

# Annual Report

FOR THE YEAR ENDED DECEMBER 31, 2009

*Higher **Growth**  
starts with **Innovation***



GlaxoSmithKline

GLAXOSMITHKLINE CONSUMER HEALTHCARE LIMITED





GLAXOSMITHKLINE  
CONSUMER HEALTHCARE LTD.

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### Chairman

Simon J. Scarff, O.B.E

### Managing Director

Zubair Ahmed

### Directors

Ashok Dayal

Kunal Kashyap

P. Dwarakanath

P. Murari (till 18 August, 2009)

Praveen K Gupta

Ramakrishnan Subramanian

(till 30 March 2009)

(re-nominated as Director w.e.f. 1 August 2009)

Subodh Bhargava

### Company Secretary

Surinder Kumar

### Bankers

Deutsche Bank

Citibank N.A.

Bank of America

The Hongkong & Shanghai Banking

Corporation Limited

BNP Paribas

### Auditors

Price Waterhouse

### Registered Office

Patiala Road, Nabha 147 201

### Head Office

DLF Plaza Tower, DLF City Phase - I

Gurgaon 122 002 (Haryana)

### Registrars And Transfer Agents

Karvy Computershare Pvt. Ltd.

Plot No. 17-24 Vittal Rao Nagar

Near Image Hospital, Madhapur

Hyderabad – 500 081



# Financial Statistics

## Ten Year Financial Statistics

(Rs. Lacs)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>SOURCES OF FUNDS</b>											
Share Capital	45,38	45,38	45,38	45,38	45,38	45,38	42,06	42,06	42,06	42,06	42,06
Reserves & Surplus	2,52,01	3,29,10	3,96,04	4,37,84	4,46,73	4,83,92	4,33,06	5,00,66	6,04,29	7,18,82	8,63,04
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>2,97,39</b>	<b>3,74,54</b>	<b>4,41,42</b>	<b>4,83,22</b>	<b>4,92,11</b>	<b>5,29,30</b>	<b>4,75,11</b>	<b>5,42,72</b>	<b>6,46,35</b>	<b>7,60,88</b>	<b>9,05,10</b>
BORROWINGS	20,00	55,00	75,66	-	-	-	-	-	-	-	-
<b>FUNDS EMPLOYED</b>	<b>3,17,39</b>	<b>4,29,54</b>	<b>5,17,08</b>	<b>4,83,22</b>	<b>4,92,11</b>	<b>5,29,30</b>	<b>4,75,11</b>	<b>5,42,72</b>	<b>6,46,35</b>	<b>7,60,88</b>	<b>9,05,10</b>
DEFERRED TAX LIABILITIES			28,16	35,63	28,16	31,98	27,60	24,07	17,28	6,58	-
<b>TOTAL</b>	<b>3,17,39</b>	<b>4,29,54</b>	<b>5,45,24</b>	<b>5,18,85</b>	<b>5,20,27</b>	<b>5,61,28</b>	<b>5,02,71</b>	<b>5,66,79</b>	<b>6,63,63</b>	<b>7,67,46</b>	<b>9,05,10</b>

## APPLICATION OF FUNDS

Gross Fixed Assets	1,95,74	4,02,10	4,96,90	5,15,56	4,92,22	5,04,63	5,17,74	5,28,21	5,40,99	5,55,34	5,96,26
Depreciation	58,60	70,04	84,55	1,22,70	1,62,31	1,97,24	2,33,95	2,70,32	2,97,65	3,29,24	3,64,00
<b>NET FIXED ASSETS</b>	<b>1,37,07</b>	<b>3,32,14</b>	<b>4,12,35</b>	<b>3,92,86</b>	<b>3,29,91</b>	<b>3,07,39</b>	<b>2,83,79</b>	<b>2,57,89</b>	<b>2,43,34</b>	<b>2,26,11</b>	<b>2,32,26</b>
INVESTMENTS	29,00	0	0	0	0	0	0	2,19,68	2,97,83	0	0
DEFERRED TAX ASSET	-	-	-	-	-	-	-	-	-	-	11,01
Gross Current Assets, Loans and Advances	2,42,90	2,56,80	2,98,15	2,93,43	3,63,02	4,32,20	4,01,79	2,97,76	3,71,13	8,53,37	1,17,291
Current Liabilities & Provisions	1,12,69	1,78,12	1,80,04	1,77,28	1,77,57	1,78,31	1,82,87	2,08,55	2,48,67	3,12,01	5,11,09
<b>NET CURRENT ASSETS</b>	<b>1,30,21</b>	<b>78,68</b>	<b>1,18,11</b>	<b>1,16,15</b>	<b>1,85,45</b>	<b>2,53,89</b>	<b>2,18,92</b>	<b>89,21</b>	<b>1,22,46</b>	<b>5,41,35</b>	<b>6,61,82</b>
MISCELLANEOUS EXPENDITURE	21,11	18,72	14,78	9,85	4,91	-	-	-	-	-	-
<b>TOTAL APPLICATION</b>	<b>3,17,39</b>	<b>4,29,54</b>	<b>5,45,24</b>	<b>5,18,85</b>	<b>5,20,27</b>	<b>5,61,28</b>	<b>5,02,71</b>	<b>5,66,79</b>	<b>6,63,63</b>	<b>7,67,46</b>	<b>9,05,10</b>

## Ten Year Track Record

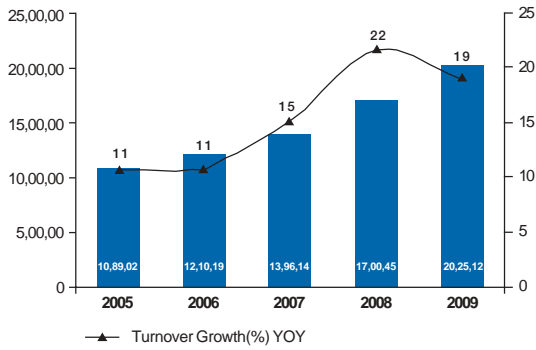
(Rs. Lacs)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
TURNOVER	7,20,48	8,75,12	9,92,14	8,71,06	9,08,95	9,81,72	10,89,02	12,10,19	13,96,14	17,00,45	20,25,12
PROFIT BEFORE TAX	1,38,33	1,51,73	1,93,96	1,26,71	99,58	1,15,68	1,62,42	1,90,57	2,45,12	2,85,71	3,53,86
NET PROFIT	97,61	1,12,02	1,26,63	85,01	76,35	73,16	1,07,15	1,26,93	1,62,68	1,88,33	2,32,78
DIVIDEND PAYOUT	25,87	28,59	31,77	31,77	31,77	31,77	33,64	42,06	50,47	63,08	75,70
CORPORATE DIVIDEND TAX	2,84	6,29	3,24	-	4,07	4,15	4,72	5,90	8,58	10,72	12,87
RETAINED EARNINGS	68,90	77,14	91,62	53,24	40,51	37,24	68,79	78,98	1,03,63	1,14,53	1,44,22
DIVIDEND - %	57	63	70	70	70	70	80	100	120	150	180
EARNINGS PER SHARE (Rs.)	21.51	24.68	27.90	18.73	16.82	16.12	24.84	30.18	38.68	44.78	55.35
NUMBER OF SHARE HOLDERS	31,690	33,019	31,442	30,607	30,607	28,048	24,571	24,019	22,315	22,548	22,443

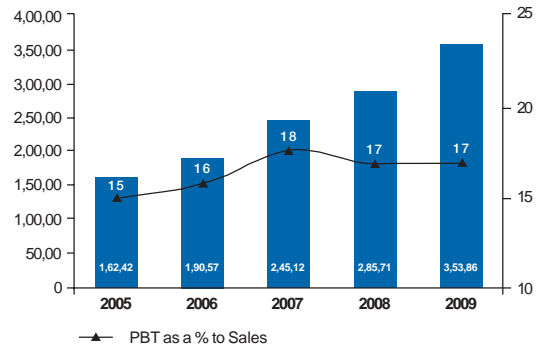


# Financial Highlights

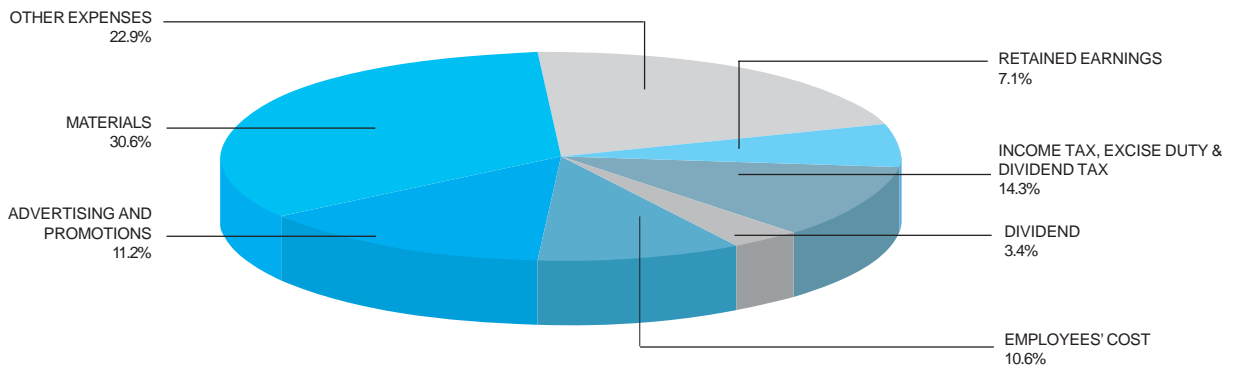
**Turnover**  
(Rs. Lacs)



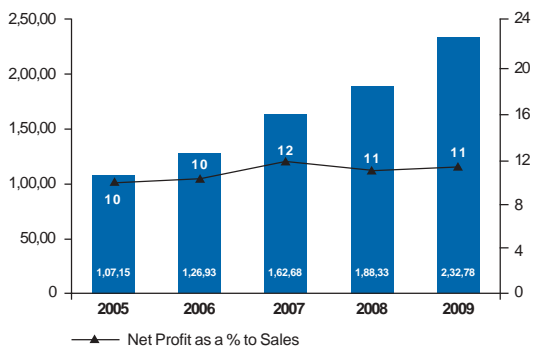
**Profit Before Tax**  
(Rs. Lacs)



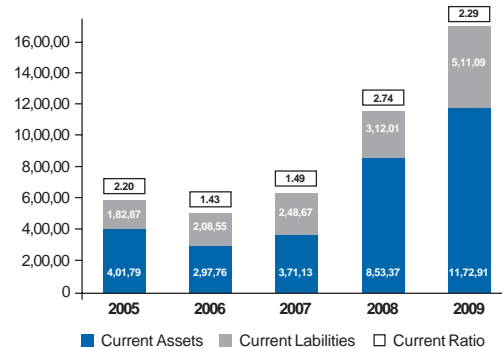
## Utilization of Income 2009



**Net Profit**  
(Rs. Lacs)



**Current Ratio (Times)**  
(Rs. Lacs)



## Directors' Report

Your Directors are pleased to present the Annual Report on the business and operations of your Company and the audited accounts of the Company for the year ended 31 December 2009.

### Financial Results

	(Rs. Lacs)	
	2009	2008
Sales (net of excise duty)	<b>19,21,50.23</b>	15,41,75.44
Profit before Depreciation, Amortisation and Tax	<b>3,95,88.46</b>	3,27,66.31
Less: Depreciation	<b>37,41.81</b>	37,34.34
Less: Amortisation of:		
- Patents and Trade Marks	<b>4,60.62</b>	4,60.62
<b>Profit Before Tax</b>	<b><u>3,53,86.03</u></b>	<u>2,85,71.35</u>
Less: Provision for Tax		
- Current Tax	<b>1,39,50.00</b>	1,00,80.00
- Deferred Tax	<b>(17,59.61)</b>	(10,69.61)
- Adjustment of Previous Years	<b>(2,61.37)</b>	1,62.73
- Fringe Benefit Tax	<b>1,78.73</b>	5,65.00
	<b><u>1,21,07.75</u></b>	<u>97,38.12</u>
<b>Profit After Tax</b>	<b><u>2,32,78.28</u></b>	<u>1,88,33.23</u>
Previous year figures regrouped/reclassified wherever necessary to conform to this year's classification.		
<b>Appropriations</b>		
Dividends	-	42,05.55
Proposed Final Dividend	<b>75,70.00</b>	21,02.78
Corporate Dividend Tax	<b>12,86.52</b>	10,72.09
Transferred to General Reserves	<b>23,27.83</b>	1,14,52.81
	<b><u>1,11,84.35</u></b>	<u>1,88,33.23</u>
Earnings Per Share (Rs.) (Basic & Diluted)	<b>55.35</b>	44.78

### Performance of the Company

Your Company is pleased to report 24.6% sales growth and 23.6% PAT growth for 2009 over the previous year. It is heartening to note that there has been high double digit growth across all regions and all major brands. Your Company's strong performance has been led through significant investment in our brands, product innovation initiatives, expansion into new product categories and managing operating costs through cost efficiency measures.

Your Company continues to drive on excellence in execution both at the front end of sales operations and the back end of supply chain and functional processes, which have helped growth and margins. Your Company continues to strengthen its brand equities through innovation and appropriate levels of advertising and promotional spending.

