



Dabur India Limited | Annual Report 2013-14



When the GOING GETS TOUGH, the TOUGH GET GOING. This age-old adage holds true for Dabur.



Over the past few years, India's economic growth has moderated and the economy has witnessed macro headwinds, inflationary pressures and adverse currency fluctuations, all of which have led to consumers tightening their purse-strings and a resultant moderation in demand.

Even as the world was gripped by ECONOMIC UNCERTAINTY, growing at a languid pace, Dabur defied the downturn and continued to march ahead with ENERGY & ENTHUSIASM, thanks to a plethora of initiatives - ranging from PRODUCT INNOVATION to MARKET EXPANSION and BETTER CONSUMER OUTREACH - that were put in place much ahead of the downturn. The result: Dabur generated STRONG VOLUME-LED GROWTH to report a DEFINING PERFORMANCE even during the trying times.

As a leading FMCG player with a WIDE PORTFOLIO OF BRANDS, a robust and WELL-OILED DISTRIBUTION NETWORK and DEEP-ROOTED UNDERSTANDING OF CONSUMER PREFERENCE & BEHAVIOUR, Dabur India Ltd has been able to cruise ahead even in the face of a challenging economic environment.

We continue to take pro-active measures in adjusting our portfolios, products and channels to keep pace with the ever-changing needs and aspirations of the consumers. Moving forward on our motto of being 'DEDICATED TO THE HEALTH & WELL-BEING OF EVERY HOUSEHOLD', we are now creating newer channels of growth to further optimise our already robust distribution network. With these initiatives in place, Dabur India will be well placed to surge ahead on the growth trajectory once the market conditions improve.



Dabur defied the downturn and continued to march ahead with energy & enthusiasm



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Board of Directors

Dr. Anand Burman	Chairman
Mr. Amit Burman	Vice-Chairman
Mr. Mohit Burman	Director
Mr. Saket 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
Dr. Ajay Dua	Director
Mr. Sanjay Kumar Bhattacharyya	Director

Corporate Information

V P (Finance) & Company Secretary

Mr. A. K. Jain

Auditors

M/s G. Basu & Co.
Chartered Accountants

Internal Auditors

PriceWaterhouseCoopers Pvt. Ltd.

Bankers

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

Corporate Office

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

Registered Office

8/3, Asaf Ali Road,
New Delhi-110002, India
Tel.: 011-23253488

Performance Indicators

Good momentum was witnessed across categories and geographies driven by strong volume growth

Sales
₹ 7,073.2
crores
UP 15.1%

Net Profit
₹ 913.9
crores
UP 19.7%

Market
Capitalisation
US\$ 5 bn+

International Business
Contribution

32%



Billion-Rupee
Brands

14



Retail Footprint

5.3 Million
Outlets



Total Employee Count

6,382
Employees



Brand Portfolio & Architecture



With a portfolio of over 400 products, Dabur is today's India's largest Natural Health & Personal Care Company. Innovation has always been the lifeline of our business and Dabur has, over the past one year, introduced around 30 new products and variants across the globe, straddling a variety of consumer segments. These new introductions, like our existing range, are aimed at meeting a single goal – Dedicated to the Health & Well-Being of every Household.



Our Master Brands



HAJMOLA®





Chairman's Message

Dear Partners in Growth,

It gives me immense pleasure to write to you at the end of another landmark year for Dabur.

Fiscal 2013-14 marked successful completion of the Vision Plan for the period 2010-14, with revenues crossing the ₹ 7,000 crore mark. Your company achieved Net Sales of ₹ 7,073.2 crores during 2013-14 growing by 15.1%. Net Profit for the year increased to ₹ 913.9 crores recording an increase of 19.7%.

It is quite encouraging that this growth has largely been volume driven and came in at a time when the economy continued to be under turbulence with growth rates slowing down across sectors including the consumer products industry. Even in such a challenging environment, your Company was not only able to post strong growth in sales but also improve upon profitability. The Company's EBITDA increased to ₹ 1,288 crores in fiscal 2013-14 reporting an increase of 17.4%.

The business has performed well across operating parameters. Our deep understanding of consumer behaviour which we have developed over the years and focus on improving overall marketing mix helped us navigate through a tough external environment, demonstrating the robustness of our business model. We continued to invest strongly behind our brands and drive innovation leading to an uptick in market shares.

In the previous year, your Company had made huge investments towards rural outreach and penetration into the hinterland which led to significant expansion of our distribution reach. This investment continued to pay rich dividends during fiscal 2013-14 with demand from rural India outpacing the urban markets and offsetting the slight moderation in demand from urban India.

The close of the financial year, in fact, saw urban markets inch up with growth rates at par with the rural markets. To capture the potential of the coming times, Dabur has embarked upon an initiative to strengthen its presence in the chemist network, which we feel will be a key driver of growth for our consumer healthcare and personal care business. We have re-organised our sales teams specifically to cater to the demands of chemist channel and also enhance distribution of health care and personal products portfolio through this network. As a result of this initiative, Dabur's direct chemist coverage is planned to increase from 1.72 lac to 2.06 lac outlets and the footprint will continue to grow particularly in the top 150 towns where this initiative has a major focus.

Dabur's International Business continued on the strong growth trajectory growing by 22.3% to