



Consolidated Financial Statements

As per IFRS applicable to European Union



Auditors' Report

Dabur India Limited | Annual Report 2008-09
Consolidated Financials as per IFRS

The Board of Directors,
Dabur India Limited

We have audited the accounts of Dabur India Ltd. group compiled as per requirement of International Financial and Reporting Standards applicable to European Union. The said account comprises for the group consolidated Balance Sheet as on 31st March, 2009, consolidated statement of income for the year ended 31st March, 2009, statement of Cash Flow for the year ended on 31st March, 2009, reinstated stock holders Equity Reserves and comprehensive total income and related schedules.

These financial statements are the responsibilities of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standard generally accepted in European Union. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examination on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principle used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that audit provides a reasonable basis for our opinion.

In our opinion the Company's accounts give a true and fair view of the financial position of the Company as at 31st March, 2009 and of the results and cash flow for the year ended 31st March, 2009 in accordance with the European Union Standards and complying with the financial reporting requirements incorporated in the International Accounting Standards

For **G. BASU & CO.**
Chartered Accountants

(Manoj Kumar Das)
Partner
Membership No. 013783

Place: New Delhi
Date: 29th April, 2009



Schedule A

(All amounts in Indian Rupees in lacs, except share data)

	Note No.	As at March 31, 2009	As at March 31, 2008
ASSETS			
Current Assets			
Cash and Cash equivalents	21	14,842.55	7,518.26
Marketable securities	26(a)	11,878.56	20,453.98
Accounts Receivable, net of allowances	22	17,788.41	17,231.97
Inventories	23	37,546.85	30,248.41
Other current assets	24	22,701.36	20,033.20
Total current assets		104,757.74	95,485.82
Property, plant and equipment, net	25	51,187.83	42,213.48
Goodwill	27	1,459.13	1,459.13
Intangibles	28	2,190.82	2,312.24
Investments	26(b)	22,917.05	171.19
Other non-current assets	29	2,993.25	2,175.39
Total assets		185,505.82	143,817.25
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Short term debt and current portion of long term debt	30	22,192.61	8,779.48
Trade accounts payable	31	13,612.00	24,728.56
Accrued expenses and other current liabilities	32	33,316.07	20,922.84
Total current liabilities		69,120.68	54,430.88
Long term debt, excluding current portion	34	212.38	1,361.61
Other non-current liabilities	32A	22,478.58	19,748.93
Total non-current liability		22,690.96	21,110.54
Deferred Tax liabilities (net)	46	(1,205.41)	(766.36)
Total liabilities		90,606.23	74,775.06
Minority interest	33	404.45	445.21
Stockholders' equity			
Common stock, Re 1/ Par value.			
1450000000 equity shares authorised			
865076249 issued and outstanding		8,650.77	8,640.24
Additional paid in capital (Share Premium)	Sch. D	1,536.40	1,382.49
Other Reserve	36	21,809.07	21,230.91
Stock Option reserve	Sch. D	2,620.88	1,706.65
Retained earning	Sch. D	60,106.59	35,854.61
Accumulated & other comprehensive Income/(Loss)	Sch. D	(228.57)	(217.92)
Total liabilities and stock holders' equity		185,505.82	143,817.25

The accompanying Notes and Schedules are an integral part of these consolidated financial statements.

As per our report of even date attached
For **G. BASU & CO.**
Chartered Accountants

Manoj Kumar Das
Partner

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary

S tatement of Income

for the year ended March 31, 2009

Dabur India Limited | Annual Report 2008-09
Consolidated Financials as per IFRS

Schedule B

(All amounts in Indian Rupees in lacs, except share data)

	Note No.	Year ended March 31, 2009	Year ended March 31, 2008
Revenue	38	280,711.61	236,065.22
Cost of revenues	40	160,852.08	129,437.35
Gross profit		119,859.53	106,627.87
Operating expenses			
Selling, general and administrative expenses	41	60,047.28	55,381.75
Personnel expenses	42	12,410.80	10,085.25
Depreciation and amortisation	42A	5,024.35	4,479.04
Financial expenses	43	2,320.83	1,679.89
Total operating expenses		79,803.26	71,625.93
Operating Income		40,056.27	35,001.94
Other income, net	39	3,256.81	2,038.23
Income before provision for taxes		43,313.08	37,040.17
Provision for taxes			
Current tax expenses	45	4,993.87	4,276.88
Deferred tax benefit	46	(431.96)	111.70
Minority interest		(40.76)	(13.05)
Distributable Profit		38,791.92	32,664.64
Dividend		7,590.72	7,581.34
Retained Profit		31,201.20	25,083.30
Earning per common share			
Basic		4.49	3.78
Diluted		4.46	3.76
Weighted Average common shares outstanding			
Basic		864,907,642	863,826,759
Diluted		869,156,529	868,807,461

The accompanying Notes are an integral part of these consolidated financial statements.

As per our report of even date attached
For **G. BASU & CO.**
Chartered Accountants

Manoj Kumar Das
Partner

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary

Statement of Cash Flow

for the year ended March 31, 2009



Schedule C

(All amounts in Indian Rupees in lacs, except share data)

	Year ended March 31, 2009	Year ended March 31, 2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	38,791.93	32,664.64
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities		
Depreciation and amortization	5,282.61	4,479.04
Provision for Taxation	4,993.87	4,989.60
Deferred tax benefits	(431.96)	111.70
Loss / (gain) on disposal of property, plant and equipment	(16.03)	131.28
Loss / (gain) on disposal of investment	(2,088.38)	(984.68)
Amortization of employees stock option plan expenses	1,068.14	850.62
Minority interest	(40.76)	(13.05)
Interest expenses	2,320.83	1,679.89
Changes in operating assets and liabilities		
(Increase) / decrease in accounts Receivable	(556.44)	(3781.03)
(Increase) / decrease in Inventories	(7,298.44)	(4483.74)
Decrease / (increase) in other non current assets	(817.86)	(333.77)
Decrease / (increase) in other current assets	(2,806.71)	(3366.31)
Increase / (decrease) in account payable	(11,116.56)	7319.11
Increase / (decrease) in other Current Liabilities	13,603.64	2403.99
Increase / (decrease) in other non current liabilities	2,729.65	4305.60
Dividend Tax	(2,203.96)	(1101.28)
Income tax paid	(4,993.87)	(4989.60)
Interest paid	(2,320.83)	(1,679.89)
Net cash provided by operating activities	34,098.89	38202.12
Cash flow from Investing activities		
Expenditure on property, plant and equipment	(16,459.72)	(11578.79)
Proceeds from sale of property, land and equipment	2,780.62	97.34
Purchase of intangibles	(182.15)	(902.85)
Purchase of Securities	(22,904.37)	0.00
Purchase of Marketable securities	(11,806.10)	(20264.00)
Sale of other securities	22,352.38	8946.68
Net cash issued in investing activities	(26,219.34)	(23701.62)
Cash flows from financing activities		
Proceeds from exercise of stock option	10.53	11.39
Increase of short term debts (net)	13,413.13	(5030.62)
Repayment of long term debts (net)	(1,149.23)	(1113.00)
Payment of dividend	(12,968.24)	(6480.05)



(All amounts in Indian Rupees in lacs, except share data)

	Year ended March 31, 2009	Year ended March 31, 2008
Net cash provided by financing activities	(693.81)	(12612.28)
Net increase in cash and cash equivalent during the year	7,185.74	1888.22
Cash and cash equivalent at the beginning of the year	7,656.81	5768.60
Cash and cash equivalent at the end of the year	14,842.55	7656.81

Cash and Cash equivalent is net off Bank overdrafts.

