DABUR INDIA LIMITED

Regd. Office : 8/3 Asaf Ali Road, New Delhi - 110002

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the Members of Dabur India Limited will be held on Tuesday, the 31st August, 2010 at Air Force Auditorium, Subroto Park, New Delhi - 110010 at 11.00 AM to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and Profit and Loss Account for the year ended on that date along with the Reports of Auditors and Directors thereon.
2. To confirm the interim dividend already paid and declare final dividend for the financial year ended 31st March, 2010.
3. To appoint a Director in place of Mr. Pradip Burman who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Amit Burman who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Dr. Anand Burman who retires by rotation and being eligible offers himself for reappointment.
6. To appoint a Director in place of Mr. P D Narang who retires by rotation and being eligible offers himself for reappointment.
7. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**

   "RESOLVED THAT Dr. Ajay Dua, who was co-opted by the Board as an Additional Director with effect from 3rd September, 2009 and who holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

9. 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 Sections 198, 269, 309, 310 and 314 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Consent of the Company be and is hereby accorded to the :-

   I. Revision in terms of remuneration of Mr Sunil Duggal, Whole-time Director of the Company, designated as Chief Executive Officer of the company,for the remaining period of his existing tenure i.e. from 01.07.2009 till 30.07.2010, and

   II. Reappointment of Mr Sunil Duggal as a Whole-time Director of the Company, designated as Chief Executive Officer of the company, for a period of 5 years w.e.f.31st July, 2010,

   -on such remuneration and terms & conditions as set out in the explanatory statement attached to this notice."

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:-**

    "RESOLVED THAT in partial modification of the resolution passed at the 32nd Annual General Meeting held on 13.07.2007 and in accordance with the provisions of Sections 198, 269, 309, 310 and 314 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Consent of the Company be and is hereby accorded for the revision in the terms of remuneration of Mr P D Narang, w.e.f. 01.07.2009 for the remainder of his tenure as the Whole-time Director of the Company i.e. up to 31.03.2013 on such remuneration and terms & conditions as set out in the explanatory statement attached to this notice."

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**

    "RESOLVED THAT in modification of the earlier resolution passed at the 19th Annual General Meeting of the Company held on 19th September, 1994, the consent of the company be and is hereby accorded to the Board of Directors of the company under Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage and /or create charge on all the immovable and movable properties or such assets of the company wherever situate, present and future and/or with power to enter upon and take possession of the assets of the company in certain events on such terms and conditions and at such time or times and in such form or manner as it may think fit, to or in favour of Financial Institutions/ Banks/ Trustees for the Debenture holders/ lenders of Euro Convertible Bonds (ECBs) issued/ proposed to be issued, for an aggregate nominal value not exceeding Rs. 2,000,00,00,000/- (Rupees two thousand crores only) to secure the Term Loans/ Debentures/ ECBs/ together with interest, costs, charges, expenses, and other monies including premium payable in this connection in terms of the agreement to be entered into between the company and Financial Institutions/ Banks/ Trustees for the Debenture holders/ lenders of Euro Convertible Bonds (ECBs), such security to rank pari-passu with, or second or subservient to, the mortgages and / or charges already created or to be created by the company or in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board .

    RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all acts, deeds matters and things and to execute all documents, writings as may be necessary, proper or desirable or expedient to give effect to this resolution."

12. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**

"RESOLVED THAT in modification of the earlier resolution passed at the 19th Annual General Meeting of the Company held on 19th September, 1994, the consent of the company be and is hereby accorded to the Board of Directors of the company under Section 293(1)((d) of the Companies Act, 1956 to borrow any sum or sums of money from time to time at their discretion, for the purpose of business of the company, notwithstanding that the money or moneys to be borrowed together with moneys already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose, provided however, that the total amount so borrowed shall not exceed Rs. 2,000,00,00,000/- (Rupees two thousand crore only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all acts, deeds matters and things and to execute all documents, writings as may be necessary, proper or desirable or expedient to give effect to this resolution."

13. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:-**

"RESOLVED THAT

I) pursuant to the applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) Article 131 of the Articles of Association of the Company and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 (the regulations), subject to the necessary approvals and/or sanctions of Reserve Bank of India, if any, and such other appropriate / concerned authorities, as may be necessary and modifications as may be specified whilst granting the said approvals, which may at its sole discretion be agreed to by the Board of Directors, the Board of Directors of the company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee which the Board may constitute to exercise its powers including but not limited to powers conferred by this resolution) be and is hereby authorized to capitalize, a sum of Rs. 87,01,29,834 /- out of the balance standing to the credit of General Reserve Account of the Company or such other accounts as are permissible to be utilised for the purpose and apply the same in paying up in full at par 87,01,29,834 equity shares of Re. 1 each in the capital of the company, such shares to be appropriated as capital and as fully paid Bonus shares allotted and distributed to and amongst persons who at the close of business hours on the date so determined by the directors/ Company Secretary in consultation with the Stock Exchanges (Record Date) are entitled to become the registered holders of the equity shares of the company in proportion of one new Equity Share for every one existing equity share held on such Record Date by such holders respectively;

II) pursuant to the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and consequent to the issue of bonus shares, the Board be and is hereby authorized to make fair and reasonable adjustment in price and number of shares to be issued against stock options, (including grant of fresh options as bonus options) whether granted or to be granted, under the Employee Stock Option Scheme of the company and also to capitalize the amount necessary for issue of Bonus shares upon exercise of Stock Options, vested but not exercised and unvested till the Record Date fixed for issue of Bonus shares and the amount shall stand reduced to the extent such options are not exercised.

III) the shares so distributed shall be treated for all purposes as an increase in the amount of capital held by each member and not as income;

IV) the said new equity shares to be issued and allotted as fully paid-up Bonus Shares shall be subject to the Memorandum and Articles of Association of the company and shall subject thereto rank pari passu with existing equity shares in all respects save and except that such new equity shares shall carry the right to receive dividend that may be paid/ declared on or after the allotment of such bonus shares for the financial year ending 31st March, 2011.

V) such allotment of Bonus Shares to non- resident shareholders/ Foreign Institutional Investors and other foreign investors of the company shall be subject to approval of the Reserve Bank of India under the Foreign Exchange Management Act, 2000; if any;

VI) no letter of allotment shall be issued in respect of the Bonus shares but in the case of members who hold equity shares in dematerialized form, the bonus shares shall be credited to the respective beneficiary accounts of the members with their respective depository participants and in the case of members who holds equity shares in physical form, the share certificate in respect of the Bonus Shares shall be dispatched, with in such time as prescribed by law and the relevant authorities,

VII) the Board be and is hereby authorized to take necessary steps to list the Bonus shares on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

VIII) for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do and perform all such acts, deeds, things and matters as may in its absolute discretion be deemed necessary and expedient and to settle any question or matter that may arise in connection therewith."

14 To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:-**

"RESOLVED THAT pursuant to provisions of Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956,(including any statutory modification or re-enactment thereof for the time being in force) and pursuant to provisions of Articles of Association of the company, the consent of the company be and is hereby accorded to increase the Authorized share Capital of the Company from Rs.145,00,00,000/- (Rupees One Hundred Forty Five Crores

only) divided into 145,00,00,000 equity shares of Re.1/- each to Rs.200,00,00,000/- (Rupees Two Hundred Crores only) divided into 200,00,00,000 equity shares of Re.1/- each by creation of 55,00,00,000 equity shares of Re.1/- each and consequently the existing Clause V of the Memorandum of Association of the Company relating to share capital be altered and the following substituted in its place :-

Clause V of Memorandum of Association

'The authorized share capital of the Company is Rs.200,00,00,000/- (Rupees Two Hundred Crores only) divided into 200,00,00,000 (Two Hundred Crores) equity shares of Re.1 each'

15 To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:-**

"RESOLVED THAT pursuant to provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the existing Article 4 of the Articles of Association of the Company relating to share capital be deleted and the following substituted in its place :-

'The authorized share capital of the Company is Rs.200,00,00,000/- (Rupees Two Hundred Crores only) divided into 200,00,00,000 (Two Hundred Crores) equity shares of Re.1 each with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company with power to increase and reduce the capital of the Company and divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being.'