2009 was a landmark year as your Company recorded sales of over Rs. 2000 crores. This has been possible with a consistent performance on base brands like Horlicks and Boost along with a series of new product launches. Base Horlicks which has been clinically tested to make children "Taller, Stronger & Sharper" posted a strong growth of 17.6%. Boost which was relaunched during the year with a clinically proven claim to increase stamina by three times recorded a growth of 16.2%.

Your Company has also launched a series of new products. Horlicks Nutribar, which is a nutritious snack was launched during the year. Horlicks Biscuits which was relaunched with a new strategy and packaging, has posted a growth of close to 28.0%. Your Company also launched ActiGrow under the GlaxoNutrition umbrella to tap into the fast growing specialist nutrition segment. Your Company has also entered the noodles segment with the launch of Horlicks Foodles – instant noodles with seasoning.

Top line growth continues to be supported by aggressive advertising and various sales and marketing initiatives. To meet consumer needs, your Company's growth strategy has been focused on augmenting the product portfolio by introducing innovative new products and expanding into new categories. In the annual survey of India's Most Trusted Brands conducted by the Economic Times, Horlicks made it to the elite top 6 in 2009. Brand Horlicks was top of the charts in the "beverage" category as India's Most Trusted beverage brand.

During the year consistent and significant investments have been made to increase direct distribution and improve the visibility of our brands. Front end distribution has been revamped resulting in the depth and width of distribution increasing significantly.

Your Company has taken several initiatives to reduce operating costs in the business. Your Company continues to operate with minimum trade pipelines, selling as per the market demands, and maintaining a very efficient supply chain.

## Dividends

The Directors recommend a dividend of Rs. 18 per equity share of Rs. 10 each for the financial year ended 31 December 2009. If approved by the Members at the ensuing Annual General Meeting to be held on 23 April 2010, it will be paid on or before 20 May 2010 to those Members whose names appear in the Company's Register of Members and to those persons whose names appear as beneficial owners (as per the details to be furnished by the Depositories in respect of the shares held in dematerialised form) as at the close of business hours on 12 April 2010.

## Reserves

The total Reserves as on 31 December 2009 stood at Rs. 8,63,04.06 Lacs representing an increase of 20.1% from last year.

## Exports

During the year the Company's export earnings amounted to Rs. 1,55,43.03 Lacs representing an increase of 12.3% over the previous year. The main markets covered were Bangladesh, Myanmar, Malaysia, Sri Lanka, Middle East, Nepal and Bhutan.

## Research and Development

The Research & Development (R&D) function has had a significant role to play in supporting the outstanding performance of the Company this year. Their major area of contribution lay in fuelling innovation through a number of new product developments, culminating in the launch of various products during the year. These included Glaxo Nutrition's ActiGrow, Horlicks Nutribar, Junior Horlicks Biscuits, Asha from Horlicks, Horlicks Cornflake Crunchies Biscuits, Foodles from Horlicks, and Horlicks ProHeight.

Innovation on current brands helped ensure their high growth this year, with the clinically proven claim of 'Three times more stamina' on Boost and the newly formulated and packaged Horlicks biscuits. Several other projects are in various stages of development so as to enable the 2010 launch-pad is brimming with further innovative products.

The R&D function has been restructured to best align with the business focus of growth through Innovation. To this end a dedicated "Innovation" function has been created with the objective of best leveraging external expertise to value-add to our R&D programme with an eye to building the medium and long term pipelines. Additionally a dedicated technology cell has been created

to deliver business support so that the Innovation teams can focus on new product opportunities.

## ISO Certification

Your Company's manufacturing facilities at Nabha, Rajahmundry and Sonepat continue to be certified to the latest version of ISO 9001: 2008, ISO 22000: 2005, ISO 14001: 2004, OHSAS 18001: 2007 by SGS, a leading International Certification Company.

These certifications indicate our commitment in meeting, in a sustainable manner, Global Quality, Environment Health and Safety Standards.

## Information Technology

Your Company continues to be at the forefront of Information Technology having implemented two ERP packages during the year. These were a Business Intelligence Tool for Sales Analysis and Reporting incorporating data till the retailer level, and expanding existing web based Treasury operations. Currently this involves integrating payments to vendors and collections from customers centrally and we are now focusing on bringing other operations under this umbrella. Connected to all our business locations all over the country via satellite and terrestrial links, the Company is now concentrating on web based Business Solutions.

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information required as per the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, is given in the Annexure to this Report.

## Directors

Mr. Ramakrishnan Subramanian ceased to be a Director effective 31 March 2009 upon withdrawal of his nomination by Horlicks Limited under the provisions of Article 97A of the Articles of Association of the Company. He was nominated again as a Director by Horlicks Ltd. with effect from 1 August 2009.

During the year, Mr. P Murari retired as Non Executive Director effective 19 August 2009, upon attaining the age of 75 years. The Board of Directors wish to place on record their sincere appreciation for the valuable advice and guidance rendered by Mr. P Murari during his tenure as Director.

## Auditors

Messrs. Price Waterhouse, Chartered Accountants, who retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

## Human Resource Development

The management continues to take a keen interest in leadership development and talent management. A robust Talent Review process is in place, and recently a Leadership Development Center was developed for members of the senior leadership team in the Company. Your Company continues to focus on Human Resource Development through in-house and external management development programmes and international assignments.

An Engagement survey was conducted which covered all employees and business units to identify enablers of superior employee engagement and to develop a robust Employee Engagement agenda to drive business growth. Harmonious industrial relations continued at all the units throughout the Company.

## Environment and Social Commitment

Your Company, in its endeavour to serve the community, continues to contribute in and around the areas where it operates.

Sonepat site launched a Community Health program during the year. As a part of this program, the site has set up 2 Health care centres at nearby villages to provide primary healthcare for the underprivileged. The site continued support to a local orphanage and sponsored IT education for the backward classes. Other activities included donation of computers and old clothes to the needy.

Nabha organised health camps for the nearby villages and a local Government school. The site continued support to needy students with a merit scholarship scheme for a local Government Girls school. A bus shelter was built and dedicated to the local community in January 2009. Blankets, medicines and stationery were distributed to all inmates of the Leprosy Centre in Patiala as part of World Leprosy Day celebrations on 31 January 2009. The site spearheaded Vastradaan Mahayagya initiative, where 3425 old clothes collected from the employees were donated to the needy with the help of NGO-GOONJ on Founder's Day.

During the year, Rajahmundry made a contribution towards the Chief Minister's Flood Relief fund. The site

continued with its education programme targeting the younger generation in local schools with programmes on Safety and Hygiene. The site donated utensils for Mid Day Meal Scheme. Food and nutritional supplements were provided to a School for Hearing and Speech impaired as well as to HIV impacted persons in the surrounding area. Medical camps were organised for the local community and School students.

The Company also supported various community projects in the sphere of women's empowerment, children's education and health across the country.

## Particulars of Employees

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the report and Accounts are being sent to all the members excluding the statement containing the particulars of employees to be provided under Section 217 (2A) of the Act. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

## Management Discussion and Analysis Report

The Management Discussion and Analysis is reported in this Annual Report.

## Acknowledgements

The Directors wish to extend their thanks and appreciation to all the employees of the Company at all levels, agents and other business associates for their commitment, dedication and respective contributions to the Company's operations during the year under review.

The Directors would also like to acknowledge the valuable guidance, technical assistance and advice being received from the Associate Company in the U.K.

Your Directors look forward to the future with confidence.

For and on behalf of the Board

S.J.Scarff <i>Chairman</i>	Zubair Ahmed <i>Managing Director</i>	R Subramanian Subodh Bhargava <i>Directors</i>
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Place : Gurgaon  
Dated : 25 January 2010



## Annexure to the Directors' Report 2009

### Particulars regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

- Rajahmundry factory has won the prestigious National Energy Conservation Award 2009, 1<sup>st</sup> Prize, amongst the food industry sector, from the union Minister of Power, Government of India. The site achieved significant energy savings by implementing various initiatives and projects and has achieved an overall 12% reduction on energy consumption per ton of production in 2009 v/s 2008
- Nabha factory has won the first prize on energy conservation from the Punjab State Energy Development Agency. The site achieved energy savings by implementing various initiatives and projects and has achieved an overall 2% reduction on energy consumption per ton of production in 2009 v/s 2008
- Sonepat factory has also implemented a number of initiatives for improving the process efficiencies further and has resulted in the reduction of energy consumption per ton of production by 5.3% in 2009 v/s 2008.
- Various energy saving initiatives and projects, implemented across the sites during the year have resulted in the reduction on energy consumption per ton of production by more than 5% in 2009 as compared with the previous year.

## A. CONSERVATION OF ENERGY

### (a) Energy Conservation Measures Taken

#### 1. Steam

The energy conservation initiatives program such as optimization of Boiler Efficiencies, installation of Gem Steam traps, bio gas digester and improvements in process efficiencies being driven at sites as part of Operational Excellence program have resulted in reduction in steam consumption per ton of production across the sites by more than 4%. Despite an increase in production volume by 2%, the cost of steam generation during 2009 was less by around Rs. 5 Crores than the previous year, thereby achieving a reduction of around 22% in cost of steam generation per ton of product.

#### 2. Electricity

The energy Conservation initiatives such as installation of Steam turbo drive at Sonepat, installation of energy efficient hydrofoil agitators for process & ETP at Nabha, installation of fan coil units & replacement of conventional street light with LED lights at Nabha, voltage rationalization and street light voltage rationalization at Nabha, installation of energy efficient electrical motors at Rajahmundry and optimization of lighting across all sites as part of Operational Excellence program have resulted in reduction in electricity consumption at sites.

The above initiatives have helped the Company to minimize the adverse impact on per ton energy consumption, caused by higher utilization of more energy intensive plant and change in manufacturing process.

### (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

Various steps and measures are being initiated to continuously improve on consumption of coal and electricity at all the sites. Some of the major investments are the Multiple Effect Evaporator at Rajahmundry, FBC boiler at Nabha, Spray dryer heat recovery at Sonepat, Combined heat & power plant at Sonepat, Forced circulation evaporator at Nabha, Jet cooling tower at Rajahmundry, Bio-gas generator using husk and Agitated thin film evaporator at Rajahmundry. All sites took a number of initiatives on renewable energy and implemented wind ventilators, Natural sun lighting in buildings and Solar lights.

### (c) In respect of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

Despite an increase in production volume and inflation on fuel prices, the above mentioned energy saving initiatives have helped the Company to reduce its utility cost by around Rs. 4.5 Crores in 2009 as compared with 2008 and resulted in the reduction of utility cost per ton of production by 12%.

### d) Total energy consumption and energy consumption per unit of production as per Form "A" of the Annexure in respect of industries specified in the Schedule thereto:

#### FORM "A"

	2009	2008
<b>A. Power and Fuel Consumption</b>		
<b>1. Electricity</b>		
a) Purchased Units (in Lacs)	3,01.53	3,02.97
Total amount (Rs. Lacs)	14,50.58	14,91.89
Rate/Unit (Rs.)	4.81	4.92
b) Own Generation-		
1) DG Sets Units (in Lacs)	51.43	41.12
Units per litre of Diesel oil	3.38	3.55
Cost/Unit (Rs.)	9.05	9.16
2) Turbine Units (in Lacs) *	20.61	21.12
<b>2. Coal Used in Boilers</b>		
Quality (Calorific value ranging between 2500 to 3500 BTU) Quantity (Tonnes)*	42,045	35,122
Total Cost (Rs. Lacs)	18,81.88	14,79.95
Average Rate (Rs.)	44,75.88	42,13.74

\* Includes Coal consumed to produce steam to generate electricity from Turbine.

	2009	2008
	<b>CoalPower</b>	CoalPower
	<b>MT Units</b>	MT Units

### B. Consumption per unit of Production:

1. Malt Based Food / Energy and Protein Health Food / Cereal Based Food / Powdered Milk (Per Ton)	0.54	479	0.53	476
2. Ghee & Butter (Per Ton)	0.27	149	0.27	137

In the case of Ghee, the allocation procedure has been revised and only the electricity consumption for ghee manufacturing section has been considered.



# Management Discussion and Analysis Report

## Industry Structure and Development

The growth of the food industry in India stems from the consistently increasing agricultural output. With the second largest arable area in the world, India is one of the key food producing countries in the world, second only to China. The food processing industry in India is presently growing at 14% against 6-7% growth in 2003-04. Post liberalization trends such as changing lifestyles, food habits, organized food retail and urbanization have given boost to this sector. It is expected that India's food processing industry would grow at 30-40% to around \$260 billion from the present \$200 billion in the next 6 years.

Despite India having a huge agricultural production base, its share in exports of processed food in global trade is only 1.5%; whereas the size of the global processed-food market is estimated at US\$ 3.2 trillion and nearly 80% of agricultural products in the developed countries get processed and packaged. To aid the growth of the food processing industry, the government has implemented schemes such as tax breaks, increased FDI, improved infrastructure facilities, setting up food parks, packaging centres and integrated cold chain facilities. The Government of India expects to double the size of its food processing industry within the next five years by increasing funding and improving technology and infrastructure in the sector.

## Opportunities, Threats and Outlook

Rising household incomes, increasing urbanization, changing lifestyles, growth in working women's population and the rapid growth of the private-sector industry should lead to greater demand for processed food products. The most promising sub-sectors includes Confectionery manufacture, Grain-based products, Beverages, Health products, Milk processing, Ready-to-eat breakfast cereals, Food additives, Flavors, etc. Increased per capita income and high corporate interest in the organized retail market creates a platform for the Indian food industry to leap forward. Realizing vast untapped opportunities in the India processed food market, domestic and international players have been constantly expanding operations in line with the strong opportunities in this market.