As per our report of even date attached
For **G. BASU & CO.**
Chartered Accountants

Manoj Kumar Das
Partner

Place : New Delhi
Date : 29th April 2009

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

A.K. Jain

Chairman
Whole time Director
Whole time Director

GM (Finance) &
Company Secretary

STATEMENT OF STOCK HOLDERS' EQUITY, RESERVE AND COMPREHENSIVE TOTAL INCOME AS ON 31.03.2009

SCHEDULE - D

(All amounts in Indian Rupees in lacs, except share data)

Particulars:	No. of shares	Stock Holder's Equity	Share Premium/ Capital Redemption Reserve	Other Reserve	Stock Option Reserve	Retained Earning	Minority Interest	Comprehensive Total Income
Opening Balance as on 01.04.2008	864022973	8640.24	1382.49	21230.91	1706.65	35854.61	445.21	-217.92
Transfer Retained earning and other Reserve				-632.25		632.25		
Issue of Share against exercise of stock option (Note No. 35)	1053276	10.53						
Premium amount against exercise of stock option			153.91		-153.91			
Stock option amortisation (Note No 5 and 2.1.1 including FBT)					1,068.14			
Translation adjustment								-82.00
Additional liability towards service benefit (net of deferred assets Rs. 623.27)				1,210.41				
Unrealised gain on short term investment (net of deferred Tax 5.86, Note No 2.1.4)						-7,581.48		71.35
Payment of Dividend 2007-08						31,201.20	-40.76	
Net Income								
Closing Balance as on 31.03.2009	865076249	8,650.77	1,536.40	21,809.07	2,620.88	60,106.59	404.45	-228.57





SEGMENT REPORT AND RELATED INFORMATION MARCH 2009 IN CONFORMITY TO IFRS 14 **Schedule E**

(All amounts in Indian Rupees in lacs, except share data)

	Consumer Care Business		Consumer Health Business		Foods		Retail		Others		Unallocated		Total Consolidated	
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
REVENUE														
External Sales	218612	185467	21030	15796	33191	29829	591	5	7288	4968			280712	236065
Inter-segment sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	218612	185467	21030	15796	33191	29829	591	5	7288	4968			280712	236065
RESULT														
Segment result	51470	47102	5064	3626	5140	4519	(1614)	(711)	192	204	-	-	60251	54741
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	(17874)	(18059)	(17874)	(18059)
Operating profit	51470	47102	5064	3626	5140	4519	(1614)	(711)	192	204	(17874)	(18059)	42377	36682
Interest expense (Net of Interest Income)	-	-	-	-	-	-	-	-	-	-	2321	1680	2321	1680
Income Tax(Current + Deferred)	-	-	-	-	-	-	-	-	-	-	4562	4389	4562	4389
Profit from ordinary activities	51470	47102	5064	3626	5140	4519	(1614)	(711)	192	204	(24757)	(24127)	35494	30613
Other Income	-	-	-	-	-	-	-	-	-	-	3257	2038	3257	2038
Net Profit	51470	47102	5064	3626	5140	4519	(1614)	(711)	192	204	(21500)	(22089)	38751	32652
Exceptional item	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	-	-	-	-	-	(41)	(13)	(41)	(13)
Net profit	51470	47102	5064	3626	5140	4519	(1614)	(711)	192	204	(21460)	(22076)	38792	32665
OTHER INFORMATION														
Segment assets	As on 31/03/09	As on 31/03/08	As on 31/03/09	As on 31/03/08	As on 31/03/09	As on 31/03/08	As on 31/03/09	As on 31/03/08	As on 31/03/09	As on 31/03/08	As on 31/03/09	As on 31/03/08	As on 31/03/09	As on 31/03/08
Unallocated corporate assets	78910	63498	7276	6191	13790	10700	1941	1884	3359	3260	-	-	105276	85533
Total assets	78910	63498	7276	6191	13790	10700	1941	1884	3359	3260	80231	58284	185506	143817
Segment liabilities	25127	26607	915	775	1982	2645	233	420	477	56	-	-	28733	30503
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-	61873	44272	61873	44272
Total liabilities	25127	26607	915	775	1982	2645	233	420	477	56	61873	44272	90606	74775
Capital expenditure	26774	21009	2008	1151	3805	6146	536	1045	927	1566	17139	11297	51188	42213
Depreciation	2121	1890	226	201	1025	914	42	38	316	282	1295	1154	5024	4479

SECONDARY SEGMENT

As the company also exports, the secondary segment for the company is based on the location of customers. Out of the total sales of Rs. 283411.14 (239628.74) the export sale is Rs 18457.43 (Rs. 32499.57)



The reconciliation of net income as per Indian GAAP and IFRS (EU)

		(Rs. in Crores)
Particulars		Audited for the Year ended on 31.03.2009
Consolidated net profit as per Indian GAAP		391.21
Add: Difference for		
(a) Stock Option amorisation	0.10	
(b) Technical knowhow fees written off	0.09	
(c) Profit on reinstatement of Long Term Loan	0.13	0.32
Total		391.53
Less: Difference for		
(a) Depreciation	5.38	
(b) Deferred tax	(1.77)	3.61
Consolidated net profit as per IFRS (EU)		387.92



Notes to Consolidated Financial Statement Compiled under IFRS applicable to European Union for the year ended 31.3.2009

(All amounts in Indian Rupees in lacs, except share data)

1 Business combination:

Dabur India Limited (DIL) along with its subsidiaries (collectively known as Group) situated in India and abroad constitutes a FMCG Conglomerate.

The company was incorporated on 16th September 1975 with the object of manufacturing and marketing FMCG, Ayurvedic & Pharmaceutical products. The pharmaceutical division of the company was demerged from the existing entity on 1.4.2003. DIL has manufacturing facilities in eight States of India. The group companies presently have manufacturing facilities in eight countries, namely India, Bangladesh, Nepal, Dubai, Sarjah, Ras-Al-Khaima, Egypt & Nigeria. Major markets of the group include India, Middle East, Nepal, Bangladesh, USA and UK.

The growth of the company has been phenomenal since early ninety rarely shared by any other FMCG company in this subcontinent.

The consolidated financial statements include the financial statements of DIL and its subsidiaries. An entity in which DIL has directly or indirectly, through other subsidiary undertakings, has taken a controlling interest or is in a position to control composition of directors is classified as a subsidiary. All material inter-company accounts and transactions have been eliminated on consolidation.