By Order of the Board
for **DABUR INDIA LIMITED**

Regd. Office:
8/3, Asaf Ali Road,
New Delhi - 110 002
26th July, 2010

(A K JAIN)
General Manager (Finance)
& Company Secretary

NOTES

1. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no.8 to 15 of the notice set out above is annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 35th ANNUAL GENERAL MEETING.
3. The Share Transfer Books and Register of Members of the Company will remain closed from Thursday, 5th August, 2010 to Tuesday,10th August, 2010 (both days inclusive).
4. Members holding shares in physical form are requested to notify/send the following to the Registrar & Transfer Agent of the Company Karvy Computershare Pvt Ltd., 105-108, Arunachal Building, 19 Barakhamba Road, New Delhi-110001:-
   i) particulars of their bank account and email id, in case the same have not been sent earlier;
   ii) any change in their address/e-mail id/ECS mandate/ bank details;
   iii) 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.
5. **The Securities and Exchange Board of India has notified that the shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) card to the company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferee of shares (including joint holders) 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.**
6. **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.**
7. Members holding shares in the 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.
8. The Shareholders/Proxies are requested to produce at the Registration Counter(s) the attached attendance slip, duly completed and signed, for admission to the meeting hall.

   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.
9. In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the Company Secretary at the Registered Office of the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.

10 Pursuant to provisions of Section 205C of the Companies Act, 1956 the amount of dividends remaining unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, till date the Company has transferred the unpaid and unclaimed amount pertaining to interim dividend for the financial year 2002-2003 to the IEPF. Members who have not yet encashed their dividend warrants for the financial year 2002-03 (final dividend) onwards are requested to make their claims to the company immediately. Members may please note that no claim shall lie either against the Fund or 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.

11. 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.

12. All the documents referred to in the accompanying notice, explanatory statement and Register of Directors' Shareholding are open for inspection at the registered office of the Company on all working days between 11.00 am to 1.00 pm up to the date of Annual General Meeting. Register of Directors' Shareholding shall be open for inspection upto 3 days after the Annual General Meeting.

13. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Registrar & Transfer Agents of the Company the prescribed Form 2B, which can be downloaded from our website www.dabur.com

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.8

The Board of Directors has appointed Dr. Ajay Dua as an Additional Non Executive Independent Director of the Company w.e.f. 3rd September, 2009 in terms of Section 260 of the Companies Act, 1956.

Pursuant to section 260 of the Companies Act, 1956 Dr. Ajay Dua shall hold office only upto the date of ensuing Annual General Meeting. Valid Notice along with requisite deposit under section 257 of the Companies Act, 1956 has been received from a member of the Company proposing the candidature of Dr. Ajay Dua for the office of Director of the Company.

Dr. Dua has done M.Sc (Econ.) from London School of Economics and Politics and hold diplomas in Business Administration and Marketing Management. He was awarded a Ph.D by the University of Bombay for his work on Economics of Urban Renewal Programmes.

A retired civil servant, Dr. Dua joined the Indian Administrative Service in 1971. He has held a variety of senior assignments in the Government of Maharashtra and the Government of India. With a strong academic background and diverse work- experience Dr Dua is currently a senior business advisor / Board Member of several multinational firms.

The Board considers that his association as a Director will be beneficial to and in the interest of the company.

The Board of Directors recommends for your approval his appointment as Director of the company, liable to retire by rotation.

Dr. Ajay Dua does not belongs to promoters family. Besides, he is not related to any other director of the company in terms of Section 2(41) and section 6 read with Schedule 1A of the Companies Act, 1956.

None of the Directors other than Dr. Ajay Dua, himself, is concerned or interested in the resolution.

