

Notes:

1. Sales of domestic Home and Personal Care categories grew by 5.6% led by 8% growth in Power Brands sustaining the strong growth trend of the previous three quarters. Beverages business continues to be impacted by bearish commodity price of tea and competition from loose-tea. In processed Foods Popular Foods business grew by 18%. Exports grew by 4.6% with continuing exports growing by 15.2%. Overall continuing businesses grew by 2.9 %.
2. Operating Profit (Profit before Interest and Tax) for the quarter has improved by 9.1 %, Profit Before Tax by 10.6 % and Profit After Tax by 8.2 %.
3. With a view to harmonise the reporting of excise duty relating to outsourced products in line with that of in-house manufactured products, excise duty relating to outsourced products has been reduced from Purchase of Goods and adjusted as appropriate, in Net Sales. Consequently, Purchase of Goods is net of excise duty amounting to Rs 31.57 crs in MQ'03 (Rs 46.95 crs MQ'02). After adjusting for the movement in opening and closing inventories of such outsourced products, Net Sales is lower by Rs 28.62 crs in MQ'03 (Rs 42.21 crs MQ'02).

This reclassification has no impact on the profits.

4. Operational Other Income comprise income from services rendered, royalty income and miscellaneous income. For MQ 03 it includes Rs. 31.44 crores, being benefit arising out of early repayment of deferred sales tax liability. Financial Other Income represents treasury income from deployment of surplus funds as well as dividends from investments in subsidiaries and other companies.
5. The results for the quarter are not comparable to those of the previous period to the extent of :

Sale of the Seeds business	w.e.f April 2002
Transfer of the Leather Exports business to a subsidiary company	w.e.f April 2002
Sale of Diversey Lever Group	w.e.f May 2002
Transfer of Mushroom Exports business to a subsidiary company	w.e.f July 2002

Adjusting for above, net sales for MQ '03 is Rs. 2367.50 crores (MQ '02: Rs. 2300.62 crores), Profit Before Interest and Tax for MQ '03 is Rs. 416.00 crores (MQ '02: Rs. 386.50 crores) and PAT is Rs 382.92 crores (MQ '02 : Rs 357.83 crores).

6. The Finance Bill 2003 has proposed to charge additional tax on dividend declared and paid by the Company replacing tax on dividend income in the hands of the recipient shareholders. Consequently the proposed final dividend of Rs. 3.00 per share for 2002 would include the distribution tax payable. Appropriate resolution would be placed before the shareholders in the ensuing general meeting.
7. The Reserve Bank of India has given approval for allotment of Bonus Debentures of Rs. 6 per share and payment of special dividend of Rs. 2.76 per share to Non Resident Shareholders. With all approvals in place the Board has decided to keep 23rd June 2003 as the record date for the allotment of Bonus Debentures and payment of Special Dividend. The special dividend would be paid on or after 8th July 2003. With the change in the Finance Bill regarding taxation of dividend, the special dividend payable would be reduced by the distribution tax payable on the total scheme amount of Rs. 8.76 per share.
8. The company has acquired the Cooked Shrimp and Pasteurised Crabmeat business of the Amalgam group of Companies on a going concern basis. This acquisition is effective from January 1, 2003.

9. The text of the above statement was taken on record at the Board Meeting held on 16th April, 2003.

For more details, visit our website at <http://www.hll.com>

By order of the Board

Place : Mumbai
Date : 16th April, 2003

M.S.BANGA
CHAIRMAN

Notes on Segment Information

1. Reporting of excise duty relating to outsourced products has been harmonised in line with that of in-house manufactured products. Accordingly, excise duty relating to outsourced products has been reduced from Purchase of Goods and adjusted as appropriate in Segment Revenue, for all reported periods. This reclassification has no impact on the Segment Results of any of the reported periods.
2. Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Other unallocable expenditure covers expenses incurred on common services not directly identifiable to the individual segments and corporate expenses. Unallocable income largely includes income from investment of surplus funds and dividends from subsidiary companies..

Capital Employed figures are as at 31st March 2003, 31st March 2002 and 31st December 2002. Unallocated corporate assets mainly relate to investments.

3. Results of Soaps and Detergents, Personal Products and Ice cream includes benefit arising out of early repayment of deferred sales tax liability of Rs. 20.00 crores, Rs. 0.50 crores and Rs. 10.94 crores respectively.