

Dabur India Limited  
Annual Report 2018-19



# ABOUT THE REPORT

Dabur India Limited is pleased to present its Annual Report 2018-19, with adoption of integrated reporting framework as laid out by the International Integrated Reporting Council (IIRC). With this we continue to move forward on our journey focused on creating value for all our stakeholders.

## Reporting scope and period

The Annual Report covers information on business operations of Dabur India Limited, aptly disclosed through six capitals as defined by International Integrated Reporting Council (IIRC). All the six capitals cover information on India and overseas operations. The Integrated Report considers the primary reporting period as April 01, 2018 to March 31, 2019. However, some of the sections of the report represent facts and figures of previous years to provide a comprehensive view to the stakeholders.

## Reporting framework

The Annual Report follows the International <IR> Framework as developed by IIRC ([www.integratedreporting.org](http://www.integratedreporting.org)) and should be read in conjunction with the financial statements included herein and the notes thereto. The financial and statutory data presented is in accordance with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable laws.

## Key company information

**Dabur India Limited**  
ISIN: INE016A01026  
BSE Code: 500096  
NSE Code: DABUR  
CIN: L24230DL1975PLC007908

## Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

## Assurance

To ensure the integrity of facts and information, the Board of Directors and management have reviewed the Report and have carried out the independent assurance on sustainability disclosures presented in the report. The statutory auditors, Walker Chandio & Co LLP, Chartered Accountants have provided assurance on the financial statements and the 'Independent Auditor's Report' has been duly incorporated as a part of this report.

# INSIDE THE REPORT

## Corporate Overview

- 06 About Dabur
- 08 Our Products
- 14 Our Presence
- 16 Our Strategy
- 20 Chairman's Message
- 22 Q&A With Mr. Mohit Malhotra
- 24 Financial Highlights
- 26 Awards and Recognition
- 30 Business Model
- 32 Stakeholder Engagement
- 36 Risk Management
- 42 Financial Capital
- 46 Manufactured Capital
- 50 Human Capital
- 56 Natural Capital
- 60 Social and Relationship Capital
- 68 Intellectual Capital

## Board & Management Reports

- 72 Management Discussion & Analysis
- 92 Report on Corporate Governance
- 121 Directors' Report

## Financial Statements

- 155 Standalone Financial Statements
- 225 Consolidated Financial Statements
- 307 Notice of Annual General Meeting

# CORPORATE INFORMATION

as at July 19, 2019

## Board of Directors

- Mr. Amit Burman, Chairman
- Mr. Mohit Burman, Vice Chairman
- Mr. Aditya Burman, Director
- Dr. Ajay Dua, Director
- Mr. Ajit Mohan Sharan, Director
- Mrs. Falguni Nayar, Director
- Mr. Mohit Malhotra, Whole-Time Director & CEO
- Mr. P. D. Narang, Whole-Time Director
- Mr. P. N. Vijay, Director
- Dr. S Narayan, Director
- Mr. Saket Burman, Director
- Mr. Sanjay Kumar Bhattacharyya, Director
- Mr. R C Bhargava, Director

## EVP (Finance) & Company Secretary

Mr. A. K. Jain

## Auditors

Walker Chandio & Co. LLP

## Internal Auditors

Pricewaterhouse Coopers Pvt. Ltd.

## 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  
Dabur Corporate Office, Kaushambi,  
Sahibabad, Ghaziabad-201010 (U.P.),  
India  
Tel.: 0120-3962100  
Fax: 0120-4374929  
Website: [www.dabur.com](http://www.dabur.com)  
Email: [corpcomm@mail.dabur](mailto:corpcomm@mail.dabur)  
Email for investors: [investors@mail.dabur](mailto:investors@mail.dabur)

## Registered Office

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



The cover design represents Dabur's philosophy of marrying age-old traditional knowledge of Ayurveda with modern-day Science. The creative rendition used represents the strong linkage between Science and Ayurveda, which forms an integral aspect for all products of Dabur.