Item No.9

1. Mr. Sunil Duggal was reappointed as a wholetime Director of the company for a period of 5 years w.e.f. 31st July, 2005 on the remuneration and other terms and conditions as approved by the members of the company in the Annual General Meeting held on 15th July, 2005. In order to adequately compensate key management executives of the company in the highly competitive employment market which currently prevails, the Board of Directors has w.e.f. 01.07.2009,revised the remuneration of Mr. Sunil Duggal in line with the remuneration being drawn by his counterparts in the industry, as detailed hereunder in Section I.

2. Further, as the existing tenure of Mr. Sunil Duggal as Whole time Director of the company will expire on 30th July, 2010 the Board of Directors of the company in its meeting held on 18th June, 2010 has reappointed him as Whole-time Director of the company, designated as Chief Executive Officer of the company for a further period of five years w.e.f. 31st July, 2010 on the remuneration and terms and conditions, as detailed hereunder in Section I.

   The Remuneration cum Compensation Committee of the Board in its meeting held on 27.01.2010 has considered and recommended the aforesaid increase in remuneration and reappointment of Mr. Sunil Duggal to the Board for their approval.

Section I

A. Basic Salary

   -Rs. 1,25,00,000 - 1,40,00,000 per annum for the period w.e.f.01.07.2009 till 30.07.2010 with an authority to the Board to increase the same from time to time in accordance with the limits specified in Schedule XIII of the Companies Act, 1956, as amended from time to time. The annual or other increments will be merit based and will take into account the Company's performance, and

   - Rs.1,40,00,000 per annum for the period w.e.f.31.07.2010 till 30.07.2015; with an authority to the Board to increase the same from time to time in accordance with the limits specified in Schedule XIII of the Companies Act, 1956, as amended from time to time. The annual or other increments will be merit based and will take into account the Company's performance.

B. Special Allowance

   Upto Rs. 1,00,00,000 per annum for the period w.e.f. 01.07.2009 till 30.07.2010 and upto Rs. 2,00,00,000 per annum for the period w.e.f. 31.07.2010 till 30.07.2015 with authority to Board to fix his special allowance within these limit from time to time.

C. Performance linked incentive

   As per rules of the company as determined by the Board of Directors.

D. Perquisites & Allowances

   In addition to the prescribed basic salary, special allowance and performance linked incentives Mr. Sunil Duggal will also

be entitled to perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof, house maintenance allowance, medical reimbursement, coverage under medical and personal accident insurance, coverage under keyman insurance scheme, leave travel allowance/concession for self and his family, special allowance, contribution to PF, superannuation fund and payment of gratuity, club fees, tax u/s 192(1A) of Income Tax Act, paid by employer on behalf of employee and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board with Mr Sunil Duggal, provided that such perquisites and allowances will be subject to 400% of the basic salary.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per income tax rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

However, the following perquisites & allowances shall not be included in the computation of perquisites and allowances for the purpose of calculating the ceiling of 400% of the basic salary:-

- Provision for use of the Company's car with driver for official duties and telephones at residence (including payment of local calls and long distance official calls, mobile phone, internet facility, any other communication facility).
- Encashment of unavailed leave as per the rules of the Company.
- Long Service Award as per rules of the Company.

E. In addition to the above Mr. Sunil Duggal will also be entitled for Stock Options as may be decided from time to time by the Remuneration cum Compensation Committee in terms of Employees Stock Option Scheme of the Company.

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of tenure of aforesaid director, the Company has no profits or inadequate profits, the Company will pay remuneration by way of salary, perquisites and allowances to the said director subject to compliance with the applicable provisions of Schedule XIII of the Companies Act, 1956, and if necessary, with the approval of Central Government.

The above remuneration payable to Mr. Sunil Duggal is subject to the condition that the total remuneration including perquisites shall not exceed 5% of the net profits individually and 10% of the net profits collectively payable to all the Managing Directors/Whole Time Directors as calculated in accordance with Sections 198 and 309 of the Companies Act,1956 or any amendment thereto or any other provisions as may be applicable.

The terms of appointment and remuneration given herein above be altered, varied and increased from time to time by the Board of Directors of the Company, as it may at its discretion deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof for the time being in force or any amendments made thereto as may be agreed by the Board of Directors and the concerned director. The Board of Directors is also authorised to fix the quantum of benefits payable to the appointee after considering his performance and length of service and on fulfillment of other criteria laid by the Board from time to time.