The key challenges faced by the industry are the lack of integrated supply chain and scale of operations, limited use of technology in food processing, low level of penetration in domestic market and high taxes on branded agricultural products. High inflation has offset the rise in household incomes as the disposable income of people has declined vis a vis previous years.

## Risks & Concerns

Your Company annually reviews all risks to help identify potential business threats. The capability of these risk mitigation plans, developed to redress identified threats, is honed to protect the interests of all stakeholders including shareholders. Crisis management plans are well documented and simulation tests across critical business sites have been conducted successfully. Learnings from these tests have helped enhance the effectiveness of the plans.

As with any agro based industry, input costs are influenced not only by the vagaries of nature but also government policies and the movements in the international market. Your Company continues to recognize the importance of the price-value equation and the need to be sensitive to retail price changes to counter the volatility of input costs.

## Financial Risk

The Company has no loan outstanding as on 31 December 2009.

The Company has minimal import requirements for its production process. The Company exports during the year stood as Rs. 1,55,43.03 Lacs (which includes Rs. 34,07.02 Lacs exported to Nepal & Bhutan). Hence no risk is envisaged to the business on account of currency fluctuations.

## Internal Control Systems and their Adequacy

The Company has an adequate system of internal controls to ensure that transactions are properly recorded, authorized and reported apart from safeguarding its assets. The internal control system is supplemented by well-documented standard operating procedures, policies and guidelines and review carried out by the Company's internal audit function. All significant audit observations and follow-up actions thereon are reported to the Audit Committee. Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening the Company's risk management policies and systems. Additionally, the following measures ensure robust control system:

- Quarterly submission of structured Internal Control Letters (ICLs) covers all functions in the Company. The self assessment by process/ control owner is also used as the basis of CEO/CFO certification as required under Clause 49 of the Listing Agreement with the Stock Exchange. Apart from ensuring compliance with laid down internal control systems, it helps the business to align the control mechanism with global best practices.
- Any material variances from the budget are reviewed on a monthly basis and require approval of the Management Team. All major policy changes are approved by Managing Director.

- The Company has a Risk Management and Compliance Board (RMCB) comprising of the Managing Director, Director – Finance, Director – Operations, Executive Vice President – Legal & Company Secretary and Executive Vice President – Human Resource. Risk maps stating the significant business risks, potential consequences along with mitigation plans are prepared by each function and reviewed by RMCB on a regular basis.
- Business Continuity Plans are periodically reviewed and tested to enhance their relevance.

## Financial Performance and Results of Operation

### (A) Results of Operations

#### (1) Sales

Sales for 2009 increased by 24.6%, driven both by volume as well as by price / yield increases. During the year the Company has launched a series of new products. Considering the initial settling phase in life cycle of these products, the Company has considered it prudent to make a provision for estimated sales return for these products of Rs. 5,64.09 lacs in the current year.

#### (2) Other Income

Other Income decreased by Rs. 6,15.63 Lacs primarily due to decrease in Dividend Income on Non-Trade Current Investment on account of shift in investments from Mutual Funds to Bank Deposits. Decrease is partly offset by increase in earnings from commercial arrangement for services rendered to two other companies, basis an independent study.

#### (3) Expenditure

During the year, input cost of Raw Material, Packing Material and Finished Goods, as a percentage to sales has increased to 35.09% as against 34.45% last year mainly due to higher input costs (particularly sugar, liquid milk and skimmed milk powder).

The Company continued to invest behind the brands and Advertisement and Promotion expenses have increased to 14.9% in current year from 11.4% last year as a percentage of Sales.

#### (4) Profit before Taxation

Profit before Taxation amounted to Rs. 3,53,86.03 Lacs and has increased by 23.9% over previous year.

#### (5) Provision for Taxation

The Company has made provisions for taxation for the year amounting to Rs. 1,21,07.75 Lacs (including deferred tax and provision for fringe benefit tax) on Profits before Tax. The effective tax rate for the year is 34.2% almost same as last year. Provision for Fringe Benefit Tax amounting to Rs. 1,78.73 Lacs represents provision amount for first quarter of 2009, since the fringe benefit tax was abolished w.e.f from 1 April, 2009.

### (B) Financial Condition

#### (1) Reserves and Surplus

The Reserves and Surplus increased during the year by Rs. 1,44,21.76 Lacs. The transfer was made after providing for Proposed Final Dividend of Rs. 75,70.00 Lacs and Dividend Tax amounting to Rs. 12,86.52 Lacs for the year 2009.

#### (2) Fixed Assets

Additions of Rs. 27,13.78 Lacs during the year include primarily Land (Rs. 12,24.66 Lacs), Plant and Machinery (Rs. 8,09.53 Lacs), Buildings (Rs. 1,83.68 Lacs), Motor Vehicles (Rs. 2,45.53 Lacs), and Information Technology Equipment (Rs. 1,68.16 Lacs).

#### (3) Inventories

Inventories amounted to Rs. 2,66,03.20 Lacs as at 31 December 2009 as against Rs. 2,77,17.03 Lacs as at previous year end. The decrease is primarily on account of a decrease in Raw Materials from Rs. 73,68.95 Lacs in 2008 to Rs. 51,14.09 Lacs in 2009 and Packing Materials from Rs. 21,50.71 Lacs in 2008 to Rs. 18,33.38 Lacs in 2009.

#### (4) Sundry Debtors

Sundry debtors amounted to Rs. 31,35.64 Lacs as at 31 December 2009 as against Rs. 43,25.02 Lacs as at 31 December 2008.

The debtors as at end December 2009 represent 6 days sale value.

#### (5) Cash and Bank Balances

Cash and Bank balances with scheduled banks amounting to Rs. 36,20.40 Lacs and short term deposits of Rs. 7,83,20.00 Lacs with various scheduled banks. Further, cash and cheques in hand amounts to Rs. 39.49 Lacs.

#### (6) Loans and Advances

Loans and advances amounting to Rs. 33,75.28 Lacs includes advances paid for raw and packing materials, stores and services, pre-paid insurance, loans to employees and balance with the Excise Authorities.

#### (7) Current Liabilities

Sundry Creditors amounting to Rs. 2,90,63.87 Lacs include creditors for advertising and promotion spends, raw materials, packing materials and creditors for capital purchases.

Other liabilities amounting to Rs. 57,04.14 Lacs include statutory dues for miscellaneous taxes and duties payable to various Government Agencies.

#### (8) Provisions

Provision for Gratuity / Leave / Post Employment Medical Benefit and Interest on Provident Fund Shortfall has been made in accordance with the actuarial valuation as at 31 December 2009.

#### (9) Net Working Capital

The Company has a negative Working Capital (Excluding Cash and Bank Balances) of Rs. (1,57,97.64) Lacs as at 31 December 2009 as against positive Working Capital Rs. 70,37.73 Lacs as at 31 December 2008. The decrease in the working capital is largely due to the various efforts taken by your Company towards reducing the Working Capital.

#### (10) Return on Capital Employed

The return on capital employed (average) during the year has increased to 27.9% from 26.8% last year. The percentage has been computed by dividing PAT by the average capital employed (shareholders' funds plus loan funds) during the year.

#### (11) Debt Equity Ratio

Your Company being a cash surplus organization has no outstanding loan and consequently has zero debt equity ratio.

### Material Developments on Human Resource/Industrial Relations Front

Mr. Ramakrishnan Subramanian ceased to be a Director effective 31 March 2009 upon withdrawal of his nomination by Horlicks Limited under the provisions of Article 97A of the Articles of Association of the Company. He was nominated again as a Director by Horlicks Ltd. with effect from 1 August 2009.

During the year, Mr. P Murari retired as Non Executive Director effective 19 August 2009, upon attaining the age of 75 years.

Please refer to the Directors Report on Human Resource Development.

The Company had 2731 permanent employees on its payroll as on 31 December 2009.

### Cautionary Statement

The Management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence the Company's operations such as Government policies, local, political and economic development, risks inherent to the Company's growth and such other factors.

For and on behalf of the Board

S. J. Scarff  
Chairman

Zubair Ahmed  
Managing Director

Ramakrishnan Subramanian  
Subodh Bhargava  
Directors

Place : Gurgaon  
Dated : 25 January 2010

# Corporate Governance Report

## Company's Philosophy on Corporate Governance

GlaxoSmithKline Consumer Healthcare Ltd. is committed to following best global corporate governance practices in all its pursuits. The guiding principle for the Company always has been to achieve shareholder's satisfaction and maximize shareholders' value by following best corporate governance norms in true letter and spirit. The Company aims at achieving this objective by ensuring transparency in its functioning by truthful and complete communication to all its stakeholders and by inculcating a culture of ethical business conduct in all its operations.

## Board of Directors

### Composition

The composition of the Board of Directors of the Company is in complete conformity with the requirements of Clause 49 of the Listing Agreement. The details of the Board of Directors, their attendance records and other relevant details during the year ended 31 December, 2009 are as under:

Name of the Director	Category of Directorship	No. of Board meetings attended	Attendance at last AGM held on 24 April, 2009	No. of Directorships in other Public Companies	No. of Committee Position held in Other Public Companies	
					Chairman	Member
Mr. S. J. Scarff	NEC	4	Yes	1	-	1
Mr. Zubair Ahmed	MD	4	Yes	1	-	-
Mr. Ashok Dayal	NED - I	4	Yes	3	1	-
Mr. Kunal Kashyap	NED - I	3	Yes	3	2	-
Mr. P. Dwarakanath	NED (till 31 July 09) NED - I (w.e.f. 1 August 09)	3	No	5	-	-
Mr. P. Murari (till 18 August 2009)	NED - I	2	Yes	14	1	5
Mr. Praveen K Gupta	WTD	4	Yes	-	-	-
Mr. R Subramanian (till 30 March 2009) (re-nominated as Director w.e.f. 1 August 2009)	WTD	2	N.A.	-	-	-
Mr. Subodh Bhargava	NED - I	3	Yes	11	4	5

NEC - Non Executive Chairman  
WTD - Wholetime Director

MD - Managing Director  
NED - Non Executive Director

NED-I - Non Executive Director - Independent

### Details of Board Meetings during the year

The Board of Directors of the Company met four times during the year 2009 on 27 January, 24 April, 29 July and 23 October.

### Information to the Board

The Company holds atleast four board meetings in a year with at least one meeting in each quarter to review the quarterly financial results. The maximum gap between two board meetings is not more than four months. Agenda papers are circulated to the Board members and other permanent invitees to the Board meeting well in advance. In addition to the specific matters which are taken at the Board meetings, the following information is also placed before the Board for its review:

- Annual Operating Plans and Capital budgets and any updates in connection therewith.
- Quarterly results of the Company

- Minutes of the meetings of the Audit Committee and all other Committees of the Board.
- Terms of reference of the Committees of the Board.
- Statutory Compliance Certificate
- Information on appointment and resignation of senior officers of the Company.
- Significant labour problems, if any, at any of the plant locations of the Company.
- Significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Information on strikes, lockouts, retrenchment, fatal accidents, dangerous occurrences, any material effluent or pollution problems or any other materially important incident, if any.
- Show cause, demand, prosecution notices and penalty notices of material importance.
- Any material default in financial obligations to and by the Company, or substantial non recovery for sale of goods by the Company.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Details of any joint venture or collaboration agreement.
- Sale of a material nature, of investments and/ or assets, which are not in the normal course of business.
- Any issue involving possible public or product liability claims of a substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company.

## Committees of the Board

The Board of Directors decides the composition and terms of reference of the Board Committees. The composition, terms of reference and the dates of these Committee meetings is given below:

### a) Audit Committee

The Audit Committee comprises of three members, all of whom are Independent Directors and possess financial and / or accounting knowledge. The Committee comprises of Mr. Subodh Bhargava as Chairman, Mr. Kunal Kashyap and Mr. Ashok Dayal, as the other two members. Mr. Surinder Kumar, Company Secretary acts as Secretary to the Committee. The Chairman, Managing Director, Finance Director / CFO and Operations Director are permanent invitees to the Audit Committee Meetings. The Head of Internal Audit, Executive Vice President – Human Resources, the concerned partners of Price Waterhouse, the Statutory Auditors and the Cost Auditors are also invited to the Audit Committee meetings.

The Company has a multi disciplinary Internal Audit Team which submits its report directly to the Audit Committee on a quarterly basis. The Head of the Internal Audit Department reports to the Audit Committee. The Chairman of the Audit Committee attended the last Annual General Meeting held on 24 April 2009 to answer shareholders queries. With effect from 1 September, 2009, the Internal Audit Function was co-sourced to M/s KPMG, under the supervision of Head – Internal Audit. The representatives of KPMG are also invited to the Audit Committee meetings.

#### Terms of Reference:

The functioning and terms of reference of the Audit Committee including the role, powers and duties, quorum for meetings and frequency of meetings, have been devised keeping in view the requirements of Section 292A of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges. The terms of reference of the Audit Committee include:-

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors on any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
14. The Audit Committee mandatorily reviews the following information:
  - a) Management discussion and analysis of financial condition and results of operations;
  - b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d) Internal audit reports relating to internal control weaknesses; and
  - e) Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor/Internal Auditors.

