

Notes:

1. During the year continuing sales grew by 4.3%. HPC sales grew by 4.6%, with Power brands growing by 6.5%. The growth was driven by skin 21%, tooth paste 12.0%, Colour Cosmetics 34%, shampoos 7.3%. Foods Power brands grew by 8.8%. Brook Bond and coffee grew by 6% each while overall Beverages declined by 3.5%. Processed foods business grew strongly by 19.7% driven by 11% growth in Popular foods and 29% growth in Culinary Products. FMCG Exports grew by 14%.

During December quarter continuing sales grew by 2.2%. HPC sales grew by 4.4% with Power brands growing by 5.8%. Shampoos grew by 34%, Toothpaste by 28%. Colour Cosmetics by 24% and Skin by 12%. Beverages declined by 2.6%. Processed Foods grew by 25.3% with Culinary Products growing by 45% and Popular Foods growing 11%.

2. Operating Profit (Profit before Interest and Tax) for the year improved by 5.8%. However PBT (Profit before Tax) and PAT (Profit After Tax) grew only by 2.2% and 4.2% respectively, mainly due to interest provision (Rs 59.92 Crores) on bonus debentures issued to shareholders.

Operating Profit (Profit before Interest and Tax) for December quarter improved by 1%. PBT declined by 6.5% mainly due to interest cost (Rs 29.96 Crores in DQ 03) on bonus debentures. PAT grew by 1% and includes Rs. 47.69 Crores write-back of excess tax provision relating to prior periods.

3. The results for the year and the quarter are not comparable to those of the previous period to the extent of :

	Effective from
Sale of the Seeds business	30.03.02
Transfer of the Leather Exports business to a subsidiary company	01.04.02
Sale of Diversey Lever Business	03.05.02
Transfer of Mushroom Exports business to a subsidiary company	01.07.02
Sale of Edible Oils and Fats business	29.08.03

Adjusting for above, net sales for DQ '03 is Rs. 2583.48 crores (DQ '02: Rs. 2528.06 crores), Profit Before Interest and Tax for DQ '03 is Rs. 632.38 crores (DQ'02: Rs. 632.57 crores) and PAT is Rs 562.33 crores. (DQ 02: Rs 562.15 crores).

Similarly, net sales for FY'03 is Rs. 9919.64 crores ('02: Rs. 9510.29 crores), Profit Before Interest and Tax for 03 is Rs. 2044.18 crores ('02: Rs. 1953.55 crores) and PAT for '03 is Rs. 1809.69 crores ('02: Rs. 1753.06 crores).

4. Exceptional items for DQ 03 Rs. Crores
- Reduction in company's liability consequent to purchase of annuities in discharge of amounts payable to certain erstwhile non-management employees 48.20
- Restructuring costs across businesses comprising:
- a) Provision for estimated loss on disposal of fixed assets rendered surplus (45.49)
- b) Compensation under Voluntary Separation Schemes (36.79)
- c) Other costs (8.99)

Provision for additional liability for retirement and other Employee benefits, mainly arising out of increase in annuity rates announced by Life Insurance Corporation of India, effective Nov,03.	(62.50)
Tax on the above	
Current Tax	(14.04)
Deferred Tax	52.00
Exceptional Item (net of tax)	(67.61)

5. Investor complaints status

Complaints pending resolution as on 1st October, 2003	: 52
Complaints received during December quarter 03	: 147
Complaints resolved during December quarter 03	: 190
Being progressed for resolution as on 31st December 03	: 09

6. The Board of Directors at the meeting held on 17th February 2004 recommended a final dividend of Rs. 3.00 Per equity share of Re.1 for the year 2003, subject to approval of the shareholders. Together with the interim dividend of Rs. 2.50 per share the total dividend for the year works out to Rs. 5.50 Per share. Distribution tax will be borne by the company.

7. Previous period figures have been regrouped / restated wherever necessary to conform to this period's classification.

8. Notice is hereby given, pursuant to Section 154 of the Companies Act, 1956 that for the purpose of ascertaining the shareholders who would be eligible to receive the final dividend for the year 2003, the Register of Members of the Company will be closed from 18th May 2004 to 1st June 2004(both days inclusive).

The Board of Directors at their meeting held on 17th February 2004 has also fixed 1st June 2004 as the RECORD DATE for ascertaining the names of debentureholders who would be entitled to the payment of 9% interest on Secured Fully Paid Non convertible Bonus Debentures allotted on 2nd July 2003."

9. The text of the above statement was approved by the Board of Directors at their meeting held on Feb 2004.

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

By order of the Board

Place: Mumbai
Date: 17th February 2004

CHAIRMAN

Notes on Segment Information

1. Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Other un-allocable expenditure includes expenses incurred on common services not directly identifiable to the individual segments and corporate expenses. Un-allocable expenditure (net) is net of income from investment of surplus funds and dividends from subsidiary companies.

Capital Employed figures are as at 31st December 03 and 31st December 2002. Unallocated corporate assets less corporate liabilities mainly relate to investments net of bonus debentures outstanding.

2. Beverages Segment results for DQ03 includes write-back of prior period provision of Rs. 5.2 crores. Foods segment results includes loss of Rs 3.7 Crores for FY 03 and Rs Nil in DQ 03 (Rs. 19.9 cr loss in FY 02 and Rs. 6.7 cr loss in DQ 02) relating to disposed, edible oils and fats business. Exports profitability continues to be impacted by appreciating rupee lower end of the year off take and weak price realisation in marine products. Other segment includes loss of Rs. 26.44 crores for FY 03 and Rs. 7.37 crs for DQ 03 (loss FY 02: Rs. 11.68 crores and DQ 02 : Rs. loss 0.15 crores) relating to plantations business

Notes to Consolidated Accounts

During the year the company has adopted Accounting Standard 23 - Accounting for Investment in Associates in Consolidated Financial Statements and Accounting Standard 27 - Financial reporting of Interest in Joint Ventures in Consolidated Financial Statements.

Consequently the figures for the current year are not comparable with the previous year.