This Report is also available online on [www.dabur.com](http://www.dabur.com)

Heritage, Trust and Knowledge are words that define the largest and oldest Ayurvedic and natural health care company of India – **Dabur**.



**At Dabur, our business has always been marked by the right mix of tradition and innovation. With a philosophy to merge the distinguished and differential facets of the old and the new, we have been successful in effecting the combination of heritage and modernity.**

With this philosophy, Dabur has successfully achieved a perfect balance between Ayurveda and modern science.

This has enabled us to offer differentiated products which offer holistic health and well-being and are based on the principles of Ayurveda. Health is an underlying theme, which has always been relevant and shall remain so in the future. Our strong bedrock of offering healthy solutions for the varied Health and Personal Care needs of modern-day consumers through our diverse product portfolio provides multiple opportunities of growth and value creation.

01

ORGANISATIONAL  
*Overview*





# ABOUT DABUR

The world’s largest and leading Ayurvedic and Natural Health Care company, Dabur India Limited, offers over 250 products in over 100 countries across the globe.

With our 135 years of rich heritage and experience, Dabur has excelled at building brands and businesses with products that are tailored to suit the needs and aspirations of consumers across the globe. Our business is divided into three Strategic Business Units, i.e., Consumer Care Business, Foods Business and International Business.

The Consumer Care Business covers our interests in Health Care and Home & Personal Care.

We have been driving consumer engagement by leveraging our brands and offering high quality products across all our markets.

Our five Master Brands are:



Master brand for Natural Health care products



Premium Personal Care products



Fruit-based beverages



Digestives



Fairness bleaches & Skin Care



## Vision



Dedicated to the Health & Well-Being of every household

## Principles



### Ownership

This is our company. We accept personal responsibility, and accountability to meet business needs.



### Passion for Winning

We all are leaders in our area of responsibility, with a deep commitment to deliver results. We are determined to be the best at doing what matters most.



### People Development

People are our most important asset. We add value through result driven training, and we encourage & reward excellence.



### Consumer Focus

We have superior understanding of consumer needs and develop products to fulfill them better.



### Team Work

We work together on the principle of mutual trust & transparency in a boundary-less organisation. We are intellectually honest in advocating proposals, including recognising risks.



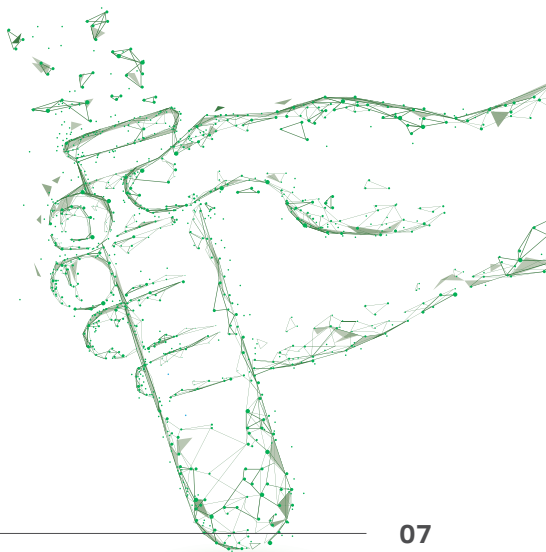
### Innovation

Continuous innovation in products & processes is the basis of our success.



### Integrity

We are committed to the achievement of business success with integrity. We are honest with consumers, with business partners and with each other.



