



Indian Roots. Global Reach.



Contents

01 Corporate Information	04 Our Roots	06 Chairman's Message
08 Ten Year Highlights	08 Accolades 2010-11	10 Corporate Social Responsibility
12 Sustainability Report	14 Management Discussion & Analysis	45 Report on Corporate Governance
67 Directors' Report	82 Auditors' Report	86 Financial Statements
117 Consolidated Financial Statements	146 Financial Statements as per IFRS	



Corporate Information

BOARD OF DIRECTORS

Dr. Anand Burman
Chairman

Mr. Amit Burman
Vice Chairman

Mr. Pradip Burman
Director

Mr. Mohit Burman
Director

Mr. P. D. Narang
Director

Mr. Sunil Duggal
Director

Mr. R. C. Bhargava
Director

Mr. P. N. Vijay
Director

Dr. S. Narayan
Director

Mr. Albert Wiseman Paterson
Director

Mr. Analjit Singh
Director

Dr. Ajay Dua
Director

GM (FINANCE) & COMPANY SECRETARY

Mr. A. K. Jain

AUDITORS

M/s G. Basu & Co.
Chartered Accountants

INTERNAL AUDITORS

Price Waterhouse Coopers Pvt. Ltd.

BANKERS

Punjab National Bank

Standard Chartered Bank

The Hongkong & Shanghai Banking Corporation Ltd.

The Royal Bank of Scotland

Citibank NA

HDFC Bank Ltd.

IDBI Bank Ltd.

CORPORATE OFFICE

Dabur India Limited

Dabur Tower, Kaushambi, Sahibabad,

Ghaziabad - 201 010, (U.P.), India

Tel: 0120 - 39412525, 3982000

Fax: 0120 - 4374935

Website: www.dabur.com

Email: investors@dabur.com

REGISTERED OFFICE

8/3, Asaf Ali Road, New Delhi - 110 002, India

Tel: 011 - 23253488



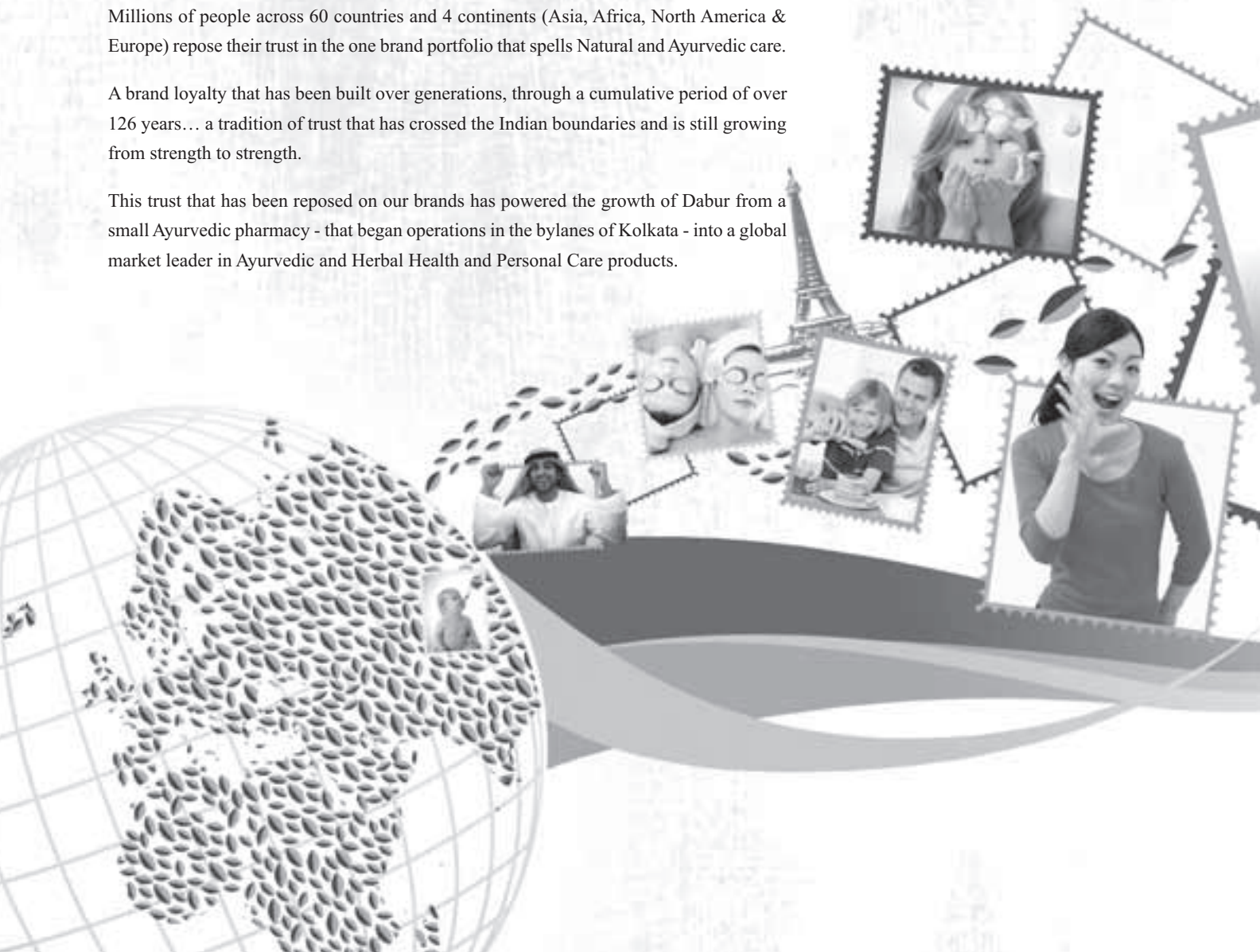
Call it a search for holistic and healthier living, a similar need drives people's preferences across the length and breadth of India and other countries across the world.