Six meetings of the Audit Committee were held during the year. Attendance at meetings during the year:

Director	No. of meetings attended
Mr. Subodh Bhargava	5
Mr. Kunal Kashyap	5
Mr. Ashok Dayal	6

## b) Remuneration Committee

The Company has a Remuneration Committee which comprises of three members. The Committee comprises of Mr. Ashok Dayal as the Chairman and Mr. Simon Scarff and Mr. P Dwarakanath as the other two members. Mr. Surinder Kumar, Company Secretary acts as Secretary to the Committee.

### Terms of Reference:

The functioning and terms of reference of the Committee have been finalised in line with the recommendations as prescribed under the Listing Agreement with the Stock Exchanges. The Committee determines the Company's policy on all elements of remuneration packages of all the Directors including salary, benefits, bonus, stock options, pension rights and compensation payment etc., details of fixed component and performance linked incentives alongwith performance criteria, service contracts, notice period, severance fees, etc., stock option details, if any, and also to determine the remuneration of the Non Executive Directors. It also reviews all other aspects of benefits and compensation to employees throughout the Company including policies on the same.

Two meetings of the Remuneration Committee were held during the year. Attendance at meetings during the year:

Director	No. of meetings attended
Mr. Ashok Dayal	2
Mr. Simon J Scarff	2
Mr. P. Dwarakanath	2



## Remuneration Policy

Payment of Commission and Sitting Fees to the Non Executive Directors and payment of Salary, Commission and Perquisites to the Wholetime Directors are made in accordance with industry norms and subject to the overall ceilings imposed by the Companies Act, 1956 and other applicable statutes, if any. The basis is also determined by carrying out an annual analysis of the industry trends by an independent and reputed HR Management Consultant firm which is scrutinized and recommended by the Remuneration Committee. Performance linked incentives and bonus paid to the Wholetime Directors are determined on the basis of achievement of overall financial and other objectives set for the Company at the beginning of the year and the achievement of individual objectives.

The retirement age of the Wholetime directors of the Company is 60 years while for Non Executive Directors it is 75 years. The Notice period for the Wholetime directors is three months' notice on either side. The Service contracts are in the range of 3 to 5 years.

## Remuneration of Directors

Details of remuneration of the Directors for the financial year ended 31 December 2009: (Rs.)

S.No.	Name	Designation/ Position	Salary	Benefits	Performance Incentive	Grand Total
1.	Mr. Zubair Ahmed	Managing Director	2,56,66,467	49,05,268	1,07,50,333	4,13,22,068
2.	Mr. Praveen K Gupta	Director - Operations	1,01,36,878	15,72,706	16,11,780	1,33,21,364
3.	Mr. R Subramanian (as Director)	Director - Finance	65,32,609	13,74,290	20,21,376	99,28,275

(Rs.)

S.No.	Name	Particulars	Sitting Fees	Commission	Total
1.	Mr. Ashok Dayal	Non Executive Director - Independent	1,70,000	4,00,000	5,70,000
2.	Mr. Kunal Kashyap	Non Executive Director - Independent	1,20,000	4,00,000	5,20,000
3.	Mr. P Dwarakanath	Non Executive Director - (till 31 July 09) Non Executive Director - Independent (w.e.f. 1 August 09)	95,000	4,00,000	4,95,000
4.	Mr. P. Murari (till 18 August 2009)	Non Executive Director - Independent	50,000	2,53,059	3,03,059
5.	Mr. Simon J. Scarff	Non Executive Chairman	1,20,000	4,00,000	5,20,000
6.	Mr. Subodh Bhargava	Non Executive Director - Independent	1,20,000	4,00,000	5,20,000

## Shareholding of Non Executive Directors

None of the Non Executive Directors of the Company is holding any shares in the Company.

## c) Investor Grievance Committee

The Investor Grievance Committee of the Company has three members. The Committee comprised of Mr. Simon Scarff as the Chairman of the Committee and Mr. P Dwarakanath and Mr. P Murari as the other two members of the Committee. The Committee was reconstituted on 19 August 2009 with Mr. Simon Scarff as the Chairman and Mr. P Dwarakanath and Mr. R Subramanian as the other two members. Mr. Surinder Kumar, Company Secretary acts as Secretary to the Committee and also as the Compliance Officer.

### Terms of reference:

The functioning and terms of reference of the Committee are in conformity with the requirements of the Listing Agreement with the Stock Exchanges with particular reference to transfer, dematerialisation, complaints of shareholders etc.

Four meetings of the Investor Grievance Committee were held during the year. Attendance at meetings during the year:

Director	No. of meetings attended
Mr. Simon J Scarff	4
Mr. P Dwarakanath	3
Mr. P Murari (till 18 August 2009)	2
Mr. R Subramanian (w.e.f. 19 August 2009)	1

The total number of complaints received and replied to the satisfaction of the shareholders during the year under review were 184. The Company ensures that the investor's correspondence is attended to expeditiously and endeavour is made to send a satisfactory reply within three days of receipt, except in cases that are constrained by disputes or legal impediments. There are no pending share transfer complaints as on 31 December 2009. The Company has advised Karvy Computershare Pvt. Ltd, its Registrar and Share Transfer Agent, to despatch the shares after transfer within two days from their approval at the Share Transfer Committee.

## GENERAL BODY MEETINGS

### Particulars of last three AGMs

Year	Date	Time	Venue	Special Resolution passed
2007	27 April 2007	09.30 a.m.	Punjab Public School Auditorium, The Punjab	Amendment of Article 96 of the Articles of Association of the Company
2008	25 April 2008	09.30 a.m.	Public School (Senior Wing),	No Special resolution
2009	24 April 2009	09.30 a.m.	Nabha 147 201 (Punjab)	No Special resolution

### Postal Ballot Resolution

No Postal ballot resolution was passed during the year 2009. No special resolution requiring a postal ballot is being proposed for the ensuing Annual General Meeting.

## DISCLOSURE

- Materially significant related party transactions that may have potential conflict with the interests of Company at large - During the year 2009, the Company has related party transactions as envisaged under the Corporate Governance Code which have been mentioned in Note 23 under Schedule 16 to the Accounts.
- There have not been any non compliances, penalties or strictures imposed on the Company by any Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

### Whistle Blower Policy

The Company has formulated a Whistle Blower policy and procedure with an aim to deter and detect misconduct and to ensure that genuine concerns of misconduct / unlawful conduct, which an individual believes may be taking place, are raised at an early stage in a responsible and confidential manner. For the year 2009, the members of the Committee were Mr. Zubair Ahmed, Managing Director, Mr. Ramakrishnan Subramanian, Director – Finance, Mr. Praveen K Gupta, Director – Operations, Mr. Surinder Kumar, EVP – Legal & Company Secretary and Mr. Arun Sehgal, EVP - HR. Apart from these members, the Committee has a Coordinator. The Audit Committee is kept informed of all the proceedings of the Whistle Blower Committee at all its meetings.

### Code of Conduct

The Board of Directors has adopted a Code of Conduct for Directors and Senior Management of the Company. An annual affirmation of compliance with the Code of Conduct is taken from all the Directors and Senior Management members of the Company to whom the Code applies. The Code of Conduct has also been posted at the website of the Company [www.gsk-ch.in](http://www.gsk-ch.in). CEO's affirmation that the Code of Conduct has been complied with by the Board of Directors and Senior Management is given at the end of this report.

### Policy for Insider Trading

The Company has a Policy for the Prevention of Insider trading in the securities of the Company. The policy applies to all persons connected or deemed to be connected (Directors, officers and employees of the Company etc.) with the Company who are required to comply with the same.

## Compliance

### Mandatory Requirements

The Company has followed all the mandatory requirements prescribed under Clause 49 of the Listing Agreement.

## Non Mandatory Requirements

Following non mandatory requirements of Clause 49 of the Listing Agreement have been complied with by the Company:

1. The Company has a Remuneration Committee whose composition is in conformity with the requirements of Clause 49. The details regarding composition and terms of reference of the Committee are given in this report.
2. The Company has adopted a Whistle Blower Policy, details of which regarding composition and terms of reference are given in this report. It is affirmed that no member has been denied access to the Audit Committee and the Whistle Blower Committee.

## CEO & CFO Certification

The Certificate issued by the Managing Director (CEO) and Director – Finance (CFO) certifying the accuracy of the financial statements and adequacy of internal controls for financial reporting, as required under Clause 49 of the Listing Agreement, forms part of this Annual Report.

Management Discussion and Analysis Report setting out Opportunities and Threats and also Risks and Concerns forms part of the Directors Report and is reported in this Annual Report.

## MEANS OF COMMUNICATIONS

### Quarterly Results

Wide publicity is accorded to the Quarterly Results by publishing them in widely circulated English daily (Financial Express) and a Punjabi daily (Punjabi Tribune) as per the requirements of the Listing Agreement with the Stock Exchanges. The results are also faxed to the Stock Exchanges where the Company is listed. The Company also has its own official press releases in various newspapers through its Public Relations agency.

The Quarterly results of the Company are also displayed on the website of the Company at [www.gsk-ch.in](http://www.gsk-ch.in).

### Half yearly Report to each household of shareholders

Half-yearly reports are provided to shareholders on a request being made to the Company in this regard.

### Presentations made to institutional investors or to analysts

Regular meetings & teleconferences were held with the Financial Institutions, Foreign Institutional Investors and Analysts. About fifteen meetings and seven teleconferences were held during the year with different Financial Analysts. They are also provided with a copy of the quarterly results after the same have been faxed to the Stock Exchanges.

## GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting:

Date: The Fifty First Annual General Meeting is scheduled to be held on 23 April 2010  
 Time: 9.30 a.m.  
 Venue: Punjab Public School Auditorium, The Punjab Public School (Senior Wing), Nabha 147 201 (Punjab)

### Financial Year:

1 January 2009 to 31 December 2009

### Financial Calendar:

S.No.	Particulars	Date of Board meeting
1.	Quarter ending 31 March 2010	End April, 2010
2.	Quarter ending 30 June 2010	End July, 2010
3.	Quarter ending 30 September 2010	End October 2010
4.	Quarter ending 31 December 2010	End January/Early February 2011

### Book closure:

The books will be closed from 13 April 2010 to 23 April 2010 (both days inclusive).

#### Dividend payment:

For the year ended 31 December 2009, the Directors have recommended a dividend at the rate of Rs. 18 per share subject to approval of Members at the ensuing AGM. If approved, the dividend shall be paid on or before 20 May 2010 to all the members.

#### Listing on Stock Exchanges and Stock Code:

The shares of the Company are listed at two Stock Exchanges in India, the addresses of which are given below:

Stock Exchange	Stock Code
Bombay Stock Exchange Limited, Stock Exchange Towers, Dalal Street, Fort, Mumbai - 400 023	Physical 676 Demat 500676
National Stock Exchange of India Limited, Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051	GSKCONS

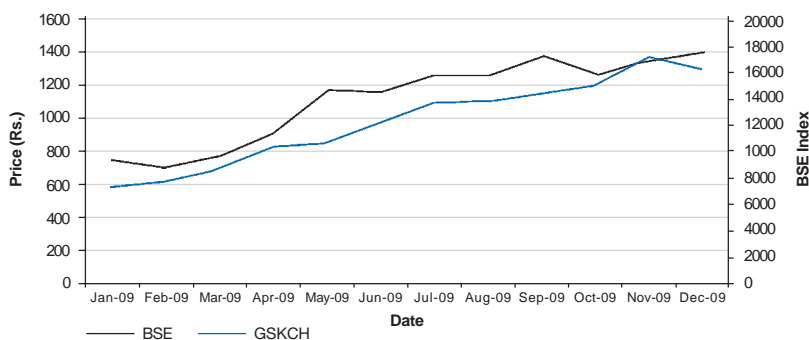
**The Listing Fee for the year 2009-2010 has been paid to the Stock Exchanges where the shares of the Company are listed.**

*STOCK MARKET DATA: High and Low during each month in last financial year from January, 2009 – December, 2009 on the Stock Exchange, Mumbai*

MONTH	HIGH	LOW	MONTH	HIGH	LOW
January, 2009	604.00	526.10	July, 2009	1,115.00	907.00
February, 2009	629.00	585.00	August, 2009	1,200.00	1,005.00
March, 2009	710.90	585.60	September, 2009	1,194.90	1,040.25
April, 2009	840.00	674.15	October, 2009	1,299.00	1,113.00
May, 2009	870.00	777.00	November, 2009	1,436.00	1,182.05
June, 2009	998.00	842.00	December, 2009	1,465.00	1,260.00

#### Performance in comparison to BSE Sensex:

##### Share Price Movement - BSE & GSKCH



#### Registrar and Transfer Agents:

Karvy Computershare Pvt. Ltd.  
Plot No. 17-24 Vittal Rao Nagar, Near Image Hospital, Madhapur, Hyderabad – 500 081 (Andhra Pradesh)

#### Distribution of shareholding as on 31 December, 2009:

No. of Shares	No. of Shareholders	No. of Shares	Percent of total shares
01 to 250	16,300	13,32,332	3.17
251 to 500	4,040	13,66,359	3.25
501 to 1000	1,254	8,77,458	2.09
1001 to 2000	388	5,63,818	1.34
2001 to 3000	121	3,02,300	0.72
3001 to 4000	55	1,97,874	0.47
4001 to 5000	42	1,89,917	0.45
5001 to 10000	102	7,56,732	1.80
10001 and above	141	3,64,68,748	86.71
In transit	-	-	-
<b>Total</b>	<b>22,443</b>	<b>4,20,55,538</b>	<b>100.00</b>

S.No.	Particulars	No. of Shares Held	Percent of shares held (rounded off)
1.	Promoters - M/s. Horlicks Limited	1,81,52,243	43.16
2.	Mutual Funds & UTI	49,96,939	11.88
3.	Banks, Financial Institutions & Insurance Companies	50,71,598	12.06
4.	Foreign Institutional Investors	35,42,817	8.43
5.	Private Corporate Bodies	34,03,448	8.09
6.	Indian Public	67,68,182	16.09
7.	NRIs / OCBs	1,20,311	0.29
8.	Any others	-	-
	<b>Total</b>	<b>4,20,55,538</b>	<b>100.00</b>

#### *Dematerialisation of shares and liquidity:*

As on 31 December 2009, we have dematerialised 50.97% of our equity share capital, whilst 43.16% is held by Horlicks Ltd. in the physical form. Therefore, apart from Horlicks Ltd. holding, only 5.87% of our equity share capital is held in physical form.