# OUR PRODUCTS

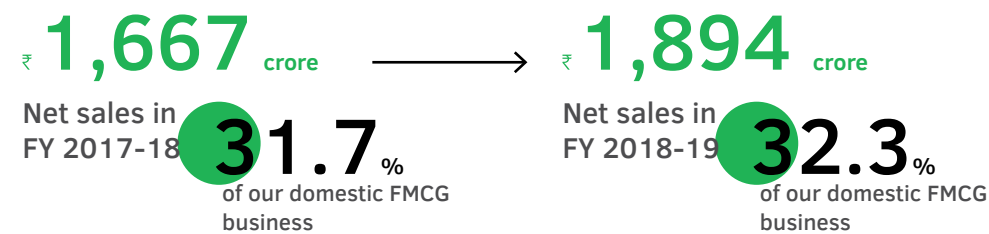
– A STRONG PORTFOLIO OF AYURVEDA AND NATURE-BASED PRODUCTS

What makes Dabur one of the most trusted and well-known Ayurvedic brands in the world is our unique product offerings. Dabur's portfolio features Ayurveda and nature-based products that are preferred by today's consumers. Our focus on innovation and brand building ensures our products resonate with our consumers, meet their unique needs, and drive our business sustainability.

## India

Our India business comprises three key categories of Health Care; Home & Personal Care and Foods. We have a strong distribution network within the country, covering both urban and rural markets, with our products reaching nearly 6.7 million retail outlets.

### Health care



### Health Supplements



### Digestives



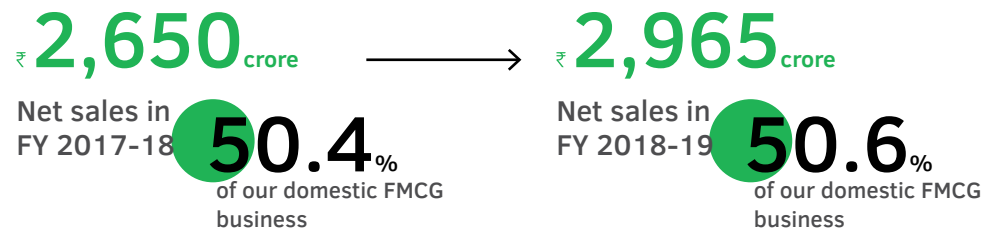
### OTC & Ayurvedic ethical





OUR  
PRODUCTS  
– A STRONG PORTFOLIO OF AYURVEDA  
AND NATURE-BASED PRODUCTS

Home & Personal Care



Hair care



Skin care



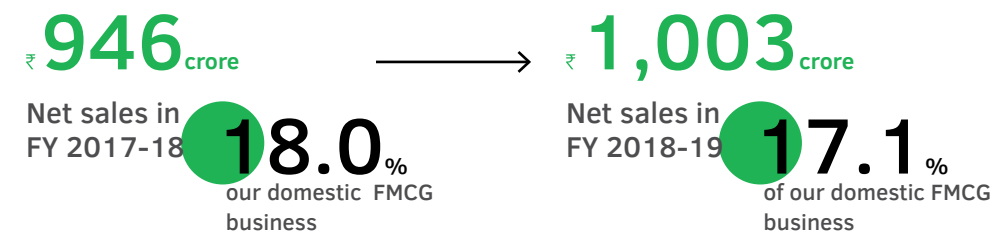
Oral care



Home care



Foods



18.0%

our domestic FMCG business

17.1%

of our domestic FMCG business

Fruit-based beverages



Culinary range





OUR

PRODUCTS

– A STRONG PORTFOLIO OF AYURVEDA AND NATURE-BASED PRODUCTS

Overseas

Our international business largely focuses on Natural Personal Care and we have been steadily expanding our presence in the global markets, both with new products and by venturing into new geographies. While this business has a brand architecture similar to India, the products under these brands are completely different and tailored for the local consumers of different countries. We have recently added fruit-based beverages to our global portfolio.

This business today operates in key geographies like Middle East, Africa, South Asia, USA and Turkey.