It is a tradition that is rooted in the Indian ethos, which has now expanded and gained global reach.

Millions of people across 60 countries and 4 continents (Asia, Africa, North America & Europe) repose their trust in the one brand portfolio that spells Natural and Ayurvedic care.

A brand loyalty that has been built over generations, through a cumulative period of over 126 years... a tradition of trust that has crossed the Indian boundaries and is still growing from strength to strength.

This trust that has been reposed on our brands has powered the growth of Dabur from a small Ayurvedic pharmacy - that began operations in the bylanes of Kolkata - into a global market leader in Ayurvedic and Herbal Health and Personal Care products.





Dabur, Vatika, Hajmola, Réal and Fem are today not just well known brand names in India, these brands now have a growing presence in consumers' mind space in markets like Middle East, Africa, South Asia and USA. In addition, our newest acquisitions - Hobi Group in Turkey and Namasté Laboratories LLC, USA, have given Dabur access to an array of products and technologies for extending its reach and presence further in the global arena.

No surprise then that Dabur is not just the 4th largest FMCG company in India with revenues of Rs. 4,110 crores, but it is the world's largest Ayurvedic and Natural Health Care & Personal Care company with a product portfolio which caters to and is customized for the local consumers. A company which has truly become global with a difference.

**This is the story of a Company with
Indian Roots and Global Reach.**

Our Roots

Dabur India Limited is the world's largest Ayurvedic & Natural Health Care Company and one of India's leading Personal & Health Care Companies.

BRAND PORTFOLIO & ARCHITECTURE

The Company's brand portfolio comprises of over 350 products positioned across the Herbal and Natural space. Dabur India's FMCG portfolio includes five flagship brands with distinct brand identities.



The **billion** rupee brands



Dabur

A trusted name in Natural Healthcare for the past 125+ years, Dabur is known for providing a range of efficacious and time-tested Health Care products based on the principles of Ayurveda

Vatika

A premium Personal Care brand & a leader in its category, Vatika is a popular name in the Natural Personal Care space offering a whole range of nature-based solutions

Hajmola

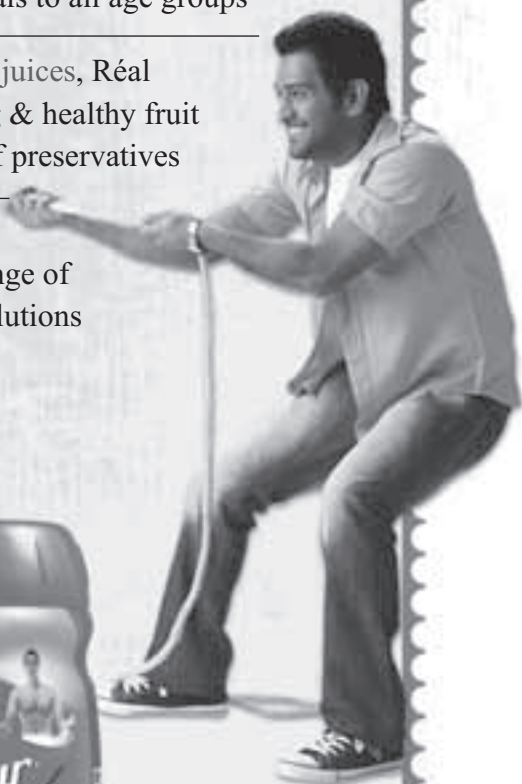
Tasty fun-filled digestives available in interesting formats like tablets and candies, Hajmola appeals to all age groups