#### *Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity:*

We have no GDRs/ADRs or any commercial instrument.

#### *Plant locations:*

<b>Nabha Plant:</b>	GlaxoSmithKline Consumer Healthcare Limited, Patiala Road, Nabha – 147201 (Punjab).
<b>Rajahmundry Plant:</b>	GlaxoSmithKline Consumer Healthcare Limited, Industrial Area, Dowleswaram – 533124 (Andhra Pradesh).
<b>Sonepat Plant:</b>	GlaxoSmithKline Consumer Healthcare Limited, 14 km Stone, Sonepat – Meerut Road, Village Khewra, P.O. Bahalgarh – 130121, District Sonepat (Haryana)

#### *Address for correspondence:*

<b>Registered Office:</b>	GlaxoSmithKline Consumer Healthcare Limited, Patiala Road, Nabha – 147201 (Punjab)
<b>Head Office:</b>	DLF Plaza Tower, DLF City, Phase I, Gurgaon – 122002 (Haryana)
<b>Registrars and Share Transfer Agents:</b>	Karvy Computershare Pvt. Ltd. Plot No. 17-24 Vittal Rao Nagar, Near Image Hospital, Madhapur, Hyderabad – 500081 Phone: 040-23420818 Facsimile: 040-23420814
<b>Name, Address and contact numbers of the Compliance Officer:</b>	Surinder Kumar, Company Secretary DLF Plaza Tower, DLF City, Phase I, Gurgaon – 122002, Telephone: 0124-4097200 or 0124-2540724, Facsimile: 0124-2540721
<b>Email for Investors:</b>	igkcpl@karvy.com, investor.2.co@gsk.com
<b>Company's website address:</b>	www.gsk-ch.in

Place : Gurgaon  
Dated : 25 January 2010

For and on behalf of the Board  
Zubair Ahmed  
Managing Director

### **Declaration as required under Clause 49 of the Listing Agreement**

All Directors and Senior Management members of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management of GlaxoSmithKline Consumer Healthcare Limited for the financial year ended December 31, 2009.

Place : Gurgaon  
Dated : 25 January 2010

Zubair Ahmed  
Managing Director



## **Auditors' Certificate regarding compliance of conditions of Corporate Governance under clause 49 of the Listing Agreements**

### **To the Members of GlaxoSmithKline Consumer Healthcare Limited**

We have examined the compliance of conditions of Corporate Governance by GlaxoSmithKline Consumer Healthcare Limited ('the Company') for the year ended December 31, 2009 as stipulated in Clause 49 of the Listing Agreements of the Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Directors. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance as stipulated in Clause 49 of the Listing Agreement, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Price Waterhouse  
Chartered Accountants  
Anupam Dhawan

Partner

Membership No: F 084451

Place : Gurgaon  
Dated : 25 January 2010

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## **Certification by Chief Executive Officer & Chief Financial Officer of the Company**

### **To the Board of Directors GlaxoSmithKline Consumer Healthcare Limited**

We, Zubair Ahmed, Managing Director and Ramakrishnan Subramanian, Director – Finance, to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet and Profit and Loss Account of the Company for the year ended December 31, 2009 as well as the Cash Flow statement as on that date and that to the best of our knowledge and belief, we state that:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and necessary steps have been taken to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee:
  - a) significant changes, if any, in internal control over financial reporting during the year;
  - b) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Gurgaon  
Dated : 25 January 2010

Ramakrishnan Subramanian  
*Director – Finance*

Zubair Ahmed  
*Managing Director*

# Auditors' Report

## To the Members of GlaxoSmithKline Consumer Healthcare Limited

1. We have audited the attached Balance Sheet of GlaxoSmithKline Consumer Healthcare Limited, as at December 31, 2009, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors, as on December 31, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2009;
  - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse  
Chartered Accountants  
Anupam Dhawan

Partner

Place : Gurgaon

Dated : 25 January 2010

Membership No: F 084451

## Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of GlaxoSmithKline Consumer Healthcare Limited on the financial statements for the year ended December 31, 2009]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The inventory (excluding certain stocks with third parties) has been physically verified by the management during the year/year end. In respect of inventory lying with third parties and not physically verified, confirmations have been obtained. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act and accordingly clauses 3 (b) to (d) of the Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act and accordingly clauses 3 (f) to (g) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as at December 31, 2009 which have not been deposited on account of disputes, are as follows—

Name of the Statute	Nature of dues	Amount under dispute not yet deposited (Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
<b>EXCISE DUTY</b>				
The Central Excise Act, 1944	Excise Duty on clearance from excise exempt zone	10,29.05	2008-2009	Himachal Pradesh, High Court
The Central Excise Act, 1944	Interest on duty on Freight and Insurance, Valuation Cases and Other matters	2,15.32	1983-2003	Customs Excise Service Tax Appellate Tribunal (CESTAT), various states
The Central Excise Act, 1944	Valuation Cases and Other matters	48.99	1991-2007	Commissioner of Central Excise (Appeals), Various States
The Central Excise Act, 1944	Valuation Cases, Refund of duty and Other matters	48,58.67	1995-2007	Commissioner/Additional/Deputy/ Assistant Commissioner of Central Excise, Various States
<b>Sub Total (A)</b>		<b>61,52.03</b>		
<b>SERVICE TAX</b>				
The Finance Act, 1944	Maintenance of records for common inputs	98.98	2005-2008	Customs Excise Service Tax Appellate Tribunal (CESTAT), Bangalore
<b>Sub Total (B)</b>		<b>98.98</b>		



Name of the Statute	Nature of dues	Amount under dispute not yet deposited (Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
<b>SALES TAX</b>				
As per the statutes applicable in the state of Andhra Pradesh & Tamil Nadu	Turnover Tax on Milk and Additions on account of concessional rates of taxes	3,10.04	1990-2009	At the High Courts of Andhra Pradesh & Tamil Nadu
As per Statutes applicable in the following states- Chattisgarh, Uttar Pradesh, West Bengal, Bihar, Orissa and Andhra Pradesh	Additions on account of GRN disallowed, Freebies, non availability of Forms and Others	40.35	1983-2006	Sales Tax Appellate Tribunal/ Revenue Board
As per Statutes applicable in the following states- Bihar, West Bengal, Orissa, Assam, Madhya Pradesh, Maharashtra	Miscellaneous demands	2,00.19	1999-2008	First Appellate Authorities of various states
As per Statutes applicable in the following states- Punjab, Delhi, Uttar Pradesh, Rajasthan, Goa, West Bengal, Bihar and Assam	Miscellaneous demands	22.16	2000-2007	Adjudication Level
<b>Sub Total (C)</b>		<b>5,72.74</b>		
<b>INCOME TAX</b>				
The Income Tax Act, 1961	Addition to Fringe Benefits	1,95.81	2007-2008	Commissioner of Income Tax (Appeals)
<b>Sub Total (D)</b>		<b>1,95.81</b>		
<b>Grand Total (A+B+C+D)</b>		<b>70,19.56</b>		

The above details exclude appeals made by the Department to higher appellate authorities as there is no stay on the order(s) passed by lower appellate authorities in favour of the Company and the amount is not ascertainable.

10. The Company has no accumulated losses as at December 31, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the information and explanations given to us and the records of the Company examined by us, the Company has not availed any loan from financial Institutions or banks or debenture holders as at the balance sheet date. Accordingly, there have been no defaults in repayment of dues.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year and accordingly no securities or charges have been created.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Price Waterhouse  
Chartered Accountants  
Anupam Dhawan

Partner

Place : Gurgaon  
Dated: 25 January 2010

Membership No: F 084451



# Balance Sheet

## As at December 31, 2009

	Schedule No.	As at December 31, 2009 (Rs. Lacs)	As at December 31, 2008 (Rs. Lacs)
<b>SOURCES OF FUNDS</b>			
SHAREHOLDERS' FUNDS			
Share Capital	1	42,05.55	42,05.55
Reserves and Surplus	2	8,63,04.06	7,18,82.30
		<u>9,05,09.61</u>	<u>7,60,87.85</u>
DEFERRED TAX LIABILITY (net) [Schedule 16 (Notes 1(i) (b), 16)]		-	6,58.45
<b>TOTAL</b>		<u><u>9,05,09.61</u></u>	<u><u>7,67,46.30</u></u>
<b>APPLICATION OF FUNDS</b>			
FIXED ASSETS			
Gross Block	3	5,58,47.73	5,39,46.80
Less: Depreciation		<u>3,64,00.19</u>	<u>3,29,23.59</u>
Net Block		1,94,47.54	2,10,23.21
Capital Work in Progress		<u>37,78.61</u>	<u>15,87.62</u>
		<u>2,32,26.15</u>	<u>2,26,10.83</u>
INVESTMENTS	4	0.05	0.05
DEFERRED TAX ASSET (net) [Schedule 16 (Notes 1(i) (b), 16)]		11,01.16	-
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	5	2,66,03.20	2,77,17.03
Sundry Debtors	6	31,35.64	43,25.02
Cash and Bank Balances	7	8,19,79.89	4,70,97.69
Other Current Assets	8	21,96.82	28,83.54
Loans and Advances	9	33,75.28	33,13.34
		<u>11,72,90.83</u>	<u>8,53,36.62</u>
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	10	3,80,95.94	2,50,23.53
Provisions	11	<u>1,30,12.64</u>	<u>61,77.67</u>
		<u>5,11,08.58</u>	<u>3,12,01.20</u>
NET CURRENT ASSETS		<u>6,61,82.25</u>	<u>5,41,35.42</u>
<b>TOTAL</b>		<u><u>9,05,09.61</u></u>	<u><u>7,67,46.30</u></u>
Notes to the Accounts	16		

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse  
Chartered Accountants

Anupam Dhawan  
Partner  
Membership No.: F 084451

Place : Gurgaon  
Dated : 25 January 2010

S.J. Scarff  
Chairman

Zubair Ahmed  
Managing Director

The schedules referred to above form an integral part of the Balance Sheet.

Ramakrishnan Subramanian  
Subodh Bhargava  
Directors

Surinder Kumar  
Company Secretary



# Profit And Loss Account

For the year ended December 31, 2009

	Schedule No.	Year ended December 31, 2009 (Rs. Lacs)	Year ended December 31, 2008 (Rs. Lacs)
<b>INCOME</b>			
Sales [Schedule 16 Notes 1(h), 6]		<b>20,25,12.04</b>	17,00,44.80
Less: Excise Duty		<b>1,03,61.81</b>	<u>1,58,69.36</u>
Other Income	12	<b>89,32.37</b>	95,48.00
<b>TOTAL</b>		<b><u>20,10,82.60</u></b>	<u>16,37,23.44</u>
<b>EXPENDITURE</b>			
Consumption of Raw Materials [Schedule 16(Notes 7, 8, 9)]		<b>4,92,66.44</b>	4,70,82.60
Consumption of Packing Materials		<b>1,69,92.15</b>	1,61,11.10
Purchased Finished Goods [Schedule 16 (Note 10)]		<b>65,23.09</b>	-
Employees' Cost	13	<b>2,00,69.58</b>	1,71,95.41
Expenses	14	<b>7,03,62.66</b>	5,51,72.96
Depreciation/Amortization	3		
- On Patents and Trade Marks		<b>4,60.62</b>	4,60.62
- On Other Fixed Assets		<b>37,41.81</b>	<u>37,34.34</u>
Adjustment due to (Increase)/Decrease in Stock of Finished Goods and Goods in Process	15	<b>(17,19.78)</b>	(46,04.94)
<b>TOTAL</b>		<b><u>16,56,96.57</u></b>	<u>13,51,52.09</u>
<b>PROFIT BEFORE TAX</b>			
		<b>3,53,86.03</b>	2,85,71.35
Tax for the year - Current Tax		<b>1,39,50.00</b>	1,00,80.00
- Deferred Tax Charge / (Credit)		<b>(17,59.61)</b>	(10,69.61)
- Fringe Benefits Tax		<b>1,78.73</b>	5,65.00
- Adjustments relating to previous years (net)		<b>(2,61.37)</b>	1,62.73
[Schedule 16 (Notes 1(i), 16)]			
<b>PROFIT AFTER TAX AVAILABLE FOR APPROPRIATION</b>		<b><u>2,32,78.28</u></b>	<u>1,88,33.23</u>
<b>APPROPRIATIONS:</b>			
Dividend - Interim		-	42,05.55
Proposed Dividend - Final		<b>75,70.00</b>	21,02.78
Corporate Dividend Tax [Includes Corporate Dividend Tax on Proposed Final Dividend Rs. 12,86.52 Lacs (Previous Year Rs. 3,57.36 Lacs)]		<b>12,86.52</b>	10,72.09
Transferred to General Reserve		<b>23,27.83</b>	1,14,52.81
<b>SURPLUS CARRIED TO BALANCE SHEET</b>		<b><u>1,20,93.93</u></b>	<u>-</u>
<b>Earnings Per Share (Nominal value of Rs 10 each)</b>			
Basic/Diluted (Rs.) [Schedule 16 (Note 18)]		<b>55.35</b>	44.78
Notes to the Accounts	16		

This is the Profit And Loss Account referred to in our report of even date.