Mr. Sunil Duggal does not belongs to promoters family. Besides, he is not related to any other director of the company in terms of Section 2(41) and section 6 read with Schedule 1A of the Companies Act, 1956.

The copy of resolution passed by the Board of Directors of the company in its meeting held on 18.06.2010 approving the aforesaid proposal alongwith other documents is available for inspection by the members of the company at its registered office between11.00 AM to 1.00 PM on all working days till the date of the Annual General Meeting.

This explanatory statement together with the accompanying notice may also be treated as an abstract under section 302 of the Companies Act, 1956.

The Board of Directors recommends the resolution for your approval.

None of the Directors other than Mr. Sunil Duggal, himself, is concerned or interested in the resolution.

Item No.10

Mr. P D Narang was reappointed as a wholetime Director of the company for a period of 5 years w.e.f. 1st April, 2008 on the remuneration and other terms and conditions as approved by the members of the company in the Annual General Meeting held on 13.07.2007. In order to adequately compensate key management executives of the company in the highly competitive employment market which currently prevails, it is proposed that the compensation paid to Mr. P D Narang, Whole time Director of the company be revised w.e.f. 01.07.2009, for the remainder of his tenure as Whole time Director of the company i.e. upto 31.03.2013 in line with the remuneration being drawn by his counterparts in the industry, on the following remuneration and terms and conditions.

The Remuneration cum Compensation Committee in its meeting held on 27.01.2010 also reviewed and then recommended the aforesaid increase in remuneration of Mr. P D Narang to the Board for their approval.

A. Basic Salary

Rs.1,30,00,000 per annum with an authority to the Board to increase the same from time to time in accordance with the limits specified in Schedule XIII of the Companies Act, 1956, as amended from time to time. The annual or other increments will be merit based and will take into account the Company's performance.

B. Special Allowance

Not exceeding Rs. 1,00,00,000 per annum with authority to Board to fix his special allowance within this limit from time to time.

C. Performance linked incentive

As per rules of the company as determined by the Board of Directors.

D. Perquisites & Allowances

In addition to the prescribed salary, special allowance and performance linked incentives Mr. P D Narang will also be entitled to perquisites and allowances like furnished accommodation or house rent allowance in lieu thereof, house maintenance allowance, medical reimbursement, coverage under medical and personal accident insurance, coverage under keyman insurance scheme, leave travel allowance/concession for self and his family, special allowance, contribution to PF, superannuation fund and payment of gratuity, club fees, tax u/s 192(1A) of Income Tax Act, paid by employer on behalf of employee and such other perquisites and allowances in

accordance with the rules of the Company or as may be agreed to by the Board with Mr P D Narang; such perquisites and allowances will be subject to 400% of the basic salary.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per income tax rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

However, the following perquisites & allowances shall not be included in the computation of perquisites and allowances for the purpose of calculating the ceiling of 400% of the basic salary:-

- Provision for use of the Company's car with driver for official duties and telephones at residence (including payment of local calls and long distance official calls, mobile phone, internet facility, any other communication facility).
- Encashment of unavailed leave as per the rules of the Company.
- Long Service Award as per rules of the Company.

E. In addition to the above Mr P D Narang will also be entitled for Stock Options as may be decided from time to time by the Remuneration cum Compensation Committee in terms of Employees Stock Option Scheme of the Company.

F. Following benefits on cessation of his whole time directorship and directorship in the Company under any circumstances or disablement whilst in service:-

a) Ex-gratia equivalent to three years basic pay to be computed on the basis of last salary drawn.

b) Monthly pension equivalent to 50% of the last salary drawn (to be linked with inflation).

c) Medical reimbursement for self and family members for the actual amount incurred by him during his lifetime.

d) To continue to use and occupy for his lifetime the housing accommodation/HRA provided by the Company.

e) To continue to use chauffeur driven car and telephone of the Company for his lifetime.