Consolidated herein are the group companies (all engaged in FMCG business) whose particulars are furnished below :-

Name of Subsidiary	Country of incorporation	Shareholding
Dabur Nepal Pvt Ltd	Nepal	97.5% by Dabur International Ltd
Dabur (UK) Ltd	British Virgin Island	100% by Dabur International Ltd
Dabur International Ltd	Isle of MAN	100%
Weikfiled International (UAE) Ltd, *	United Arab Emirate	38.41% by Dabur International Ltd
H&B Stores Ltd	India	100%
Dabur Egypt Ltd	Egypt	76% by Dabur (UK) Ltd & 24% by Dabur International Ltd
African Consumer Care Ltd	Nigeria	90% by Dabur International Ltd & 10% by Dabur (UK) Ltd
Asian Consumer Care Pvt Ltd	Bangladesh	76% by Dabur International Ltd
Asian Consumer Care Pakistan Pvt Ltd	Pakistan	99.99% by Dabur International Ltd
Naturelle LLC	Emirates of Ras Al Khaima	100% by Dabur International Ltd

*Control on composition of Board of Directors by parent company arises d'tre of subsidiary status.

Since the date of transition from Indian GAAP to IFRS meant for EU is 1.4.2006 and the practice of preparation of consolidated financial statement (CFS) under pooling method has been in vogue since much longer period under Indian GAAP, the stipulation of IFRS-3 laying down purchase method of incorporating consolidated accounts had to be done away with for business combination lasting since before transition date.

However purchase method has been applied for consolidation / merger of any new entity or change in business combination of existing entities forming the group.

2. First time adoption of International Financial Reporting Standards (IFRS) :

The group had adopted IFRS as applicable to European Union (EU) with effect from 1st April 2007 with a transition date to 1st April, 2006.

Consequently, the various heads of accounts including stockholder's equity under Indian GAAP have been duly recast so as to conform to exigencies of IFRS-1.

2.1 Stockholder's equity. Share premium, other reserve and minority interest as on 31.03.09

2.1.1 (a) During financial year 2008-09, 1053276 number of equity shares of Re. 1/- each of DIL have been issued to employees against exercise of stock option thereby raising equity base of stock holders by INR 10.53.

(b) Fair Value of Grant of Stock option under Black Schole method amortised during the year 2008-09 works out to INR 705.24 (excluding FBT of INR 363.17).



(All amounts in Indian Rupees in lacs, except share data)

- 2.1.2 Consequent upto of making share based payment as discussed in preceding paragraph, fair value of premium component of equity share issued on exercise of option by the beneficiaries during the year determined on BLACK SCHOLES Model aggregating INR 153.91 has been charged off to Stock Option reserve with corresponding credit to share premium account.
- 2.1.3 Share of loss of INR 40.76 of minority stake holders for financial year 2008-09 has been debited to minority interest account.
- 2.1.4 Incremental unrealized gain (net of deferred tax) towards readily marketable equity securities held for sale amounting to INR 71.35 has been charged off to Comprehensive Total Income. Similarly Exchange translation loss of INR 82.00 have been credited to Comprehensive Total Income.

3. Basis of Presentation and use of Estimates :

The accompanying CFS include Dabur India Limited and its subsidiaries and are prepared in accordance with accounting principles generally accepted in IFRS applicable to EU. The preparation of consolidated financial statement in conformity with IFRS requires management to make estimates and assumption. These estimates and assumptions affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual result could differ from these estimates. The management's estimates of charge back rebates, discount, returns and the useful life of tangible, impairment of fixed assets, treatment of goodwill and intangibles with estimable lifespan, realization of deferred assets present sensitive estimate in particular.

4. Foreign Currency Translation :

Functional currency of DIL is in Indian rupee (INR) in which the group accounts have been presented. The accompanying financial statements are reported in INR accounted for under re-measurement method. Monetary assets and liabilities of Overseas group Companies are translated in INR at the appropriate year end exchange rates. Income and expenses are translated using monthly average exchange rate in effect during the year under report. The result of translation adjustment are recorded as component of other comprehensive income. Fixed assets and equities have been accounted for in terms of exchange rate ruling on the date of transaction.

Total exchange loss during financial year 2008-09 was INR 82.00 which has been accounted for as comprehensive total income. Relevant loss INR186.15 is net of gain on account of translation of financial instrument (accounts receivable and accounts payable) in reporting currency.

5. Taxation :

Taxation is that chargeable on the profits for the current period as Foreign and domestic taxes together with deferred taxation. Deferred taxation is provided in full using the liability method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is provided on temporary differences arising on investments in Group undertakings, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that it will not reverse in the foreseeable future. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. As envisaged under IAS 12, deferred tax assets and liabilities are not discounted. Deferred tax is determined using the tax rates that have been enacted or substantively enacted by the balance sheet date.

The Fringe Benefit Tax is included as part of the related expenses which give rise to such tax.

6. Research and Development :

Research expenditure is charged to income statement in the year in which it is incurred. Development expenditure is charged to income statement in the year it is incurred, unless it meets the recognition criteria of IAS 38 on Intangible Assets.

7. Impairment of Assets :

Assets are reviewed for impairment whenever events indicate that the carrying amount of a cash-generating unit may not be recoverable. In addition, assets that have indefinite useful lives are tested annually for impairment. An impairment loss is recognized to the extent that the carrying value exceeds the higher of the asset's fair value less costs to sell and its value in use. A cash generating unit is the smallest identifiable group of assets that generates cash flows which are largely independent of the cash flows from other assets or groups of assets. At the acquisition date, any goodwill acquired is allocated to the relevant cash generating unit of group of cash generating units expected to benefit from the acquisition for the purpose of impairment testing of goodwill.

8. Inventories :

Inventories are stated at the lower of cost and net realizable value. Cost is based on the weighted average cost incurred in acquiring inventories and bringing them to their existing location and condition, which will include raw materials, direct



(All amounts in Indian Rupees in lacs, except share data)

labour and overheads, where appropriate. Net realizable value is the estimated selling price less costs to completion and sale.

9. Investment Securities :

(i) The Group Companies follow investment policies, which are consistent with the provision of IAS-32 & 39. Short term readily marketable securities are held at market price at period end. Investment held for long term in securities where significant influence exists are valued at fair value. Unrealised gain and losses, net of related tax effect are reported as a separate component of stock holder's equity in comprehensive total income until realized. Realised gain or losses on sale of securities are computed with reference to their weighted average cost. Realised gains, losses and decline in value on non-readily marketable available-for-sale securities that are judged to be other than temporary, are included in the statement of income. Interest and dividend income is recognized when earned.

(ii) The company during the year has entered into an agreement with shareholders collectively holding controlling interest in Fem Care Pharma Ltd (FEM), a domestic listed company for acquisition of their shares (72.15% of total share capital subscribed and paid up therein) at a consideration of INR 20372 subject to approval of transfer by appropriate authorities.

Pending approval of the transfer formalities the value of stake paid and kept to the escrow account, is treated as advance against share, in the investment category.

The interest benefit of deposit in escrow account accruing thereon INR581 is not accounted for due to absence of beneficial right therein.

The company has so far incurred INR112 towards cost of proposed acquisition in making the total investment of INR 20484.35.

10. Property, Plant and Equipment :

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight-line method over the estimated useful life of the respective assets in terms of IAS-16. Assets under capital leases and leasehold improvements are amortized over the lower of their estimated useful lives or the term of the lease.