For Price Waterhouse  
Chartered Accountants

S.J. Scarff  
Chairman

Ramakrishnan Subramanian  
Subodh Bhargava  
Directors

Anupam Dhawan  
Partner  
Membership No.: F 084451

Zubair Ahmed  
Managing Director

Place : Gurgaon  
Dated : 25 January 2010

Surinder Kumar  
Company Secretary

# Cash Flow Statement

For the year ended December 31, 2009

	Year ended December 31, 2009 (Rs. Lacs)	Year ended December 31, 2008 (Rs. Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT BEFORE TAX	<b>3,53,86.03</b>	2,85,71.35
Add:		
Depreciation / Amortization		
- On Patents and Trade Marks	<b>4,60.62</b>	4,60.62
- On Other Fixed Assets	<b>37,41.81</b>	37,34.34
Provision for Doubtful Debts	<b>1,12.35</b>	0.11
Provision for doubtful other current assets/ Advances written off	-	73.99
Provision for Stock Obsolescence/ Stock written off	<b>1,98.86</b>	2,63.36
Interest Expense	<b>4,27.29</b>	5,33.84
Loss on sale of Fixed Assets (net)	-	17.95
Loss on Fixed Assets retired from active use/ Provision for Capital Work in Progress	<b>1,65.90</b>	3,36.24
Less:		
Interest Income	<b>(24,46.46)</b>	(18,12.08)
Dividend Income	-	(18,03.15)
Release of accruals	<b>(9,00.69)</b>	(5,53.47)
Profit on sale of Fixed Assets (net)	<b>(15.60)</b>	-
Profit on Redemption of Long Term Investments	-	(2,29.28)
Operating Profit Before Working Capital Changes	<b>3,71,30.11</b>	2,95,93.82
Add/(Less): (Increase)/Decrease in Current Assets		
Sundry Debtors	<b>10,77.03</b>	(15,88.93)
Loans & Advances	<b>4,14.02</b>	(1,29.53)
Other Current Assets	<b>3,33.84</b>	(4,39.18)
Inventories	<b>9,14.97</b>	(84,98.04)
Add/(Less): Increase/(Decrease) in Current Liabilities and Provisions	<b>1,41,37.76</b>	49,44.23
Cash Generated from Operations	<b>5,40,07.73</b>	2,38,82.37
Less:		
Income Tax paid (net of refunds) [excludes tax deducted at source]		
- Current Tax	<b>(1,35,00.00)</b>	(98,60.88)
- Fringe Benefits Tax	<b>(4,84.03)</b>	(5,50.00)
<b>Net Cash flow from Operating Activities</b>	<b>4,00,23.70</b>	1,34,71.49
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets / Additions to Capital Work in Progress	<b>(46,29.21)</b>	(30,71.15)
Sale proceeds of Fixed Assets	<b>1,02.62</b>	1,38.84
Interest Received	<b>23,68.70</b>	8,33.09
Dividend Received	-	18,03.15
Sale proceeds of Long-term investments	-	22,29.28
<b>Net Cash flow from Investing Activities</b>	<b>(21,57.89)</b>	19,33.21

	Year ended December 31, 2009 (Rs. Lacs)	Year ended December 31, 2008 (Rs. Lacs)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(5,01.18)	(5,36.42)
Dividend Paid	(21,25.07)	(42,05.86)
Dividend Tax Paid	(3,57.36)	(7,14.73)
<b>Net cash flow from Financing Activities</b>	<b>(29,83.61)</b>	(54,57.01)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b><u>3,48,82.20</u></b>	<u>99,47.69</u>
<b>Cash and Cash Equivalents at the beginning of the year</b>		
Cash and Bank Balances [including exchange fluctuation (gain)/ loss Rs. (0.51) Lacs (Previous Year Rs. 5.40 Lacs)]	<b>4,70,97.69</b>	3,71,50.00
<b>Cash and Cash Equivalents at the end of the year</b>		
Cash and Bank Balances [including exchange fluctuation (gain)/ loss Rs. 1.98 Lacs (Previous Year Rs. (0.51) Lacs)]	<b>8,19,79.89</b>	4,70,97.69
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b><u>3,48,82.20</u></b>	<u>99,47.69</u>

## Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement.
- Cash and Cash equivalents include balances with Scheduled Banks on Dividend accounts Rs. 1,00.27 Lacs (Previous Year Rs. 1,22.56 Lacs) and Rs. 1.10 Lacs (Previous Year Rs. 1.10 Lacs) lodged as Security Deposits, which are not available for use by the Company.
- Notes to the Accounts (Schedule 16) form an integral part of the Cash Flow Statement.
- Previous Year's figures have been regrouped wherever necessary to conform to the current year's classification.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse  
Chartered Accountants

Anupam Dhawan  
Partner  
Membership No.: F 084451

Place : Gurgaon  
Dated : 25 January 2010

S.J. Scarff  
Chairman

Zubair Ahmed  
Managing Director

Ramakrishnan Subramanian  
Subodh Bhargava  
Directors

Surinder Kumar  
Company Secretary

# Schedules

## Forming Part of the Accounts

	As at December 31, 2009 (Rs. Lacs)	As at December 31, 2008 (Rs. Lacs)
<b>1. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
6,00,00,000 Equity Shares of Rs. 10 each	<u>60,00.00</u>	<u>60,00.00</u>
<b>ISSUED AND SUBSCRIBED</b>		
4,20,55,538 (Previous Year 4,20,55,538) Equity Shares of Rs. 10 each fully paid-up	<u>42,05.55</u>	42,05.55
	<u>42,05.55</u>	<u>42,05.55</u>
 <b>Notes:</b>		
1. 2,17,386 Equity Shares of Rs. 10 each were allotted as fully paid-up pursuant to a contract for consideration other than cash.		
2. 2,77,60,539 Equity Shares of Rs. 10 each were allotted as fully paid-up bonus shares by capitalisation of reserves Rs. 27,10.02 Lacs and share premium Rs. 66.03 Lacs in the year 1995.		
3. 1,70,17,733 Equity Shares of Rs. 10 each were allotted as fully paid-up bonus shares by capitalisation of reserves Rs. 17,01.77 Lacs in the year 1997.		
4. 33,25,083 Equity Shares of Rs. 10 each fully Paid up were bought back by capitalisation of reserves Rs. 3,32.51 Lacs in the year 2005.		
 <b>2. RESERVES AND SURPLUS</b>		
<b>GENERAL RESERVE</b>		
As per last Balance Sheet	<u>7,15,49.79</u>	6,00,96.98
Transferred from Profit and Loss Account	<u>23,27.83</u>	1,14,52.81
	<u>7,38,77.62</u>	7,15,49.79
<b>CAPITAL REDEMPTION RESERVE*</b>	<u>3,32.51</u>	3,32.51
<b>SURPLUS CARRIED FROM PROFIT AND LOSS ACCOUNT</b>	<u>1,20,93.93</u>	-
	<u>8,63,04.06</u>	<u>7,18,82.30</u>

\* Schedule 1 [Note 4]

### 3. FIXED ASSETS\*

(Rs. Lacs)

	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	Cost As at January 1, 2009	Additions during the Year	Deletions / Adjustments during the Year	Cost As at December 31, 2009	Upto January 1, 2009	During the Year	Deletions / Adjustments during the Year	Upto December 31, 2009	As at December 31, 2009	As at December 31, 2008
<b>Tangible Assets</b>										
Land (Freehold)	2,25.13	12,24.66	-	14,49.79	-	-	-	-	14,49.79	2,25.13
Buildings***	93,92.29	1,83.68	9.75	95,66.22	21,73.46	2,90.33	4.48	24,59.31	71,06.91	72,18.83
Plant & Machinery ** ° Information	3,13,27.56	8,09.53	1,02.16	3,20,34.93	2,02,75.12	28,23.06	96.25	2,30,01.93	90,33.00	1,10,52.44
Technology Equipment °	17,98.07	1,68.16	1,71.08	17,95.15	14,09.55	1,70.84	1,75.27	14,05.12	3,90.03	3,88.52
Furniture & Fittings	11,51.20	36.15	25.43	11,61.92	7,79.06	79.65	20.49	8,38.22	3,23.70	3,72.14
Office Equipment °	16,25.58	46.07	2,70.56	14,01.09	11,77.37	1,20.53	2,63.38	10,34.52	3,66.57	4,48.21
Motor Vehicles	9,63.03	2,45.53	2,33.87	9,74.69	4,03.26	1,75.08	1,65.96	4,12.38	5,62.31	5,59.77
Leasehold Improvements	8,22.22	-	-	8,22.22	5,63.05	82.32	-	6,45.37	1,76.85	2,59.17
<b>Intangible Assets</b>										
Patent and Trade Marks ***	66,41.72	-	-	66,41.72	61,42.72	4,60.62	-	66,03.34	38.38	4,99.00
	<u>5,39,46.80</u>	<u>27,13.78</u>	<u>8,12.85</u>	<u>5,58,47.73</u>	<u>3,29,23.59</u>	<u>42,02.43</u>	<u>7,25.83</u>	<u>3,64,00.19</u>	<u>1,94,47.54</u>	<u>2,10,23.21</u>
Previous Year	5,23,67.55	31,63.91	15,84.66	5,39,46.80	2,97,65.17	41,94.96	10,36.54	3,29,23.59		
Capital Work in Progress includes Capital Advances - Rs 3,06.99 (Previous Year Rs 3,32.43 Lacs) ****									37,78.61	15,87.62
									<u>2,32,26.15</u>	<u>2,26,10.83</u>

\* Schedule 16 [Note 1(b)]

\*\* Includes Rs. 64.50 Lacs (Previous Year Rs. 64.50 Lacs) paid to State Electricity Board for electrical installations not represented by physical assets owned by the Company and depreciated over a period of 5 years.

\*\*\* Includes Dwelling Units valuing Rs 1,23.95 Lacs (Previous Year Rs 1,23.95 Lacs) and Patents and Trade Marks valuing Rs. 66,41.72 Lacs (Previous Year Rs. 66,41.72 Lacs) for which registration is awaited.

° Includes assets retired from active use, being carried at their estimated realisable value aggregating to Rs. 23.67 Lacs (Previous Year Rs. 24.68 Lacs). (Also refer Schedule 14).

\*\*\*\* Net of Provision for Capital Work in Progress aggregating Rs. 2,30.57 Lacs (Previous Year 45.07). (Also refer Schedule 14).

As at December 31, 2009 (Rs. Lacs)	As at December 31, 2008 (Rs. Lacs)
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### 4. INVESTMENTS\*

#### Long Term Investments (Non Trade) Unquoted

Government securities at Cost  
7 - year National Saving Certificates  
(Lodged with Government Authorities)

0.05

0.05

0.050.05

\* Schedule 16 [Note 1(d)]

	As at December 31, 2009 (Rs. Lacs)	As at December 31, 2008 (Rs. Lacs)
<b>5. INVENTORIES*</b>		
(At lower of Cost and Net Realisable Value)		
Raw Materials [Includes Goods in Transit Rs. 1,62.61 Lacs (Previous Year Rs. 1,33.27 Lacs)]	<b>51,14.09</b>	73,68.95
Packing Materials [Includes Promotional material Rs. 6,69.83 Lacs (Previous Year Rs. 6,84.95 Lacs) and Goods in Transit Rs. 87.49 Lacs (Previous Year Rs. 61.62 Lacs)]	<b>18,33.38</b>	21,50.71
Goods in Process	<b>19,77.35</b>	14,31.96
Purchased Finished Goods	<b>12,40.37</b>	-
Finished Goods (including Bulk powder)	<b>1,53,18.67</b>	1,58,21.40
Stores and Spare parts	<b>9,05.66</b>	8,30.20
By-Products (at Net Realisable Value)	<b>2,13.68</b>	1,13.81
	<b><u>2,66,03.20</u></b>	<b><u>2,77,17.03</u></b>
<i>* Schedule 14, Schedule 16 [Notes 1(e), 10, 21]</i>		
<b>6. SUNDRY DEBTORS</b>		
(Considered good, unless otherwise stated)		
Over six months		
Secured - Considered good	<b>43.58</b>	28.67
Unsecured - Considered good	<b>25.85</b>	98.83
Unsecured - Considered doubtful	<b>1,31.83</b>	94.04
Less: Provision for doubtful debts	<b>(1,31.83)</b>	(94.04)
	<b><u>69.43</u></b>	<b><u>1,27.50</u></b>
Others		
Secured - Considered good	<b>6,60.07</b>	5,00.36
Unsecured - Considered good	<b>24,06.14</b>	36,97.16
Unsecured - Considered doubtful	<b>73.36</b>	-
Less: Provision for doubtful debts	<b>(73.36)</b>	-
	<b><u>30,66.21</u></b>	<b><u>41,97.52</u></b>
	<b><u>31,35.64</u></b>	<b><u>43,25.02</u></b>
<b>7. CASH AND BANK BALANCES</b>		
Cash and cheques in hand	<b>39.49</b>	2.27
With Scheduled Banks:		
On Current Accounts	<b>35,19.03</b>	19,21.76
On Dividend Accounts	<b>1,00.27</b>	1,22.56
On Fixed Deposit Accounts	<b>7,83,20.00</b>	4,50,50.00
Post Office Savings Bank Account (Lodged as Security Deposits)	<b>1.10</b>	1.10
	<b><u>8,19,79.89</u></b>	<b><u>4,70,97.69</u></b>