Americas

Accounts for  
**13.8** %  
of our overseas business with a range of products targeting the African American population. We also cater to the diaspora here with a range of Dabur products

Africa

Accounts for  
**22.1** %  
of our International business, covering key markets in Egypt, Nigeria and South Africa

Europe

Accounts for  
**12.2** %  
of our overseas business, covering markets like UK, Turkey etc



Middle East

Accounts for  
**27.1** %  
of our International business, covering key markets like Saudi Arabia and UAE



Asia

Accounts for  
**24.8** %  
of our International business, covering key markets in South Asia like Nepal, Bangladesh, Pakistan, Myanmar and Sri Lanka



OUR

PRESENCE

– STRONG MARKET POSITION ACROSS GEOGRAPHIES

Dabur has a strong presence across the globe with its products reaching consumers in over 100 countries. We have created a unique product portfolio, based on natural ingredients, and today command leadership position in several highly competitive categories across key markets. Our products enjoy good market shares in categories such as Hair Oils, Hair Creams, Hair Gels, Shampoos, Dental Care and Skin Care.

100+

Countries of market presence

69.4%

Revenue from domestic business

27.1%

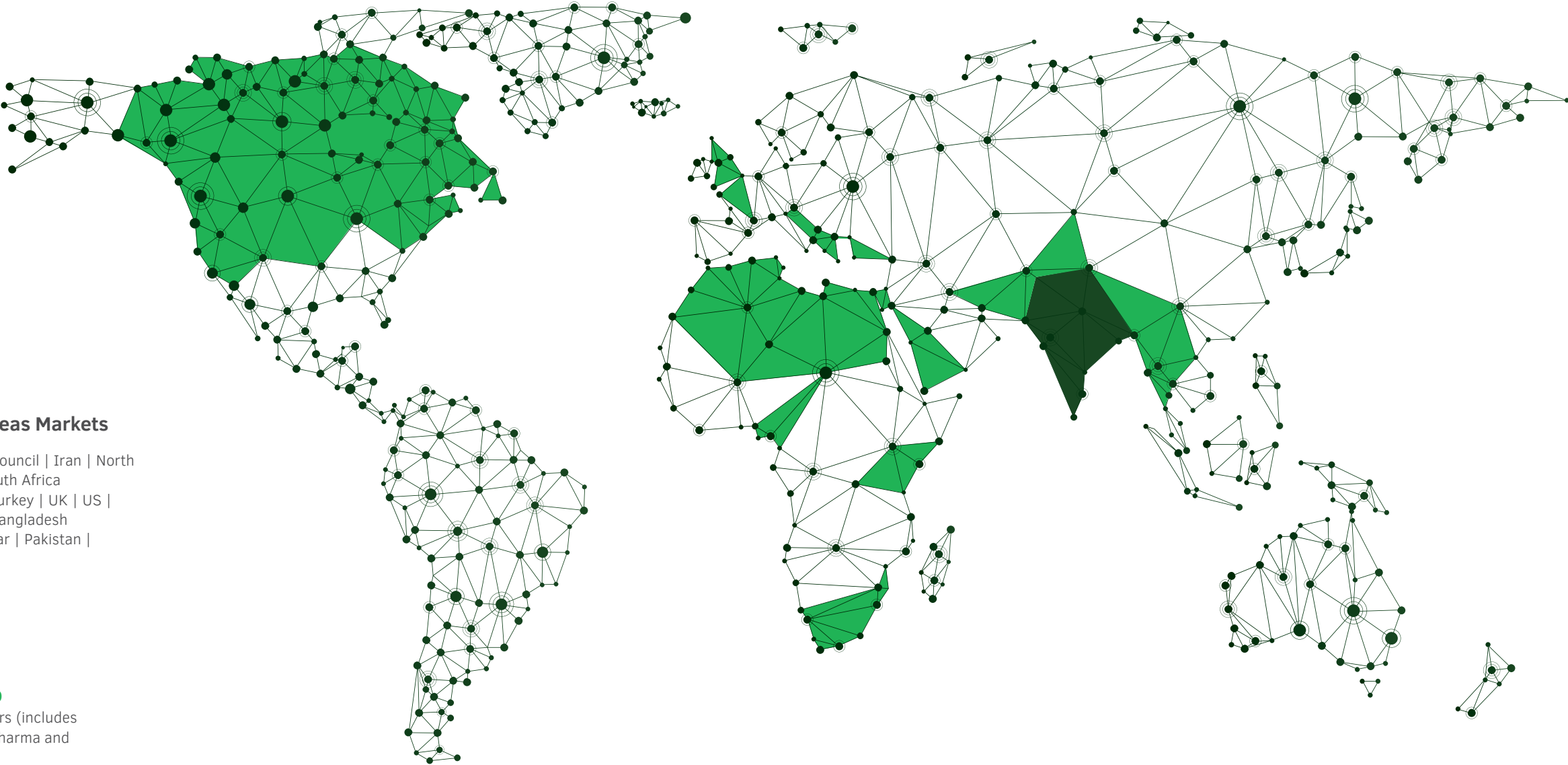
Revenue from international business

Our Key Overseas Markets

Gulf Cooperation Council | Iran | North Africa | Egypt | South Africa  
 Nigeria | Kenya | Turkey | UK | US | Canada | Nepal | Bangladesh  
 Sri Lanka | Myanmar | Pakistan | Afghanistan

3.5%

Revenue from Others (includes H&B Stores, Fem Pharma and Guar business)



# OUR STRATEGY

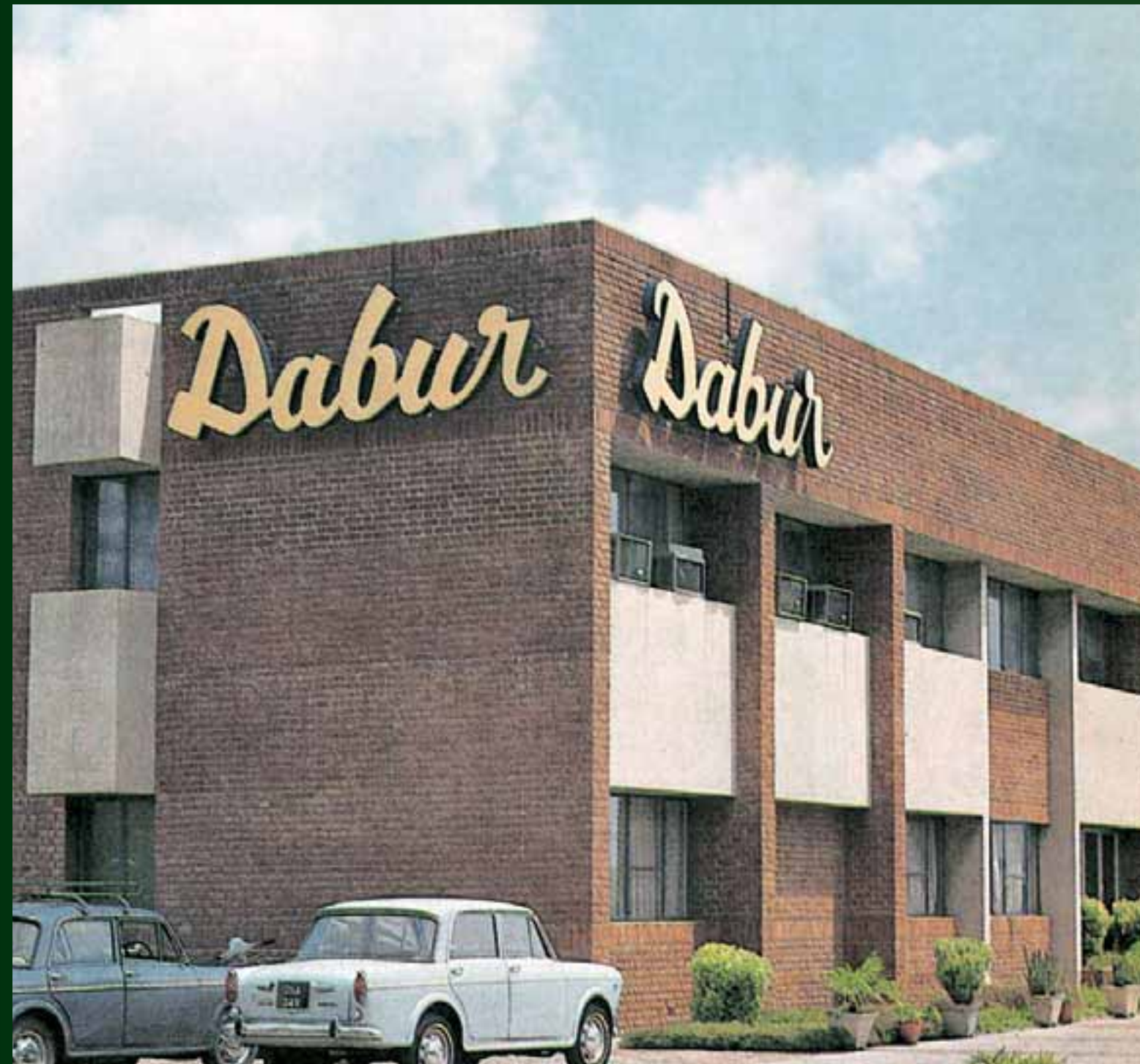
The Company's strategy is based on the foundation of Ayurveda, validated by modern-day Science. With over 135 years of heritage and experience in Ayurveda, Dabur is known widely as the custodian of Science-based Ayurveda. We consider our health care portfolio a great repository of knowledge and a strong driver of profitable growth. The penetration of OTC products is currently very low in India. The rising disease burden, particularly lifestyle ailments, and the growing preference for alternative systems of medicines will ultimately provide enormous growth opportunities for Ayurveda and Ayurvedic remedies in the future.

