

Notes:

1. Continuing sales grew by 3.5%. Domestic Home and Personal Care categories grew by 3.5% led by 8% growth each in Personal Wash and Household care, 14% in Skin and 32 % in Colour Cosmetics category. HPC Power Brands grew by 4.6 %, sustaining the strong growth trend of the previous four quarters. The decline in Beverages business has been substantially arrested with the business reporting a decline of only 2.7%. In processed Foods Popular Foods business grew strongly by 23% and Culinary products sales recorded an impressive increase of 19 %. Exports grew by 5.3% with continuing exports growing by 7.7%.
2. Operating Profit (Profit before Interest and Tax) for the quarter has improved by 8.9%, Profit Before Tax by 10.2 % and Profit After Tax by 12.6 %.
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 41.9 crores in JQ'03 (Rs 46.1 crores JQ'02). After adjusting for the movement in opening and closing inventories of such outsourced products, Net Sales is lower by Rs 46.4 crores in JQ03 (Rs 57.1 crores JQ'02).

This reclassification has no impact on profits.

4. Operational Other Income comprises income from services rendered, royalty income and miscellaneous income. 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 and half year are not comparable to those of the previous year 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 Business	w.e.f May 2002
Transfer of Mushroom Exports business to a subsidiary company	w.e.f July 2002

6. Adjusting for above, Net Sales for JQ '03 is Rs. 2693.4 crores (JQ '02: Rs. 2603.2 crores), Profit Before Interest and Tax for JQ '03 is Rs. 506.2 crores (JQ '02: Rs. 466.7 crores) and Profit After Tax

for JQ '03 is Rs. 450.9 crores (JQ '02: Rs. 402.0 crores).

7. Similarly, Net Sales for FH '03 is Rs. 5060.9 crores (FH '02: Rs. 4903.8 crores), Profit Before Interest and Tax for FH'03 is Rs. 922.2 crores (FH'02: Rs. 853.2 crores) and Profit After Tax for FH'03 is Rs. 833.8 crores (FH'02: Rs. 759.9 crores).
8. The Company has signed a Memorandum of Understanding with Bunge Limited for transfer of domestic Edible Oils and Fats Business in India and Nepal. This is subject to approval of shareholders, which is being sought through a postal ballot. The divestment of the business is in line with our focussed business strategy and rationalisation of existing brand portfolio.
9. The Board of Directors, at their meeting held on 31st July 2003, have resolved to pay an Interim Dividend of Rs 2.50 per share of Re. 1 for the year 2003 and has fixed 18th August 2003 as the Record Date for this purpose. The dividend will be payable on 28th August 2003.
10. Consequent to the completion of all legal formalities to the scheme of arrangement for issue of bonus debentures and payment of special dividend, a special dividend of Rs. 1.765 per share was approved to be paid by Board of Directors at their meeting held on 13th June 2003. The Committee of Board of Directors at their meeting held on 2nd July 2003 allotted Bonus Debentures to the shareholders in the ratio of one debenture of Rs.6 each for every equity share of Re.1 held in the company.

Complaints pending resolution as on 1st April: 45

Complaints received during June quarter: 149

Complaints resolved during June quarter: 182

Being progressed for resolution as on 30th June: 12

11. The text of the above statement was approved by the Board of Directors at their meeting held on 31st July, 2003.

By order of the Board

Place: Mumbai  
Date: 31st July, 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. Personal Products segment margins improved by 250bps. Detergents segment margins continued to be healthy despite an average 20% increase in input oil prices compared to June 02. Processed foods segment margins improved by 500 bps. This contributed to the foods segment (excluding profit on sale of brand of Rs. 5 crores.) posting break-even results.
3. Revenue and Results of Soaps and Detergents include write-back of Rs. 21.3 crores being fiscal provisions no longer required consequent to issue of favourable legal notification.
4. 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 30th June 2003, 30th June 2002 and 31st December 2002. Unallocated corporate assets mainly relate to investments.