	<b>As at December 31, 2009 (Rs. Lacs)</b>	<b>As at December 31, 2008 (Rs. Lacs)</b>
<b>8. OTHER CURRENT ASSETS</b>		
(Considered good, unless otherwise stated)		
Interest accrued on Fixed Deposit Accounts / Loans	<b>3,06.81</b>	6,59.69
Others Receivables - Considered good	<b>5,54.79</b>	9,23.79
Others Receivables - Considered doubtful	<b>1,05.81</b>	1,54.09
Less: Provision for Doubtful receivables	<b><u>(1,05.81)</u></b>	<u>(1,54.09)</u>
Security Deposits	<b>13,35.22</b>	13,00.06
	<b><u>21,96.82</u></b>	<u>28,83.54</u>
<b>9. LOANS AND ADVANCES *</b>		
(Considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
- Unsecured	<b>18,61.18</b>	28,97.38
- Secured	<b><u>3,74.78</u></b>	<u>3,09.87</u>
Balances with Excise authorities	<b>25.28</b>	32.62
Advance Tax [Net of Provision for Tax - Rs. 5,40,58.84 Lacs (Previous Year Rs. 6,54,63.13 Lacs)]	<b>11,14.04</b>	73.47
	<b><u>33,75.28</u></b>	<u>33,13.34</u>
* Includes amount due from Directors/ Officers of the Company	-	-
Maximum amount outstanding during the year	<b>6.27</b>	13.88
<b>10. CURRENT LIABILITIES *</b>		
Sundry Creditors		
- Total outstanding dues of micro and small enterprises	<b>16,41.58</b>	-
- Total outstanding dues other than micro and small enterprises	<b>2,74,22.29</b>	1,72,45.92
Other Liabilities	<b>57,04.14</b>	32,08.18
Advances from Customers	<b>7,48.71</b>	6,85.92
Trade Security Deposits	<b>24,78.95</b>	37,60.95
Unclaimed Dividend	<b>1,00.27</b>	1,22.56
	<b><u>3,80,95.94</u></b>	<u>2,50,23.53</u>

\* Schedule 16 [Notes 20, 24]

	As at December 31, 2009 (Rs. Lacs)	As at December 31, 2008 (Rs. Lacs)
<b>11. PROVISIONS *</b>		
Fringe Benefits Tax [Net of Advance Tax - Rs. 21,07.85 Lacs (Previous Year Rs. 18,50.90 Lacs)]	65.81	1,44.87
Employee Benefits	26,60.41	23,94.74
Proposed Final Dividend	75,70.00	21,02.78
Corporate Dividend Tax	12,86.52	3,57.36
Other Provisions	14,29.90	11,77.92
	<u>1,30,12.64</u>	<u>61,77.67</u>

\* Schedule 16 [Notes 1(g), 1(i), 1(l), 15, 24, 26 (a)]

	Year Ended December 31, 2009 (Rs. Lacs)	Year Ended December 31, 2008 (Rs. Lacs)
<b>12. OTHER INCOME *</b>		
Miscellaneous Sales	5,38.59	4,76.19
Business Auxillary Service Commission	46,71.69	36,60.87
Insurance and other claims	1,44.01	2,61.54
Miscellaneous Income	2,15.33	2,43.62
Release of accruals	9,00.69	5,53.47
Profit on sale of Fixed Assets (net)	15.60	-
Profit on Redemption of Investments - Long Term (Non-trade) Unquoted	-	2,29.28
Exchange fluctuations (net)	-	5,07.80
Interest Income (gross) [Tax Deducted at Source Rs. 4,05.71 Lacs (Previous Year Rs. 4,04.42 Lacs)]		
- Loans/Deposits	3.71	6.10
- Bank Deposits	23,99.57	17,90.54
- Income tax refunds	32.75	-
- Others	10.43	15.44
Dividend Income on Current Investments (Non-trade) Unquoted - Investments in Money Market Mutual Funds	-	18,03.15
	<u>89,32.37</u>	<u>95,48.00</u>

\* Schedule 16 [Notes 1(c), 1(h), 22(c)]

<b>13. EMPLOYEES' COST *</b>		
Salaries, Wages and Bonus	1,53,52.28	1,25,62.87
Contribution to Provident and Other Funds	23,60.62	26,68.84
Welfare Expenses	23,56.68	19,63.70
	<u>2,00,69.58</u>	<u>1,71,95.41</u>

\* Schedule 16 [Notes 1(g), 15, 19, 23]

	Year Ended December 31, 2009 (Rs. Lacs)	Year Ended December 31, 2008 (Rs. Lacs)
<b>14. EXPENSES*</b>		
Stores and Spare Parts consumed	1,79.68	1,68.60
Conversion charges to third parties	72,07.56	68,29.22
Repairs & Maintenance		
- Buildings	3,40.04	2,01.56
- Plant & Machinery	9,88.28	6,90.05
- Others	5,22.09	5,15.34
Power and fuel	39,64.30	44,24.16
Rent (including Lease Rent)	17,73.22	14,65.85
Rates and Taxes	16,78.47	7,13.58
Insurance	4,90.33	5,92.50
Travelling	11,71.14	11,31.03
Carriage and Freight	89,95.13	77,88.11
Service charges paid to selling agents	-	2.74
Discounts - Sales	27.95	23.10
Donations	71.40	17.82
Advertising and Promotions	3,02,08.84	1,94,03.69
Royalty	70,38.90	56,44.63
Loss on sale of Fixed Assets (net)	-	17.95
Exchange fluctuation (net)	26.89	-
Scientific Research and Development	5,22.20	5,31.95
Interest Expense - Others	4,27.29	5,33.84
Provision for Doubtful Other Current Assets/ Advances Written Off	-	73.99
Provision for Doubtful Debts/ Bad Debts written off	1,12.35	0.11
Loss on Fixed Assets retired from active use/		
Provision for Capital Work in Progress	1,65.90	3,36.24
Provision for Stock Obsolescence/ Stock written off	1,98.86	2,63.36
Other General Expenses	42,51.84	38,03.54
	<u>7,03,62.66</u>	<u>5,51,72.96</u>

\* Schedule 16 [Notes 1(c), 1(f), 1(j), 1(k), 1(l), 5, 8, 9, 24, 25, 26(a)]

#### 15. ADJUSTMENT DUE TO (INCREASE)/DECREASE IN STOCK OF FINISHED GOODS AND GOODS IN PROCESS

Opening Stock			
Finished Goods (including Bulk powder)	1,58,21.40	1,19,93.15	
Goods in Process	14,31.96	6,70.26	
By-Products	1,13.81	1,17.05	1,27,80.46
Less: Closing Stock			
Finished Goods (including Bulk powder)	1,53,18.67	1,58,21.40	
Goods in Process	19,77.35	14,31.96	
Purchased Finished Goods	12,40.37	-	
By-Products	2,13.68	1,13.81	1,73,67.17
Excise duty adjustment for movement in Finished Goods inventory	(3,36.88)		(18.23)
Net (Increase)/Decrease	<u>(17,19.78)</u>		<u>(46,04.94)</u>

## 16. NOTES TO ACCOUNTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### a. Accounting Convention

The Financial Statements are prepared to comply in all material aspects with all the applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

#### b. Fixed Assets and Depreciation / Amortization

All tangible fixed assets are stated at historical cost less accumulated depreciation. Cost includes all incidental expenditure net of CENVAT wherever applicable. The Company follows the Straight Line Method of charging depreciation, on all its tangible fixed assets, on a pro-rata basis except for assets costing less than and up to Rs. 5,000 which are fully depreciated in the year of purchase. The Company has provided depreciation at higher of the rates determined by the management or those specified in Schedule XIV to the Companies Act, 1956. The depreciation rates which are different from the principal rates specified in Schedule XIV to the Companies Act, 1956 are as follows:-

(Rates in Percentages)

	Assets acquired after 31 December 1994	Assets acquired after 30 April 1986 but up to 31 December 1994	Assets acquired after 31 March 1983 but up to 30 April 1986	Assets acquired up to 31 March 1983
<b>Buildings</b>				
- Factory	-	-	3.5	2/3.5/5.5
- Non – factory	2 / 6.67	2	2	2/2.5
- Tubewells	10	10	10	10/100
<b>Plant and Machinery</b>				
- Triple Shift	12.5	12.5	-	-
- Double Shift	10/12.5	10/12.5	-	-
- Single Shift	10/12.5/20/33.33	10/12.5	-	-
<b>Information Technology Equipment</b> (including Computer Software acquired for internal use)	20/25/33.33	25	25	25
<b>Motor Vehicles</b>	14.28/20	14.28/20	14.28/20	14.28/20/25
<b>Furniture and Fittings</b>	10/20	10/20	10/20	10/20
<b>Office Equipment</b>	10/12.5	10	10	10

Patents and Trade Marks (Intangible Assets) are accounted at their cost of acquisition and amortized over their estimated economic life not exceeding 10 years. Leasehold improvements are charged to the Profit and Loss Account over the primary period of lease. At each Balance Sheet date, the Company assesses whether there is any indication that assets may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognized in the accounts to the extent the carrying amount exceeds the recoverable amount.

#### c. Foreign Currency Translation

Transactions in Foreign Exchange are accounted for at the exchange rates prevailing on the date of the transaction. The exchange differences arising out of the settlements, including those on liabilities relating to fixed assets are dealt with in the Profit and Loss Account. Monetary assets and liabilities are restated at the year end rates and the resultant gains or losses are recognized in the Profit and Loss account.

d. Investments

Long term Investments are stated at cost less provision, if any, for diminution other than temporary in the value of such investments. Current investments are valued at lower of cost and net realizable/fair value.

e. Inventories

Inventories are valued at lower of cost and net realizable value, except for Ghee, a by-product, which is valued at net realizable value. Cost is determined on the basis of the weighted average method. It includes all the appropriate allocable overheads and excise duty wherever applicable. Provision for inventory obsolescence is made based on the best estimates of management.

f. Research and Development

The revenue expenditure is charged against the profits for the year in which it is incurred. Capital expenditure is accounted in the same way as fixed assets.

g. Employee Benefits

The Company has a Defined Contribution plan for post employment benefit namely Superannuation Fund which is recognized by the income tax authorities. This fund is administered through trustees and the Company's contribution thereto is charged to revenue every year.

The Company's contributions to State plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 are charged to revenue every year.

The Company has Defined Benefit plans namely leave encashment /compensated absences for workers, Gratuity and Provident Fund for all employees and post-employment medical assistance scheme for certain employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year. The Gratuity Fund and Provident Fund are recognized by the income tax authorities and are administered through trustees. The post-employment medical assistance scheme is an insured benefit plan wherein the Company annually pays insurance premium to NIC (National Insurance Company) and the liability for future premiums in respect of the underlying benefits is determined on the basis of an actuarial valuation at the year end. The Company provides for compensated absences for management, executive and staff (Short term defined benefit) during the year on an arithmetical basis.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Profit and Loss Account as income or expense.

Termination benefits are recognised as an expense immediately.

In the year of transition, the transitional liability was adjusted against the opening revenue reserves of the relevant financial year in accordance with Accounting Standard AS 15 'Employee Benefits'.

h. Revenue Recognition

Sales comprise of value of sale of goods (net of returns/estimated returns) excluding sales tax and trade discounts but including excise duty. Sales are recognized at the point of despatch to the customers. Insurance and other Claims are recognized on an accrual basis. Dividend income is accounted for in the year in which the right to receive the same is established. Interest on Investments is recognized on a time proportion basis taking into account the amounts invested and the fixed rate of interest. Also, Refer Note 22(c).

i. Taxation

Tax expense/(saving) is the aggregate of current year tax and deferred tax charged/(credited) to the Profit and Loss Account for the year.

a) Current Tax

Provision for taxation is based on assessable profits of the Company as determined under the Income Tax Act, 1961. The Company also provides for such disallowances made on completion of assessments pending appeals, as considered appropriate depending on the merits of each case. Provision for taxation for the Company's financial year ended 31 December 2009 has been determined based on the results for 3 months ended 31 March 2009 (Assessment Year 2009-2010) and for the 9 months ended 31 December 2009 (Assessment Year 2010-2011). The ultimate liability for the Assessment Year 2010-2011, however, will be determined on the total income of the Company for the year ending on 31 March 2010.

b) Deferred Tax

Deferred tax assets & liabilities resulting from timing differences between book profits and tax profits are accounted for under the liability method and measured at substantially enacted rates of tax at the Balance Sheet date to the extent that there is reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax asset/virtual liability can be realized.

c) Fringe Benefits Tax

Provision for Fringe Benefits Tax is made in respect of employee benefits and other specified expenses as determined under the Income Tax Act, 1961.

j. Borrowing Costs

The interest on working capital management is charged against the profits for the year in which it is incurred. Interest on borrowings for capital assets is capitalized till the date of commencement of commercial use of the asset.

k. Leases

Lease rentals in respect of operating leases are charged to the Profit and Loss Account on a straight line basis over the term of the lease.

l. Provisions and Contingent Liabilities

A provision is recognized when there is a present obligation as a result of past events for which it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed after an evaluation of the facts and legal aspects of the matters involved.