Expenditure for additions and improvements are capitalized, while costs for repairs and maintenance are charged to operations as incurred. Advances paid for the acquisition of property, plant and equipment outstanding at the balance sheet date and the cost of property, plant and equipment not put to use before such date are disclosed as "capital work-in-progress". The cost and the accumulated depreciation for assets sold, retired or otherwise disposed of are removed from the amounts disclosed in the balance sheet and the resulting gain or loss is included in the Consolidated Statement of Income.

Estimated cost of sale is reduced from carrying amounts of assets when the same is held, for disposal. No further depreciation is provided after the asset become idle whether on the ground of temporary suspension of use or poised for sale.

The Group Companies have determined the estimated useful lives of assets for depreciation purposes.

Assets held & used 31.03.09

Type of Assets :	Estimated useful life for charging depreciation :
Leasehold Land	20 years
Buildings	10-15 years
Plant and Machinery	6-15 years
Furniture and Fixtures	10-15 years
Office Equipment	15 years
Vehicles	5 years

Property, plant & equipment aggregating INR 218.18 are mortgaged/hypothecated to bank and financial institutions towards security on loan.

11. Intangibles (Patent and Software) :

Patents, being indefinite lived intangible assets, are periodically subjected to impairment test. Software is amortized over the useful lifetime of the asset on straight-line method subject to periodic review of utility. The useful life considered is 5 years.

12. Goodwill :

Goodwill arises out of consolidation of subsidiaries or merger of body corporate with group companies being the excess of value of investment over proportionate stake in net assets of subsidiaries/merged entities in terms of book values which are indicated in the consolidated balance sheet. Goodwill is not amortized but subjected to periodic impairment test. Goodwill of business combination, if works out to negative, is recognized as income.

13. Financial Instruments :

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the



(All amounts in Indian Rupees in lacs, except share data)

relevant instrument and derecognized when it ceases to be a party to such provisions. Such assets and liabilities are classified as current if they are expected to be realised or settled within 12 months after the balance sheet date. If not, they are classified as non-current financial instruments are classified in conformity to the provision of IAS-32 and IAS-39.

14. Share-based Payments :

The Group has equity-settled share-based compensation plans.

Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity settled share based payments is expensed over the vesting period, based on the group's estimate of awards that will eventually vest. For plans where vesting conditions are based on total shareholder returns, the fair value on date of grant reflects these conditions, whereas earning per share vesting conditions are reflected in the calculation of awards that will eventually vest over the vesting period. Fair value is measured by the use of the Black Scholes option pricing model.

15. Advertising Cost :

Expenditure on advertising is expensed when incurred.

16. Earnings per share :

In accordance with IAS-33, "Earning per Share", basic earning per share is computed using the weighted average number of common shares outstanding during the period. Diluted earning per share is computed using the weighted average number of common and diluted common equivalent shares outstanding during the period.

16.1 Earning / (loss), if material, on discontinued operation is disclosed separately.

17. Revenue Recognition :

- 17.1 Customers of the Group Companies consist primarily of large wholesalers and dealers network who sell directly into the retail channel. Revenue from product sales is recognized when the merchandise is sold or shipped to customers and all four of the following criteria are met : (i) persuasive evidence that an arrangement exists (ii) delivery of the products has occurred, (iii) the selling price is both fixed and determinable and (iv) collectibility is reasonably assured.

Provisions for sales discounts, damaged product returns, exchange for expired product are established as a reduction of product sales revenues at the time such revenues are recognized. Certain charge backs and rebate programmes extended to customers pursuant to industry standards are recognized as a reduction from product sales revenues. Besides taxes/duties incidental to sale are recognized as a reduction from product sale revenue.

17.2 Interest, Royalty, Dividend :

Dividend is recognized at the point of declaration of Dividend by investee entity. Interest has been accounted for on time proportion basis. Royalty is provided for accrual basis based on agreement of receipts option as per IAS-18.

17.3 Borrowing Costs :

The borrowing costs as per IAS-23 on the bench mark treatment that borrowing costs could be recognized as expenses in period in which they are incurred. When the borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets. Such costs are capitalized in terms of the criteria in Revised IAS-23. Where the interest rate of the borrowing is less than the commercial interest rate prevailing in the local currency borrowing, the resultant exchange loss on account of Foreign Exchange is added to the borrowing cost and the same is capitalized if the loan is taken for acquisition of the qualifying assets.

17.4 Segment Report :

Segment Report has been drawn in application of IAS-14. The group does not have any associates. It has one joint venture which has not been considered as entire investment therein has already been provided for and investment thereon is negligible. The segment report has been furnished on the basis of reportable industries segment.

Regarding geographical segment since export sale to un-affiliated customers do not exceed 10% of total sale, the same has not been furnished.

Major industrial segment include consumer care business, consumer health business, food business and others.

17.5 Employees are entitled to post retirement benefit under defined contribution plan and defined benefit plan.

The Group operates both defined benefit and defined contribution schemes. The net deficit or surplus for each defined benefit scheme is calculated in accordance with IAS-19 based on the present value of defined benefit obligation at the Balance Sheet date less fair value of the scheme assets.

Defined benefit plans relate to Gratuity, Leave Salary and retirement benefits of Directors.



(All amounts in Indian Rupees in lacs, except share data)

18. Contingent Liabilities, Contingent Assets and Contingent Provision :

Contingent liabilities as per IAS-37 is possible obligation that arises from past event and whose existence will be confirmed on occurrence or non-occurrence of one or more certain future events not wholly within the control of the entity or present obligation that arises from past events that is not recognized because it is not possible that an outflow of resources embodying economic benefits will be required to settle the obligation or the obligation amount cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed in the financial statement. However when past event occurred with resulting possible obligation for which it is likely that there will be a transfer of benefit and reliable estimate can be made for the amount of the obligation, provision is made therefor in terms of its discounted present value of obligation. A contingent asset as per IAS-37 is a possible asset that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the entity.

Contingent Assets are not recognized unless realization of income is virtually certain. However, the same is disclosed by way of note in financial statement.

19. The directors of the parent company have recommended dividend amounting to INR 10120.96 (including dividend tax INR 1470.20) per share INR 1/- for financial year ended 31.3.2009 not being recognizable under IFRS as laid down in IAS-10 but provided as per requirement of Indian GAAP has been maintained in the Retained Earnings.. Further DIL has paid interim dividend of INR 7590.72 (including INR 1102.65 on account of tax thereon) during & for financial year 2008-09 which has been duly recognized as distribution of profit. The final dividend of 2007-08 of INR7581.48 (including tax of 1101.31) has been taken in the retained income.

20. Reconciliation of Weighted Average Equity Outstanding Basic vis-à-vis diluted :

i) Weighted average number of basic shares	864907642
ii) Additional right on equity share arising under grant of option under ESOP exercisable on future dates	4248887
iii) Weighted average diluted equity share outstanding	869156529

21. Cash & Cash Equivalent :

Cash & cash equivalent comprises following:

	2009	2008
Cash in hand	36.07	46.43
Remittance in transit	165.02	8.40
Balance with scheduled Bank	3256.46	6888.02
Balance with non-scheduled Bank	135.21	575.41
Fixed Deposit Accounts	11249.79	0.00
Total	14842.55	7518.26

Cash equivalent represent deposits placed with Banks in the normal course of business operation. Balance with non-schedule bank is net off bank overdraft.