The spouse will, after death of the appointee, continue to get all the benefits listed under para F for her lifetime.

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of tenure of aforesaid director, the Company has no profits or inadequate profits, the Company will pay remuneration by way of salary, perquisites and allowances to the said director subject to compliance with the applicable provisions of Schedule XIII of the Companies Act, 1956, and if necessary, with the approval of Central Government.

The above remuneration payable to Mr P D Narang is subject to the condition that the total remuneration including perquisites shall not exceed 5% of the net profits individually and 10% of the net profits collectively payable to all the Managing Directors/Whole Time Directors as calculated in accordance with Sections 198 and 309 of the Companies Act, 1956 or any amendment thereto or any other provisions as may be applicable.

The terms of appointment and remuneration given herein above be altered, varied and increased from time to time by the Board of Directors of the Company, as it may at its discretion deem fit so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof for the time being in force or any amendments made thereto as may be agreed by the Board of Directors and the concerned director. The Board of Directors is also authorised to fix the quantum of benefits payable to the appointee after considering his performance and length of service and on fulfillment of other criteria laid by the Board from time to time.

Mr. P. D. Narang does not belongs to promoters family. Besides, he is not related to any other director of the company in terms of Section 2(41) and section 6 read with Schedule 1A of the Companies Act, 1956.

The copy of resolution passed by the Board of Directors of the company in its meeting held on 18.06.2010 approving the aforesaid proposal alongwith other documents is available for inspection by the members of the company at its registered office between11.00 AM to 1.00 PM on all working days till the date of the Annual General Meeting.

This explanatory statement together with the accompanying notice may also be treated as an abstract under section 302 of the Companies Act, 1956.

The Board of Directors recommends the resolution for your approval.

None of the Directors other than Mr. P. D Narang, himself, is concerned or interested in the resolution.

Item No. 11

In terms of the provisions of Section 293(1) (a) of the Companies Act, 1956, the consent of the members is necessary in general meeting to lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking the whole or substantially the whole of any such undertaking. Since mortgaging by the company of its movable or immovable properties in favour of various Financial Institutions/ Banks/Trustees for availing terms loans/other secured borrowings is regarded as disposal of the company's properties / undertakings, it is necessary for the members to pass the resolution under section 293 (1) (a) of the Companies Act, 1956. The shareholders of the company at the 19th Annual General Meeting held on 19th September, 1994 authorised the Board of Directors of the company to mortgage/ charge properties of the company upto a sum of Rs. 500 crores only. Keeping in view the company's business requirements and its growth plans, it is considered desirable to increase the said limit to Rs. 2000 crores. (Rupees two thousand crores only) in line with borrowings powers envisaged for the Board.

The Board of Directors recommends the resolution for your approval.

None of the Directors of the company is concerned or interested in this resolution.

Item No. 12

In terms of the provisions of Section 293(1)(d) of the Companies Act, 1956, the consent of the members is necessary to borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up share capital and free reserves of the company. The shareholders of the company at the 19th Annual General Meeting held on 19th September, 1994 authorised the Board of Directors of the company to borrow sums in excess of paid up capital and free reserves but not at any time exceeding Rs,. 500 Crores. Keeping in view the company's business requirements and its growth plans,

it is considered desirable to increase the said borrowing limits to Rs. 2000 crore.(Rupees two thousand crore only)

The Board of Directors recommends the resolution for your approval.

None of the Directors of the company is concerned or interested in this resolution.

Item No.13, 14 & 15

The company has shown impressive growth during the last few years. With a view to share the prosperity with its shareholders, the Board of Directors of the company in its meeting held on 26.07.2010 has recommended issue of Bonus shares in the ratio of 1:1 i.e. one new fully paid up equity share of Re. 1 each for every one existing equity share of Re. 1 each to the eligible members of the company as on record date to be fixed for the purpose.

Articles of Association of the company authorizes capitalization of reserves and issue of Bonus shares by the company.