Réal

India's leading brand of packaged fruit juices, Réal provides the largest range of refreshing & healthy fruit juices that are 100% natural and free of preservatives

fem

A relatively new member in the family of Dabur's key brands, Fem offers a range of fairness bleaches and hair removing solutions





Dear Shareholders,

It gives me great pleasure to write to you at the end of another memorable year for your company.

The fiscal year ended March 2011 had its set of challenges. Persistent double digit domestic inflation, disturbances in our markets in the Middle East and in North Africa, the increase and volatility of crude oil prices, all added to pressures on the revenues and on the profits of the company. However, the intrinsic growths in the markets where we operate, remain strong and the consumer confidence in these markets is enduring.

External pressures notwithstanding, the Indian Economy has exhibited a strong momentum, growing at 8.6%, and the consumer goods industry has correspondingly performed well. I am pleased to inform you that Dabur has ended the year with good growth in both revenues and profitability. On a consolidated basis,

the revenues grew by 20.3% to end the year at Rs. 4109.9 crores and the Net Profit rose 13.4% to Rs. 568.6 crores. The steady growth achieved by your company has been enabled by sustained investments in marketing and brand building, distribution, production, supply chain management and by driving operational efficiencies across all functions.

During the year, your Company saw robust volume-led growth across key categories like hair oils, toothpaste, skin care, health supplements, home care and foods. The year also saw Dabur complete two overseas acquisitions within a span of just four months. In October 2010, Dabur completed the acquisition of Turkey-based Hobi Group, giving it access to a new market as well as to a wide range of personal care products that will further expand its portfolio in the overseas markets, especially the Middle East and North Africa. This was followed in quick succession by the acquisition of Namasté Laboratories LLC, giving Dabur an entry

into global African hair care market. On the domestic side, in continuation with our strategy to expand our presence in the OTC healthcare space, we have recently acquired 'Thirty-Plus', India's first energizer and nutritional supplement brand.



**During the year,
your Company saw
robust volume-led
growth across key
categories.**

Going forward, we would look at more such opportunities to gain market entry and consolidate our competitive positioning while remaining focused on current market



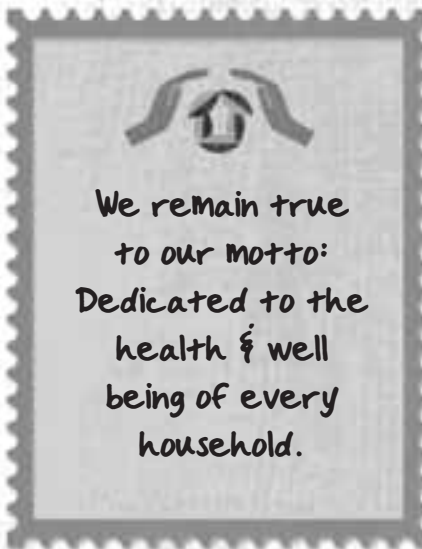
segments in which we operate today. Acquisitions would, therefore, continue to be integral to our growth strategy as we move ahead.

The growth strategies and your Company's achievement through 2010-11 have been elaborated in detail in the Management Discussion & Analysis section of this report. In this letter, I would like to highlight some of the key opportunities and challenges that your Company faces today and the factors that would help us move ahead firmly on the growth trajectory in days to come.

The consumer goods sector has performed encouragingly in 2010-11. What is more heartening is the fact that significant amount of growth is volume-driven. Higher raw material prices, rising food inflation and disruptive competition has impacted margin profiles of a few categories in the sector. However I do believe that the structural consumption growth story is still intact with real per capita disposable incomes continuing to rise and the Indian middle class emerging as a significant market. In the current inflationary scenario, companies with pricing power at the back of strong brands and efficient capital structure will emerge stronger by managing costs efficiently, expanding their presence through smart innovations and putting into play relevant consumer insights. Dabur is a nimble-footed organization that takes cognizance of these opportunities and changes in market dynamics to stay ahead and

continue to invest behind its brands and businesses.