The wisdom of Ayurveda, in fact, holds the answers to many lifestyle ailments that the modern generation is facing today. Dabur has always believed in the benefit of Ayurveda and has been investing behind validating the benefits of Ayurveda and Ayurvedic ingredients and products through a series of scientific interventions for over a century now.

The growing 'Back to Nature and Ayurveda' trend, today, provides Dabur a unique platform for offering products that encapsulate the goodness of Ayurveda and are in sync with consumer preferences. We have been pursuing a prudent growth strategy and have been tirelessly working towards making traditional Indian knowledge available

in a form that appeals to the modern consumer. Even our Personal Care and Foods portfolios have Health and Wellness as the central binding theme and incorporate natural ingredients which are proven to be good for health and nurture healthy beauty from within.

Today, Dabur is the largest 'Science-based Ayurveda' company in the world. This amalgamation of age-old proven Ayurvedic formulations with modern science and contemporary formats is what helps us connect with younger consumers. To target the tech-savvy youth, we run specialised campaigns on their preferred digital platforms and complement these with enhanced presence and availability of products on e-commerce and online market



places. We aim to increase our focus on Ayurveda and nature-based products, going forward, offering modern and easy-to-use formats that are relevant and in sync with the needs of our modern-day consumers.

The approach is quite similar in the international markets. Dabur aims to expand its presence in its key overseas markets by investing strongly behind its brands, distribution and manufacturing capabilities. During fiscal 2018-19, We expanded our product portfolio by seeding Foods (fruit-based beverages) and Health care products in few of the international markets and will look forward to expand these in the future. Our brand architecture remains the same across markets, yet the products differ from country to country as they have been tailored to suit local tastes and preferences.

We have also embarked on improving our back-end and IT infrastructure and processes and have already started deriving positive results. Going forward, we will continue to build an even more efficient business model. We will continue to strategically focus on the 'herbal and natural' proposition as our core philosophy, both in India and abroad. In addition, the emphasis on health and wellness is our USP and makes Dabur a differentiated player in the consumer products market. Hence, we will continue to leverage this as a competitive advantage and means to increase market share in the categories where we operate.