The company has granted stock options to employees under the Employees StockOptions Scheme, 2000 (the Scheme) of the company. Consequent to the issue of Bonus shares and in terms of Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in terms of the "the Scheme", fair and reasonable adjustment in terms of price and number of shares to be issued against Stock Options granted or to be granted by the company would be required to be made so that the total value of Stock Options remains the same after the issue of Bonus shares.

The amount to be capitalized under this item includes the amount necessary for issue of Bonus shares upon exercise of Stock Options, vested but not exercised and unvested, as on record date to be fixed for this purpose, in accordance with the scheme and shall stand reduced to the extent such options are not exercised.

The existing Authorized Share Capital of the Company is Rs.145,00,00,000/- (Rupees One Hundred Forty Five Crores only) divided into 145,00,00,000 equity shares of Re.1/- each and the present issued, subscribed and paid up capital of the company is Rs. 87,01,29,834 divided into 87,01,29,834, equity shares of Re. 1 each.

In view of the proposed issue of Bonus equity shares as set out in Resolution No. 13 and also to generate long term resources by issue of equity capital in the future, it is proposed to increase the Authorised Share Capital of the company to Rs.200,00,00,000/- (Rupees Two Hundred Crores only) divided into 200,00,00,000 equity shares of Re.1/- each. The alteration proposed in the capital clauses in the Memorandum and Articles of Association of the company are only consequential to reflect the proposed increase in the Authorised Share Capital of the company.

The provisions of the Companies Act, 1956 require the company to seek approval of the members for capitalization of reserves and increase in the Authorized Share Capital and for the alteration of capital clause of the Memorandum of Association and the Articles of Association of the Company.

The Board of Directors accordingly recommend the resolutions set out at item nos. 13, 14 & 15 for your approval.

The Directors of the company may be deemed to be concerned or interested in Resolution No. 13 of the accompanying notice to the extent of their respective shareholdings in the company.

DETAILS OF DIRECTORS SEEKING APPOINTMENT /REAPPOINTMENT IN ANNUAL GENERAL MEETING FIXED FOR 31ST AUGUST, 2010

Mr. Pradip Burman

Date of birth : 02.11.1942

Date of Appointment : 14.11.1979

Qualification : B Sc.(Mech.Engg) MIT (USA)

Expertise in specific functional area:
Mr. Pradip Burman has rich experience in the field of operations. Sales, distribution and promotion of various ayurvedic & herbal products.

List of public companies in which outside directorship held:
1. Ayurvet Ltd.
2. Sanat Products Ltd.

Chairman/Member of the Committee of Board of Directors of the Companies:
Audit committee:-
- Sanat Products Ltd.

Shareholding in the Company : 182000 No. of Shares

Mr. Amit Burman

Date of birth : 16.07.1969

Date of Appointment : 01.11.2001

Qualification : MBA, Cambridge University, England

Expertise in specific functional area:
Mr. Amit Burman is responsible for the growth of foods business of the company under his dynamic leadership the foods division of the company has achieved a phenomenal growth.

List of public companies in which outside directorship held:
1. QH Talbros Ltd
2. Talbros Automotive Components Ltd.
3. Dabur Liberty General Insurance Company Ltd.
4. H&B Stores Ltd.

Chairman/Member of the Committee of Board of Directors of the Companies:
Shareholders/Investors Grievance Committee :-
- Dabur India Ltd

Audit Committee:-
- H&B Stores Ltd.

Remuneration Cum Compensation Committee
- Q H Talbros Ltd.

Shareholding in the Company : NIL

Dr. Anand Burman

Date of birth : 05.05.1952

Date of Appointment : 13.10.1986

Qualification : M Sc, PHD University of Kansas, USA

Expertise in specific functional area:
Dr. Anand Burman obtained his M Sc. degree in 1977. The University of Kansas awarded him Doctorate in 1980.

He joined Dabur in 1980 as manager R&D and came on the Board of the company in 1986.
He set up pharmaceutical business of the company in 1989 and was responsible for Company's diversification into bulk drugs, phytopharmaceuticals and oncology.