22. Accounts Receivable :

The Accounts receivable is stated net of allowance for doubtful debts. The group companies maintain an allowance for doubtful debts on accounts receivable, based on present and prospective financial condition of the customer receivable after considering historical experience and the current economic environment on case-to-case basis.

Total account receivable as at March 31, 2009, net of allowance for doubtful account of INR 1477.08 (INR 745.40 previous year) amounts to INR 17788.41 (INR 7231.97 previous year).

23. Inventories :

Inventories comprises of the following :-

	2009	2008
Raw Materials	11786.18	9131.94
Packing material, stores & spares	6182.19	5513.74
Stock in progress	6111.74	3628.32
Finished goods	13466.74	11974.42
Total	37546.85	30248.42

(All amounts in Indian Rupees in lacs, except share data)

24. Other Current assets :

Other current assets comprise of the following :

	2009	2008
Advance payment of Tax	16716.54	12761.57
Advance to suppliers	1524.70	2485.71
Advance to employees	300.96	371.07
Balances with excise authority	1905.21	1542.55
Other advances recoverable in cash or in kind or value to be received	2253.95	2872.31
Total	22701.36	20033.21

25. Property, Plant & Equipment:

Property, Plant & Equipment Comprise of the following :

	2009	2008
Freehold Land	1513.69	1066.89
Leasehold Land	1138.72	1128.26
Building, Roads & Culverts	23579.62	17997.39
Plant & Machinery	39205.93	33942.69
Vehicles	1909.25	1608.32
Furnitures & office Equipment	4005.34	4515.89
Computers	3651.71	3540.42
Capital Work in Progress	5933.25	4434.73
Total Gross Block	80937.73	68234.59
Less: Accumulated Depreciation	(29749.90)	(26021.11)
Net Block	51187.83	42213.48

During the year plant & machinery, vehicle, furniture & fixture and computer costing INR 1556.05, INR 641.74, INR 693.46 & INR 305.55 were sold. Accumulated depreciation thereon aggregated INR 982.31.

The depreciation expenses relating to Property, Plant and Equipment for the year is INR 4720.78 (4320.01 previous year).

26. Investment:

	2009	2008
a) Current Investment:		
Cost of the Investment	11806.10	20264.00
Gross unrealized holding gain in accumulated other comprehensive income	72.46	189.88
Carrying Value	11878.56	20453.98

The company during the year has entered into an agreement with shareholders collectively holding controlling stake in Fem Care Pharma Ltd (FEM), a domestic listed company for acquisition of their shares (72.15% of total share capital subscribed and paid up therein) at a consideration of INR203.73 Crore subject to approval of transfer by appropriate authorities. In addition to consideration money the company has so far incurred INR1.12 Crore towards cost of proposed acquisition. Pending completion of transfer of shares, the consideration amount has been retained in an escrow account specifically designated for the purpose, appearing in investment schedule as advance against shares of Fem Care Pharma Ltd, the beneficial interest thereon accruing in favour of transferor of shares.

b) Investment readily available for sale

(i) Readily marketable equity securities:

Cost of the Investment	Nil	1.00
Gross unrealized holding gain in accumulated other comprehensive income	-	63.75
Carrying Value	Nil	64.75



(All amounts in Indian Rupees in lacs, except share data)

(ii) Readily marketable debt securities (Gross unrealized holding gain INR Nil)	Nil	NIL
(iii) Not readily marketable equity securities:		
Cost of the Investment	22917.05	106.44
Gross unrealized holding gain in accumulated other comprehensive income	Nil	Nil
Carrying Value	22917.05	106.44

27. Goodwill :

	2009	2008
Gross Goodwill	17614.13	17614.13
Cumulative impairment provision	16155.00	16155.00
Net Goodwill	1459.13	1459.13

Components of Goodwill :

- On September 14, 2003, the parent company acquired 100% stake in Dabur International Limited by way of acquiring 100000 numbers of shares therein at a consideration of INR 2287.50. Excess of consideration money over the net asset value of the investee entity amounting to INR 825.40 has been accounted for as Goodwill.
- On September 14, 2003, the parent company acquired 38.41% stake in Weikfield International UAE Limited by way of acquiring 615 numbers of shares amounting to INR 356.89. Excess of consideration money over the net asset value of the investee entity amount to INR 562.35 has been accounted for as Goodwill. Said Goodwill was impaired subject to due loss of impairment during course of reinstatement of account to PFRS as on 1.4.06.
- On April 01, 2005, Balsara Hygiene Products Ltd., Balsara Home Products Ltd. and Besta Cosmetics Ltd. joined the group after DIL acquired directly or indirectly 99.52%, 100% and 100% stakes in respective entities at aggregate of consideration of INR 16345.20. INR 15582.35, the excess of consideration money over proportionate net asset of these entities were treated as goodwill.

Entire goodwill on consolidation discussed in 'b' & 'c' above along with INR 10.30 of goodwill inherited from Balance Sheet of subsidiaries were impaired subject to due test of impairment during reinstatement of account in IFRS.

- As on April 01, 2006, three entities, Balsara Hygiene Products Ltd., Balsara Home Products Ltd and Besta Cosmetics Ltd. were merged with DIL. These companies accounts were consolidated herein upto previous financial year on the basis of three separate financial statements as subsidiaries of DIL. The merger, contributed to additional goodwill of INR 632.23 in CFS which has been carried in balance sheet and is subjected to due test of impairment.

28. Details of intangible assets (Patent & Software) :

	2009	2008
Patents	1112.87	1112.87
Software	1654.44	1472.29
Less: Amortisation	576.48	272.92
Total	2190.83	2312.24

29. Other non-current assets :

Other non-current assets include security deposits and those segment of current assets, which are not due for realization within a period of one year.

	2009	2008
Security deposits with various authorities	2993.25	2004.84
Advance to employee	0.00	32.00
Fixed Deposit	0.00	138.55
Total	2993.25	2175.39

(All amounts in Indian Rupees in lacs, except share data)

30. Borrowing :

- a) Short Term Debt (including current portion of long term debt) working capital and short term loan from banks comprises following :

Name of entity	Name of Bank	Amount in INR	Rate of interest per annum	Nature of security
Dabur Nepal Pvt Ltd	Standard Chartered Bank Nepal Ltd	3599.63	11.00%	Stock, movable properties & guarantee by Dabur India Ltd
Asian Consumer Care P Ltd	Standard Chartered Bank & ABN AMRO Bank	630.88	11.00%	Stock, book debts, leasehold property, movable property plant, equipment & personal guarantee of one director
Weikfiled International (UAE) Ltd	Standard Chartered Bank & ABN AMRO Bank	170.94	5.00%	Stock, book debts, leasehold property, movable property plant, equipment & personal guarantee of one director
Naturelle LLC	ABN AMRO	3287.86	Libor+1.5%	Movable properties & guarantee by Dabur India Limited
Short Term Loan				
Dabur India Limited	Consortium of IDBI, SCB, SBI, ABN & HDFC	608.31	8.00%	Stock & book debts
Dabur India Limited	ICICI Bank Ltd	8000.00	7.25%	
Dabur India Limited	Yes Bank Ltd	2000.00	7.00%	
Dabur India Limited	Barclay Bank Ltd	1000.00	7.00%	
Dabur India Limited	The Hongkong & Shanghai Bank	2000.00	8.25%	
Dabur Nepal Pvt Ltd	Deposit of Directors	48.13		
Dabur International Limited	Deposit of Directors & Co.	66.15	8.50%	
Asian Consumer Care Pakistan Pvt Ltd		39.41		
Forum 1 Aviation Limited		714.29		
African Consumer Care Ltd		27.01		
Total		22192.61		

31. Trade Accounts payable :

Trade accounts payable of INR 13612.00 (PY INR 24728.56) comprise trade creditors for goods & services which include notes payable of INR 4527.27 (PY. INR 7374.12).

