Ledger Folio Number:-
**MCS LIMITED,
Unit - Dabur India Limited
Srivenkatesh Bhawan
212-A, Shahpurjat (Behind Panchsheel Club),
New Delhi - 110 016**
6. The shareholders, holding shares in identical order of names in more than one folio, are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holding on one folio.
7. The Shareholders/Proxies are requested to produce at the Entrance Gate the attached admission slip duly completed and signed, for admission to the meeting hall.
8. In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the Executive Director (Finance) & Company Secretary at the Registered Office of the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
9. In accordance with the provisions of the Companies Act, 1956 the unclaimed amount of dividend for the year ended 31st March, 1993 has already been transferred to General Revenue Account of the Central Government. Members who have not encashed dividend warrants for the said period may submit their claim in the prescribed form to office of the Registrar of Companies, NCT of Delhi & Haryana, CGO Complex, Paryawaran Bhawan, Lodhi Road, New Delhi - 110 003 by quoting their folio number and Company's registration number 55-07908. In case any assistance is required please write to the Company.
10. As a measure of economy copies of Annual Reports will not be distributed at the venue of the Annual General Meeting. Members are, therefore, requested to bring their own copies of the Annual Reports to the meeting.
11. All the documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days between 11.30 AM to 1.00 PM. upto the date of Annual General Meeting.
12. Photocopies of Attendance Slip will not be entertained for issuing Gate Pass for attending Annual General Meeting. However, in case of non-receipt of Notice of Annual General Meeting, members are requested to write to the Company at its registered office for issuing the duplicate of the same.

DABUR INDIA LIMITED**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**

Item No.6 Raja Vijay Karan was appointed as an Additional Director pursuant to provisions of Section 260 of the Companies Act, 1956 by the Board of Directors of the Company in its meeting held on 1st October, 1996. He shall be holding office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 from members alongwith requisite deposit notifying their intention to propose him for the post of a Director.

Your Directors consider that his experience and guidance will be of great value to the Company and accordingly recommend the resolution for your approval.

None of the Directors except Raja Vijay Karan is concerned or interested in the resolution.

Item 7 to 12 Mr R C Burman, Mr A C Burman, Mr V C Burman & Mr G C Burman, Mr Pradip Burman & Dr Anand Burman were re-appointed as Chairman Emeritus, Chairman, Managing Directors and Whole-time Directors respectively for a period of 5 years by the members of the Company in their 16th Annual General Meeting held on 30th September, 1991 on a remuneration and terms & conditions as approved thereat. Their remuneration was further enhanced w.e.f. 1st April, 1995 and approved by the members in their 21st Annual General Meeting held on 6th September, 1996. The term of these Directors has expired on 12th October, 1996. Accordingly, the Board of Directors in its meeting held on 1st October, 1996 have approved, subject to approval of members in general meeting and also subject to the provisions of Companies Act, 1956 and/or other Statutes including Schedule XIII, the reappointment of all the above directors for a further period of 5 years w.e.f. 13th October, 1996 on the remuneration and terms & conditions mentioned hereunder. The Board of Directors in its meeting held on 8th March, 1997 have also approved the increase in remuneration payable to all these Directors w.e.f. 1st April, 1997 for their remaining tenure:-

1. Basic Salary: Rs.75,000/- per month (for the period from 13.10.1996 to 31.03.1997) Basic Salary: Rs.1,00,000/- per month with an annual increment of Rs.25,000/- per month (from 01.04.1997 onwards).
2. Commission: 1% of the net profits of the Company computed in the manner laid down in Section 309 (5) of the Act subject to a ceiling of Rs.20,00,000/- per annum (Rs.10,00,000/- per annum for the period from 13.10.1996 to 31.03.1997).
3. Perquisites: Perquisites shall be allowed in addition to salary/commission.

Perquisites in Part-A and in excess of exemption from Income Tax in Part-B shall be restricted to an amount not exceeding 150% of annual salary.

Unless the contract otherwise requires, perquisites are classified into three categories 'A', 'B' and 'C' as follows:

PART "A"

This will comprise housing, medical reimbursement, leave travel concession, club fees and other benefits allowances, expenses etc. These may be provided for as under:-

I) Housing

- (a) The expenditure by the Company on hiring unfurnished accommodation subject to a ceiling of sixty percent of the salary.
- (b) In case the accommodation is owned by the Company, ten percent of the salary of the appointee, shall be deducted by the Company.
- (c) In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceiling laid down in (a) above.

II) Payment of gas, electricity, Water expenses and furnishing

To be valued as per Income-Tax Rules, 1962

III) Medical/Hospitalisation Expenses Reimbursement:

Expenses incurred for the appointee and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.



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deem fit, so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.

The above mentioned Directors are also proposed to be provided with the retirement benefits of ex-gratia payment of not exceeding equivalent to three years basic pay, and a monthly pension that will depend on the time spent in the Company and the last salary drawn by them and the medical benefits which will be linked with to inflation. The wives of the said Directors will, after the death of their husbands, be also entitled to half the benefits their husbands were entitled to receive whilst in service and also to continue to use and occupy the house they live in for their life time.

The scope and quantum of remuneration and perquisites specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions in the Companies Act, 1956 and/or rules and regulations made thereunder and/or such guidelines as may be announced by the Central Government from time to time.

Your approval is sought to the proposed resolutions in the interest of the Company.

Mr R C Burman, Mr A C Burman, Mr V C Burman, Mr G C Burman, Mr Pradip Burman, Dr Anand Burman and Mr Sidharth Burman are interested in the resolution being concerned with them and also being relative to one another. Save and except above, none of the other Directors of the Company are, in any way, concerned or interested in the resolution.

The above terms & conditions shall be treated as an abstract under Section 302 of the Companies Act, 1956.

Item No.13 The Board of Directors of the Company at its meeting held on 1st October, 1996 appointed Mr Amit Roy as an Executive Director-Production of the Company for a period of five years with effect from 1st October, 1996 on the terms & conditions including the remuneration in accordance with the provisions of Schedule XIII of the Companies Act, 1956 which are as follows:-

1. Salary: Rs.30,000/- per month with suitable increases as may be determined by the Board of Directors.
2. Perquisites: Perquisites shall be allowed in addition to salary. Perquisites in Part-A and in excess of exemption from Income Tax in Part-B shall be restricted to an amount not exceeding 150% of annual salary.unless the contract otherwise requires, perquisites are classified into three categories 'A', 'B' and 'C' as follows:

PART "A"

This will comprise housing, medical reimbursement, leave travel concession, club fees and other benefits allowances, expenses etc. These may be provided for as under:-

I) Housing

- (a) The expenditure by the Company on hiring unfurnished accommodation subject to a ceiling of sixty percent of the salary.
- (b) In case the accommodation is owned by the Company, ten percent of the salary of the appointee, shall be deducted by the Company.
- (c) In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceiling laid down in (a) above.

II) Payment of gas, electricity, Water expenses and furnishing

To be valued as per Income-Tax Rules, 1962

III) Medical/Hospitalisation Expenses Reimbursement:

Expenses incurred for the appointee and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

IV) Leave Travel Concession: Leave Travel Concession for self and family incurred in accordance with the rules of the Company.