List of public companies in which outside directorship held:
1. Dabur Pharmaceutical Limited
2. Dabur (UK) Limited
3. Hindustan Motors Limted
4. H & B Stores Limited
5. Fresenius Kabi Oncology Ltd.
6. Aviva Life Insurance Co. India Ltd.
7. Althea Lifesciences Ltd.
8. Hero Honda Motors Ltd.

Chairman/Member of the Committee of Board of Directors of the Companies:
Remuneration Cum Compensation Committee
- Dabur India Limited

Shareholders/ Investors Grievance Committee
- Fresenius Kabi Oncology Ltd.

Share Transfer Committee
- Fresenius Kabi Oncology Ltd.

Shareholding in the Company : 111000 No. of Shares

Mr. P D Narang

Date of birth : 12.04.1954

Date of Appointment : 01.04.1998

Qualification : B.Com, FCA, FCS, AICWA, MIIA (USA)

Expertise in specific functional area:
Mr. P D Narang is the Group Director - Corporate Affairs. 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.

List of public companies in which outside directorship held:
1. Dabur Egypt Ltd.
2. Dabur International Ltd.
3. Weikfield International UAE, LLC.
4. African Consumercare Ltd.
5. Aviva Life Insurance Co. India Ltd.
6. H&B Stores Ltd.
7. Dabur Liberty General Insurance Company Ltd.

Chairman/Member of the Committee of Board of Directors of the Companies:
Shareholders/ Investors Grievance Committee
- Dabur India Ltd.

Audit Committee
- H&B Stores Ltd.

Remuneration Committee
- H&B Stores Ltd.

Shareholding in the Company : 12,93,583 No. of shares

Dr. Ajay Dua

Date of birth : 15.07.1947

Date of Appointment : 03.09.2009

Qualification : IAS (Retd.), M Sc (Eco), Ph. D.

Expertise in specific functional area:
A retired civil servant, Dr. Dua joined the Indian Administrative Service in 1971. He has held a variety of senior assignments in the Government of Maharashtra and the Government of India. With a strong academic background and diverse work- experience Dr Dua is currently a senior business advisor / Board Member of several multinational firms.

List of public companies in which outside directorship held:
1. Areva T&D India Ltd.
2. HSBC Invest Direct Securities Ltd.
3. HSBC Invest Direct Finance Ltd.
4. HSBC Invest Direct Ltd.
5. J K Laxmi Cement Ltd.
6. Aviva Life Insurance Co. India Ltd.

Chairman/Member of the Committee of Board of Directors of the Companies:
Shareholders/ Investors Grievance Committee
- Dabur India Ltd.
- JK Laxmi Cement Ltd.
- HSBC Invest Direct Ltd.
- Areva T&D India Ltd.

Audit Committee
- Dabur India Limited
- HSBC Invest Direct Securities Ltd.
- HSBC invest Direct Finance Ltd.
- HSBC Invest Direct Ltd.
- Aviva Life Insurance Company India Ltd.
- Areva T&D India Ltd.

Remuneration Cum Compensation Committee
- HSBC Invest Direct Ltd.
- Areva T&D India Ltd.

Shareholding in the Company : Nil

Mr. Sunil Duggal

Date of birth : 17.07.1957

Date of Appointment : 31.07.2000

Qualification : BE, MBA (IIM, Kolkata)

Expertise in specific functional area:
Mr. Sunil Duggal served as GM-Sales & Marketing in Wimco Ltd.,then moved to Pepsi Foods Ltd. in 1994 as GM- Sales & Marketing before joining Dabur in 1995.He played a key role in redefining Sales & Marketing function at Dabur and making it more efficient and is at the helm of affairs at Dabur as CEO since 2001.

List of public companies in which outside directorship held:
1. Dabur International Limited
2. H&B Stores Limited
3. African Consumercare Limited
4. Weikfield International (UAE) LLC

Chairman/Member of the Committee of Board of Directors of the Companies:
Audit Committee
- H & B Stores Limited

Remuneration Committee
- H & B Stores Limited

Shareholding in the Company : 15,02,469 no. of shares

Dabur

Dabur India Limited

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THE STORY BEHIND THE NUMBERS

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