32. Accrued expenses & other current liabilities :

Accrued expenses & other current liabilities comprise the following :

	2009	2008
Ge Capital Services	218.18	0.00
Bonus	0	80.86
Creditor for expenses & other liabilities	32391.09	20531.93
Advance from customer	296.99	278.61
Security Deposit from dealers	117.82	0.00
Interest accrued but not due on loans	35.85	31.43
Investor education and protection fund	256.14	-
Total	33316.07	20922.84

The agreement with dealers are renewed from time to time and the dealers security deposit is treated as current liabilities on this reason.



(All amounts in Indian Rupees in lacs, except share data)

32A. Other non-current liabilities :

	2009	2008
Leave salary	477.27	370.41
Housing, gratuity & other welfare	5492.49	6572.54
Taxation	16508.82	12804.68
Deposits others	-	1.29
Total	22478.58	19748.93

33. Minority Interest :

	2009	2008
Stock holder's equity	202.82	161.79
Share Premium	9.38	9.38
Other Reserve	138.36	146.49
Retained earning	53.89	127.55
Total	404.45	445.21

34. Long Term Debt, excluding Current portion :

Name of entity	Bank/Inst.	Amount	Rate of interest	Nature of security	Repayment Terms
Dabur Nepal Pvt. Ltd.	Standard Chartered Bank	212.38	11%	Movable & immovable assets	Quarterly

Disclosed amount in the Long Term Debts from Financial Institution and bank remain at Fair Value when considered in the context of fair value of return on long term loans in the country, the borrowing relates to.

35. Stockholders' Equity :

a) Common Stock

DIL has only one class of common stock i.e. Equity Share of INR 1/- each Shareholders enjoy voting power in accordance to the number of Equity Shares held by it. Common Stock has been enhanced during the year by INR 10.54, towards exercise of stock option by minority.

b) Employees Stock Exchange option :

Non-cancelled component of additional paid in share net-off quantum remaining unamortized shown separately under retain additional paid-in capital.

36. Movement of other Reserve :

Particulars	As on 01.04.08	Transfer from Retained Earning	Utilised for Transition Provision	As on 31.03.09
Capital Reserve	2193.60	(-) 633.48	0	1560.12
Employees Housing Reserve	456.03	(+) 0.79	0	456.82
Legal Reserve	64.77	(+) 0.44	0	65.21
Other Revenue Reserve	18516.51	(+) 1210.41	0	19726.92
Total		(+) 578.16	0	21809.07
Other Reserve	21230.91			

Revenue reserve includes consolidation reserve and merger reserve accumulated since years back which are not specifically quantifiable because of adoption of pooling method for the purpose of consolidation and merger for reason discussed in Business combination in note 1.

(All amounts in Indian Rupees in lacs, except share data)

37. Employees Stock Option :

The parent company has an Employees Stock Option Scheme (ESOP), which provides for grant of stock options in DIL to eligible management employees of group companies. The ESOP is administered by the Management Committee of the Board ('the Committee'). The criteria for granting options are essentially on the basis of the management grade of the employee. Exercise price of option is the fair value of shares on grant date.

		Nos.
	2009	2008
Outstanding at beginning of the year	5073660	6124608
Granted	563472	529426
Exercised	1053276	1139165
Cancelled	588449	441209
Outstanding at the end of the year	3995407	5073660

Particulars of disclosure regarding share based payments :

	For the year	Cumulative
1. Number of Options granted	5,63,472	1,24,74,558
2. Pricing formula	Each option carries the right to the holder to apply for equity shares of the company at par	
3. Options vested	10,53,276	56,26,031
4. Options exercised	10,53,276	55,99,381
5. Total number of shares arising as a result of exercise of option	10,53,276	61,01,140
6. Options lapsed/cancelled	5,88,449	28,79,770
7. Variation in terms of options	None	None
8. Money realized by exercise of options INR	10,53,276	61,01,140
9. Total number of options in force	39,95,407	39,95,407
10. Weighted average exercise price (per option) weighted average fair value of per option : (per intrinsic value method) (per black scholes model)		Rs. 115.09 Rs. 112.98
11. The fair value of each option is estimated using the Black Scholes model after applying the following weighted average assumptions :		
-Risk free interest rate		6.60
-Expected life		1 to 5 years
-Expected Volatility		14.21%
-Expected Dividend yield		2.32%
-Price of underlying shares in the Market at the time of option grant		Rs. 94.48
12. Share based payment led to charge of INR 705.24 on Profit & Loss account with corresponding rise in Stock Option Reserve account in balance sheet		

38. Revenue:

	2009	2008
Domestic sales less returns	260839.57	202336.99
Export sales	18457.43	32499.57
Subsidy	681.39	465.90
Sale of scrap	733.22	762.77
Total	280711.61	236065.22



(All amounts in Indian Rupees in lacs, except share data)

39. Other Income:

	2009	2008
Rent Realised	8.64	19.40
Misc Receipt	1143.76	1165.44
Profit on sale of investment	2088.38	984.68
Royalty	0.00	-
Profit / loss on sale of fixed assets	16.03	-131.28
Total	3256.81	2038.23

40. Cost of Revenue:

	2009	2008
Raw Material consumed	81400.38	56898.83
Packing Materials consumed	44715.69	38741.79
Purchase of Finished goods	16919.62	15902.93
Increase(-) / Decrease in stock in process & finished goods	-3975.77	-1500.03
Manufacturing Expenses	9917.95	8576.74
Patent write off	-	18.75
Workmen & staff welfare	11874.21	10798.35
Total	160852.08	129437.35

41. Selling, General & Administrative expenses:

	2009	2008
Rent	2204.22	1522.77
Rates & Taxes	348.73	250.65
Insurance	451.10	415.82
Freight & forwarding charges	4516.77	8187.53
Commission , Discount	1496.70	1005.67
Advertisement & Publicity	34325.63	29554.24
Travel & Conveyance	2720.62	2382.74
Telephone	518.03	491.07
Legal & Professional Telephone, fax expenses	1665.73	1772.03
Security expenses	436.65	338.44
General expenses	9668.66	7942.41
Directors fees	10.20	11.13
Auditors' remuneration	122.68	77.97
Donation	364.75	469.63
Contribution to scientific research expenses	179.46	75.00
Bad debts	745.87	498.18
Provision for contingent liability	13.22	73.38
Fixed Assets written down	258.26	0.00
Total	60047.28	55068.66

42. Personnel Expenses:

	2009	2008
Directors' remuneration	1485.55	713.77
Salaries & benefits	9857.11	8121.25
ESOP Employees	1068.14	850.62
Total	12410.80	9685.63

(All amounts in Indian Rupees in lacs, except share data)

42A. Depreciation & Amortization:

	2009	2008
Depreciation on Property, Plant & Equipment (Note 35)	4720.78	4320.01
Amortisation of Software (Note 28)	303.57	159.03
Total	5024.35	4479.04

43. Financial Expenses:

	2009	2008
Fixed period loan	969.36	576.27
Others	785.69	600.07
Bank charges	565.78	503.55
Total	2320.83	1679.89

44. Fair value of financial instruments :

The company uses the following methods and assumptions to estimate fair value of each class of financial instruments for which it is practicable to estimate fair value.