Overall the Company is well positioned to participate in the quantum growth that is happening and is expected to happen in the future in the consumer goods industry. The industry is expected to more than triple in size from the current level of about \$33 billion in the next 10 years. Various demographic and economic indicators are



pointing towards a period of sustained growth and robust demand conditions in the coming years. Growing middle class and rural households represent an opportunity that may well be ahead of estimates in the future. We believe that steady demand conditions should ensure strong double digit growth in the industry going forward. The challenges in terms of cost pressures will have to be met through

enhancing efficiencies and building strong and powerful brands.

I would like to take this opportunity to thank all our consumers, business partners, shareholders and employees for continued commitment and support. Our employees are our greatest assets and it is entirely due to their hard work, perseverance, commitment and dedication that the company has been able to deliver superior growth and value creation with every passing year. I sincerely thank each and everyone of our stakeholders for their trust, encouragement, support and passion that inspires us to strive higher and higher with each passing year. We remain true to our motto – “Dedicated to the health and wellbeing of every household”.

Yours sincerely,

Dr. Anand C Burman
Chairman
Dabur India Ltd

10 Year Highlights

₹ crore	FY02*	FY03	FY04**	FY05	FY06#	FY07^	FY08	FY09	FY10	FY11^^
Operating Results:										
Sales	1,200	1,285	1,236	1,417	1,757	2,080	2,396	2,834	3,416	4,110
Other Income	12	7	9	9	13	26	34	47	48	65
EBITDA	144	162	164	217	300	376	443	517	677	820
EBITDA Margins (%)	12.0	12.6	13.3	15.3	17.1	18.1	18.5	18.3	19.8	19.9
Profit Before Tax (PBT)	82	106	124	176	257	319	384	445	601	708
Taxes	14	14	15	19	30	39	52	54	100	139
Tax Rate (%)	16.6	13.3	12.0	10.8	11.7	12.1	13.4	12.1	16.7	19.6
Profit After Tax (PAT)	64	85	107	156	214	282	333	391	501	569
PAT Margins (%)	5.4	6.6	8.6	11	12.2	13.5	13.9	13.8	14.7	13.8
Financial Position:										
Fixed Assets (Net)	371	257	250	295	512	379	465	559	677	1542
Current Assets, Loans & Advances	504	522	340	408	471	640	774	951	1106	1853
Current Liabilities & Provisions	183	241	294	400	436	452	732	805	920	1458
Net Working Capital	322	281	46	8	35	189	42	146	186	395
Total Assets	705	640	433	543	624	670	749	1060	1129	2465
Share Capital	29	29	29	29	57	86	86	87	87	174
Reserves & Surplus	365	388	257	335	440	393	531	732	848	1217
Shareholders Funds	393	417	286	364	497	480	618	819	935	1391
Loan Funds	304	964	132	164	121	160	99	230	179	1051
Total Capital Employed	705	640	433	543	624	670	749	1060	1129	2465
Return Ratios:										
ROCE (%)	12.6	16.1	28.6	31.3	39	45.7	47.6	39.4	45.7	33.2
RONW (%)	16.6	20.6	38.1	43.5	46.1	61.3	55.3	47.7	53.5	48.9
Equity Share Data:										
Earnings Per Share (₹)	2.3	3	3.7	5.4	3.7	3.3	3.9	4.5	5.8	3.3
Dividend Per Share (₹)	0.5	1.4	2	2.5	1.8	1.4	1.5	1.8	2	1.3
No. of Shares (In Cr)	28.6	28.6	28.6	28.6	57.3	86.3	86.4	86.5	86.9	174.1

Sales are Gross Sales i.e. Net of Sales Tax/VAT paid *Consolidated results from FY02 onwards **Dabur Pharma got de-merged #Bonus issue of 1:1 was issued during the year ^Bonus Issue of 1:2 was issued during the year ^^Bonus Issue of 1:1 issued during the year; ROCE & RONW on average basis due to acquisitions during the year



Dabur Amla Hair Oil enters Limca Book Of Records for organizing the longest-ever non-stop hair massage session



Four Dabur products - Meswak Super Value Hygiene Pack, Vatika Enriched Almond Hair Oil, Dabur Amla Flower Magic Hair Oil and Dabur Uveda Complete Fairness Cream - honoured with INDIASTAR Awards, the National Awards for Excellence in Packaging