Cash, cash equivalent and restricted cash – The carrying amount proximates fair value because of the short term maturity (upto months) of such instruments.

Accounts receivable – The carrying amount proximates fair value due to their short term nature and historical collectability.

Investments – The fair value of some investments are estimated based on their quoted market prices. For other investments, for which there are no quoted market prices, a reasonable estimate of fair value could not be made without incurring significant costs.

Accounts payable – The carrying value of accounts payable proximates fair value due to the short term nature of obligations.

Long term debt – The fair value of debt of the company is estimated based on quoted market prices or current rates offered to the company for same or similar debt. The carrying value of material long term debt approximates its fair value.

Estimated fair values of the Company's financial instruments are as follows :

	2009	2008
Cash & cash equivalent	3592.76	7518.26
Accounts receivable	17788.41	17231.97
Investment for which :		
Practicable to estimate fair value	11878.56	20520.17
Non-practicable to estimate fair value	22917.05	105.00
Accounts payable	13612.00	24728.55
Long term debts	212.38	1361.61

45. Income Taxes:

Current Tax expenses includes foreign income tax provision of INR 2.74 (previous year INR 138.33) for Dabur Nepal Pvt. Ltd. and INR 32.68 (previous year INR 76.95) for Asian Consumer Care Pakistan Ltd and INR 197.59 (previous year INR 11.29) for Dabur Egypt Ltd and INR 6.07 (previous year INR 5.46) for Asian Consumer Care Pvt. Ltd., Bangladesh.



(All amounts in Indian Rupees in lacs, except share data)

46. The break-up of deferred tax liability/benefit:

	2009	2008
A. Deferred tax liability (Non-Current)		
Depreciation of Plant & equipment	1582.57	1445.57
Long term investment	130.54	130.54
B. Deferred tax assets (Non Current)	1713.11	1576.11
VRS payment	0.00	0.00
Service Benefits	2369.21	2193.21
Longterm Investment	0.00	0.00
Technical know how fees	8.46	8.46
Provision for contingent Liability	59.71	-
Provision for Doubtful debts	304.35	-
Total Deferred Tax Assets (Non Current)	2741.73	2201.67
C. Deferred Tax Liability (A-B)	-1028.62	-625.56
D. Deferred Tax Liability (Current)		
Current investment	36.81	36.81
Total Deferred Tax Liability (Current)	36.81	36.81
E. Deferred tax assets (Current)		
Service Benefits	45.51	45.51
Disallowance	168.09	132.09
F. Total Deferred tax assets (Current)	176.79	140.79
G. Total Deferred tax liability (C-F)	-1205.41	-766.35

- a) Deferred Tax recognized on temporary difference which arise when non-monetary items of any entity is located at Functional currency but taxable profit is indexed at different currency.

47. Related party transaction :

- Sale of goods of INR NIL (previous year INR. 125.21) to ACI Ltd., Bangladesh, a joint venture partner.
- Rent paid INR NIL (previous year INR 10.35) to ACI Ltd., Bangladesh, a joint venture partner and INR 59.36 (previous year INR 47.87) to Key management personnel.
- Remuneration to key management personnel INR 1382.93 (previous year INR 1002.46).
- Loan given to Key Management Personnel INR NIL (previous year INR 7.24).
- Director Fees INR 10.20 (previous year INR 11.12).
- Exgratia and Pension to relative of Key management personnel INR NIL (previous year INR 200.78).
- Repayment of Loan INR 3.00 (previous year INR 2.00) received from Welltime Housing & Finance Ltd. and Associates in which a key management personnel exercises significant influence.
- Services received amounting to INR NIL (previous year INR 26.04) from ACI Ltd., Bangladesh, a joint venture partner.
- Loan taken from director amounting to INR 48.13 (previous year INR 48.13)
- Interest paid on loan taken from director amounting to INR 4.09 (previous year INR 3.85).
- Payment to post employment defined benefit plan INR 1463.90 (Balance as on 31.03.09 INR 7072.49 (previous year 7971.03). Share based payment to key management personnel (ESOP) INR 287.12

Note :

- Key Management personnel include Mr. Pradip Burman, Mr. Amit Burman, Mr. Mohit Burman, Mr P.D. Narang, Mr. Sunil Duggal, Mr. Siddarth Burman, Mr. Peter Baker, Mr. R.S. Rana, Mr. Anup Sharma, Mr. Gaurav Burman, Mr. Saket Burman, Mr. Sarabjeet Singh, Mr. Sundar Krishnan, Mr. Sikandar Nawaz, Mr. Mohd. Khan, all directors of group companies.
- Relatives of key management personnel include Mr V.C.Burman. Mr. A C Burman and Mrs Asha Burman.

(All amounts in Indian Rupees in lacs, except share data)

48. Other contingency & capital commitment :

- a) The group company is involved in certain claims, fiscal assessments and litigation arising in the ordinary course of business. Management believes that these claims taken individually or together, will not have a material effect on the financial statement of the company.

List of contingencies are as follows:

	2009	2008
Claims not acknowledged as debts in respect of Guarantees furnished	667.93	271.02
Current	4124.64	7786.21
Non Current	0.00	0.00
Bills purchased/discounted under letter of credit	6653.11	3802.93
Demand for taxes pending disposal of appeal(s)	2763.95	3159.01
In respect of capital Commitment for unexpected contract	3652.28	6683.94

- b) Break up of current guarantees furnished along with other particulars:

Guaranteed party	Name of party on whose behalf guarantee issued	Carrying Amount As on 31/03/09	Fair Value As on 31/03/08
HDFC Limited	J P Sharma	7.50	7.50
HDFC Limited	Naseem Ahmed	4.50	4.50
HDFC Limited	R S Saini	8.75	8.75
HDFC Limited	Dabur India Limited	200.00	0.00
HSBC, New Delhi	Dabur Egypt Limited	0.00	258.01
HSBC Ltd.	Dabur Egypt Limited	0.00	189.06
National Societe Generale	Dabur Egypt Limited	0.00	1099.17
ABN Amro Bank	Dabur Oncology Plc	0.00	1988.25
ABN Amro Bank	Naturelle LLC	0.00	2398.20
Hongkong Bank	Dabur India Limited	1478.02	74.69
Hongkong Bank	H&B Stores Ltd	1.90	0.90
Punjab National Bank	Dabur India Limited	131.65	125.75
IDBI Bank Ltd	Dabur India Limited	18.81	10.81
ICICI Bank Ltd	Dabur India Limited	21.84	0.00
Nepal Arab Bank Ltd	Dabur Nepal Pvt Ltd	2250.15	1615.89
Standard Chartered Bank	Weikfield International (UAE) Ltd	1.52	4.73

None of the parties favoring whom guarantee have been furnished is related party.

Non-current Loans and Advances includes INR 48.64 paid by the company to Excise authorities on behalf of Sharda Boiron Laboratories Limited, now known as SBI Limited, in respect of excise duty demand of INR 68.13 raised by the District Excise Officer, Ghaziabad, against the company and Sharda Boiron Laboratories Limited. The Hon'ble Supreme Court of India had concurred with the order of the District Excise Officer, Ghaziabad.

The Company had filed the review petition before Division Bench of the Hon'ble Supreme Court of India, which was also decided against the company. Pursuant to the indemnity bond executed by M/s Sharda Boiron Laboratories Limited in favour of the company and as per the terms and conditions of the contract executed with them, the recovery proceedings have been initiated by the company against Sharda Boiron Laboratories Limited for INR 48.64 by invoking the arbitration clause. The matter is pending before Hon'ble High Court of Delhi for the appointment of an arbitrator. The balance amount of INR 24.46 along with interest demanded by the Excise Authorities has been paid directly by Sharda Boiron Laboratories Limited to Excise Authorities. During the year 1991-92 the company has received a refund of INR 5.95, pursuant to the decision of Hon'ble Supreme Court in this regard. Necessary adjustments in respect of recovery/refund will be made as per the arbitration proceedings.



(All amounts in Indian Rupees in lacs, except share data)

49. Concentration of customer

The products of the groups meant for indigenous usage predominantly find outlet through dealers' networks widely spread across the length and breadth of the country, none of the dealers controlling noteworthy percentage of total indigenous sale. Exports are predominantly destined to West Asia, South Asia and South East Asian Countries.

Products constituting lions share of the total revenue include Chywanprash, Hajmola, Hair Oil, Fruit Juices, Honey, Shampoo, Toothpaste and other Cosmetics etc.

50. Employees post retirement benefit :

A) Defined Benefit Plan

(a) Pursuant to adoption of IAS 19 treatment of defined benefits obligations have been changed in terms of standard with the following adjustments incorporated in accounts.

I. Expenses recognized during the period :

Particulars	Gratuity	Leave Salary	Post Separation benefits of director	Total
	(funded)	(funded)	(un-funded)	
A. Current Service Cost	353.17	169.42	289.49	812.08
B. Interest Cost	200.43	38.71	295.55	534.69
C. Expected Return on Plan Assets	22.41	-48.67	0.00	-26.26
D. Accumulated Loss/ Gain	-147.96	199.90	91.47	143.41
E. Total Expenses recognized during the year (A+B+C+D+E)	428.04	359.36	676.50	1463.90

II. Reconciliation of opening and closing balances of obligations.

Particulars	Gratuity	Leave Salary	Post Separation benefits of director	Total
	(funded)	(funded)	(un-funded)	
I. Obligation as on 01.04.2008	2473.18	557.05	4940.80	7971.03
II. Past service cost	13.39	40.16	0.00	53.55
III. Current service cost	353.17	169.42	298.76	821.35
IV. Interest cost	200.43	38.71	295.54	534.68
V. Actuarial Gain / (Loss)	(144.80)	199.90	91.47	146.57
VI. Settlement	(212.17)	(242.02)	(2000.50)	(2454.68)
VII. Obligation as on 31.03.2009	2683.20	763.23	3626.07	7072.49

III. Change in Plan Assets :-

Particulars	Gratuity	Leave Salary	Post Separation benefits of Director	Total
	(funded)	(funded)	(un-funded)	
I. Fair Value of Plan Assets as on 01.04.2008	969.20	165.99	0.00	1135.19
II. Expected Return on Plan Assets	62.72	48.67	0.00	111.39
III. Actuarial Gain / (Loss)	(81.97)	0.00	0.00	(81.97)
IV. Employer Contribution	246.78	299.20	0.00	545.98
V. Settlement	(212.17)	(227.90)	0.00	(440.07)
VI. Fair Value of Plan Assets as on 31.03.2009	984.56	285.96	0.00	1270.52

(All amounts in Indian Rupees in lacs, except share data)

- IV. Investment detail of plan assets as on 31.03.2009
100% in reimbursement right from insurance company for fund managed by it
- V. Actuarial Assumption :
- | | |
|---|-------------------------------|
| Discount rate | 6.50% |
| Estimated rate of return on plan assets | 7.50% |
| Salary escalation ratio inflation | 10.00% |
| Method | Projected unit credit method. |
- VI. The basis used for determination of expected rate of return is average return high yield on long term investment in government bonds.
- VII. The estimate of future salary increase take into account regular increment, promotional increases and inflationary consequence over price index.
- VIII. Demographics assumptions take in to account mortality factor as per LIC (1994-96) ultimate criteria, employees turnover at FS 20%, GS 20%, Director, MS, OS-12% and SM, APP 6% normal retirement age at 58.

B) Defined Contribution Plan :-

Company's contribution to different defined contribution plans :-

Particulars	2008-09	2007-08
Provident Fund	552.63	562.56
Employee State Insurance	52.16	55.98
Employees Superannuation Fund	300.43	261.82

In view of the uncertainty on the date of outflow of fund towards other employee benefits, forming part of defined contribution plan, the liability accruing thereon, has not been discounted as on date.

51. Impairment of Goodwill :-

Gross goodwill amounting to INR 17614.13 has arisen against consolidation / merger of Dabur International Limited, UAE, Weikfield International Limited, UAE and Balsara Group, respective contribution to gross goodwill being INR 825.40, INR 562.35 and INR 16226.38.

Goodwill has been accounted for in appropriate cash generating units (CGU's) being represented by each of independent manufacturing units, for the purpose of impairment.

Recoverable value of assets of referred CGU's have been arrived at on the basis of value in use method.

Based on assumption of life span of CGU'S and discount factor (applied for determination of as on date discounted value of future cash inflow of CGU's) at five years and 8% respectively, goodwill of Weikfield International and Balsara Group of Industries have been impaired by INR562.35 and INR15592.65 respectively being the short fall in recoverable value of CGU's vis-à-vis corresponding carrying amount of assets.

Life span of the CGU's has been assessed on the basis of technical evaluation. Discount factor has been assumed on the basis of market borrowing rate (6%) plus 2% against risk factor.

No impairment is called for against any other assets of CGU's forming part of the group.

52. Total Assets includes INR 33 held for sales with reference to IFRS 5. Total Liabilities includes INR 33 held for disposal with reference to IFRS 5.
53. Exchange loss works out to INR 236.42 which has been recognized in income statement and included in General Charges. All resulting exchange differences of foreign operations amounting to INR 82 has been debited to Comprehensive total income statement (Refer Sch- F) .

As per our report of even date attached
For **G. BASU & CO.**
Chartered Accountants

Manoj Kumar Das
Partner

For **Dabur India Ltd.**

Dr. Anand Burman
P.D. Narang
Sunil Duggal

Chairman
Whole time Director
Whole time Director

Place : New Delhi
Date : 29th April, 2009

A.K. Jain

GM (Finance) &
Company Secretary

Real BURRST

Liteness of fruits,
Burst of refreshment!





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