	<b>As at December 31, 2009 (Rs. Lacs)</b>	As at December 31, 2008 (Rs. Lacs)
2. Estimated amount of Contracts remaining to be executed on Capital account (net of Capital Advances) and not provided for	<b>26,63.24</b>	10,47.35
	<b>Year ended December 31, 2009 (Rs. Lacs)</b>	Year ended December 31, 2008 (Rs. Lacs)
3. Remuneration to Directors (Amount paid/ payable)		
Salaries and allowances	<b>5,68.94</b>	4,39.95
Contribution to Provident and other Funds	<b>63.48</b>	59.78
Value of Perquisites	<b>13.29</b>	13.47
Directors' sitting fees	<b>6.75</b>	7.05
Commission / Other payments to Non-Executive Directors *	<b>22.53</b>	29.85
	<b><u>6,74.99</u></b>	<u>5,50.10</u>

\* Included payment of Rs. 11.85 Lacs in the Previous Year accrued to a Non-Executive Director during his employment.

Notes:

- i. The contribution to Gratuity Fund and Post Employment Medical assistance has been made on a group basis based on an actuarial valuation and separate figures applicable to an individual employee are not available and accordingly, the same has not been considered in the above computation.
- ii. The appointment of a director and his remuneration aggregating Rs. 64.06 Lacs for the period 1 August 2009 to 31 December 2009 is pending approval of the shareholders at the ensuing Annual General Meeting.

	Year ended December 31, 2009 (Rs. Lacs)	Year ended December 31, 2008 (Rs. Lacs)
Computation of Net Profits under Section 198/349 of the Companies Act, 1956 and calculation of Commission payable to Non-Executive Directors -		
<b>Profit before Tax</b>	<b>3,53,86.03</b>	2,85,71.35
Add: Directors' Remuneration	6,45.71	5,13.20
Directors' sitting fees	6.75	7.05
Commission / other payments to Non Executive Directors	22.53	29.85
Provision for doubtful other current assets/advances /Debts	1,12.35	74.10
Voluntary Retirement Scheme	3,67.90	2,63.72
Provision for Stock Obsolescence	46.85	1,61.85
Provision for Estimated Sales Return	5,64.09	-
Loss on fixed assets retired from active use	25.66	2,97.46
(Profit) / Loss on sale of fixed assets (net)	(15.60)	17.95
Other Provisions	4,67.16	11,04.88
(Profit) / Loss on redemption of Investments (Long Term)	-	(2,29.28)
Net Profits under section 198/349 on which Commission is payable	<u>3,76,29.43</u>	<u>3,08,12.13</u>
<b>Commission payable to Non-Executive Directors</b>		
Maximum allowed as per the Companies Act, 1956 at 1%	3,76.29	3,08.12
Restricted by the Board of Directors to	24.00	18.00

Note: The Company depreciates its fixed assets based on estimated useful lives that in certain cases are lower than those implicit in Schedule XIV of the Companies Act, 1956. Accordingly, the rates of depreciation used by the Company in such cases are higher than the minimum rates prescribed by Schedule XIV.

	Year ended December 31, 2009 (Rs. Lacs)	Year ended December 31, 2008 (Rs. Lacs)
4. Payments in respect of Auditors' Remuneration * -		
(i) Statutory Audit	24.27	24.72
(ii) Tax Audit	17.65	17.98
(iii) In other capacity	18.75	23.60
(iv) Out-of-Pocket expenses	3.81	6.46
	<b>64.48</b>	72.76
* includes service tax		
5. Expenditure indicated below allocated to other Revenue Accounts :		
Consumption of Stores and Spare Parts	34,03.35	36,96.66
Insurance	3,82.79	3,07.01
Scientific Research and Development	17,51.66	13,26.83

	Unit	Year ended December 31, 2009		Year ended December 31, 2008	
		Quantity	Value (Rs. Lacs)	Quantity	Value (Rs. Lacs)
6. Sales / Turnover					
Class of Goods :					
(i) Malt Based food / Cereal Based Beverage / Protein Rich Food	DOZS*	1,61,32,245	19,23,67.29	1,46,59,876	16,31,80.83
(ii) Biscuits **	DOZS*	1,15,71,613	77,09.98	87,74,326	60,21.78
(iii) Nutrition Bar Sweetmeat	DOZS*	8,24,490	11,21.53	-	-
(iv) Ready-to-Drink	TH	2,451	2,77.36	-	-
(v) Instant Noodles with Seasoning	DOZS	1,71,265	1,57.69	-	-
(vi) Ghee (By Product)	MT	529	8,78.19	590	8,42.19
			<u>20,25,12.04</u>		<u>17,00,44.80</u>

\* Converted into uniform pack size.

\*\* Includes traded quantities of Biscuits 96,45,318 Dozs (Previous Year Nil) aggregating to Rs. 68,95.81 Lacs (Previous Year Nil)

	Unit	Year ended December 31, 2009		Year ended December 31, 2008	
		Quantity	Value (Rs. Lacs)	Quantity	Value (Rs. Lacs)
7. Raw Materials Consumed (Refer Note 9) (Includes goods processed by third parties)					
Milk Powder	MT	7,960	1,05,45.35	7,900	1,11,15.79
Liquid Milk	MT	59,090	1,00,97.62	57,096	93,45.56
Malt and Malt Extract	MT	57,826	1,37,97.20	55,000	1,24,85.72
Flour (Wheat)	MT	25,760	39,85.38	30,541	45,56.72
Others			1,13,37.96		1,02,38.08
			<u>4,97,63.51</u>		<u>4,77,41.87</u>

		Year ended December 31, 2009		Year ended December 31, 2008	
		Percentage	Value (Rs. Lacs)	Percentage	Value (Rs. Lacs)
8. Imported and Indigenous Raw Materials, Spare Parts and Stores consumed:					
(a) Raw Materials (Refer Note 9):					
Imported		0.24	1,19.93	0.02	9.71
Indigenous		99.76	4,96,43.58	99.98	4,77,32.16
		<u>1,00.00</u>	<u>4,97,63.51</u>	<u>1,00.00</u>	<u>4,77,41.87</u>
(b) Spare Parts and Stores (Refer Note 5):					
Imported		0.08	2.77	0.03	1.21
Indigenous		99.92	35,80.26	99.97	38,64.05
		<u>1,00.00</u>	<u>35,83.03</u>	<u>100.00</u>	<u>38,65.26</u>

9. Raw Materials consumed as shown under Notes 7 and 8 (a) above includes Rs. 4,05.12 Lacs (Previous Year Rs. 4,70.78 Lacs) being the cost of materials consumed on samples used for promotional purposes included under Advertising and Promotion expenses (Refer Schedule 14), Rs. 45.10 Lacs (Previous Year Rs. 1,41.81 Lacs) being the cost of stock breakages recoverable from the Insurance Company and provision for stock obsolescence Rs. 46.85 Lacs (Previous Year Rs. 46.68 Lacs).

10. Details of Purchased Finished Goods:

Unit		Opening stock				Purchases				Closing Stock*			
		As on January 1, 2009		As on January 1, 2008		Year Ended December 31, 2009		Year Ended December 31, 2008		As on December 31, 2009		As on December 31, 2008	
		Quantity	Value Rs. (Lacs)	Quantity	Value Rs. (Lacs)	Quantity	Value Rs. (Lacs)	Quantity	Value Rs. (Lacs)	Quantity	Value Rs. (Lacs)	Quantity	Value Rs. (Lacs)
Biscuits	DOZS	-	-	-	-	1,15,79,401	60,68.60	-	-	17,43,302	11,84.29	-	-
Ready-to-Drink	TH	-	-	-	-	3,252	2,85.33	-	-	-	-	-	-
Instant Noodles with Seasoning	DOZS	-	-	-	-	2,50,550	1,69.16	-	-	78,671	56.08	-	-
						<u>65,23.09</u>				<u>12,40.37</u>			

\* Closing Stock is net of samples, internal consumption and other stock losses.

	Year ended December 31, 2009 (Rs. Lacs)	Year ended December 31, 2008 (Rs. Lacs)
11. Value of Imports calculated on C.I.F. basis:		
Raw Materials	85.40	36.50
Spares	-	13.07
Capital Goods	32.28	37.83
	<u>1,17.68</u>	<u>87.40</u>



	Year ended December 31, 2009 (Rs. Lacs)	Year ended December 31, 2008 (Rs. Lacs)
12. Expenditure in Foreign Currency (on cash basis)		
Travelling	28.44	14.38
Advertisement & Promotions	25.89	45.54
Consultancy *	3,42.24	1,17.99
Software	48.62	57.10
Others	82.61	1,93.42
	<u>5,27.80</u>	<u>4,28.43</u>
* Includes Rs. 2,68.23 Lacs (Previous Year Nil) included under Capital Work in Progress on Schedule 3		
13. Amount remitted in Foreign Currency for Dividend :		
(a) Number of non-resident shareholders	1	1
(b) Number of shares held (Equity Shares of Rs. 10 each)	1,81,52,243	1,81,52,243
(c) Dividends:		
- Interim Dividend - 2008	-	18,15.22
- Final Dividend - 2008	9,07.61	-
14. Earnings in Foreign Exchange :		
- Export of goods on F.O.B. basis [Including sales to Nepal and Bhutan Rs 34,07.02 Lacs (Previous Year Rs. 30,35.87 Lacs)]	1,55,43.03	1,38,42.79
- Royalty	-	25.03
- Miscellaneous Income	1,12.51	1,23.99
15. (a) The Company has classified the various benefits provided to employees as under -		
<b>I. Defined Contribution Plan</b>		
a. Indian Senior Executive Superannuation Fund		
During the year, the Company has recognised the following amounts in the Profit and Loss Account		
- Employers' Contribution to Indian Senior Executives Superannuation Fund *	5,20.36	5,48.15
<b>II. State Plans</b>		
a. Employers' Contribution to Employee's State Insurance		
b. Employers' Contribution to Employee's Pension Scheme 1995		
During the year, the Company has recognised the following amounts in the Profit and Loss Account		
- Employers' Contribution to Employee's State Insurance *	24.05	24.53
- Employers' Contribution to Employee's Pension Scheme 1995 *	2,14.13	2,06.92

\* Included in Contribution to Provident and Other Funds under Employees' Cost (Refer Schedule 13)

### III. Defined Benefit Plans

In accordance with Accounting Standard 15 'Employee Benefits', an actuarial valuation was done as at December 31, 2009 in respect of following Defined Benefit Plans

#### a. Contribution to Provident Fund

- b. Contribution to Gratuity Funds – Employee's Gratuity Fund, Senior Staff Gratuity Fund
- c. Leave Encashment / Compensated Absences for workers – (Earned Leave, Sick Leave and Special Leave)
- d. Compensated Absences for management, executives and staff
- e. Post-Employment Medical Assistance Scheme
- based on the following assumptions –

	Leave Encashment/ Compensated Absences		Employees Gratuity Fund		Senior Staff Gratuity Fund		Provident Fund	
	2009	2008	2009	2008	2009	2008	2009	2008
Discount Rate (per annum)	7.00%	8.00%	7.00%	8.00%	7.00%	8.00%	7.00%	8.00%
Rate of increase in Compensation levels	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Rate of Return on Plan Assets	N.A.	N.A.	8.52%	8.72%	8.80%	9.30%	N.A.	N.A.
Expected Average remaining working lives of employees (Years)	12.35/ 13.37	12.75	14.34	14.74	20.08	20.32	N.A.	N.A.

- (i) In case of Employee's Gratuity Fund, Senior Staff Gratuity Fund and Provident Fund, merger of allowances has been assumed to be 100% of the remaining allowances as per the policy of the Company.
- (ii) In calculating the leave encashment liability, 20% of the earned / special leave has been assumed to be availed of during the service before separation.
- (iii) In calculating the compensated absences for sick leave liability, 50% of the leave has been assumed to be availed of during the service before separation.
- (iv) The liability for Gratuity fund for the year 2010 has not been worked out as the same is based on the increase in the basic salary of allowances in April 2011.
- (v) The expected rate of return on Gratuity Fund assets has been worked out based on the full year's interest on the investment as at 31 December 2009 after reducing the amount of amortization of premium for one year.
- (vi) In case of Provident Fund, Plan members are assumed to withdraw in accordance with the following table:

Age	Withdrawal Rate (%)
Up to 30 years	3.0
Up to 44 years	2.0
Above 44 years	1.0

**(A) Changes in the Present Value of Obligation**

(Rs. Lacs)

	Leave Encashment/ Compensated Absences		Employees Gratuity Fund		Senior Staff Gratuity Fund	
	2009	2008	2009	2008	2009	2008
Present Value of Obligation as at January 1	1,82.14	1,42.82	17,40.60	15,02.98	34,21.58	24,60.60
Interest Cost	13.09	11.46	1,21.84	1,20.57	2,39.51	1,97.39
Past Service Cost	-	-	-	-	-	-
Current Service Cost	26.22	19.13	1,52.58	1,34.49	3,47.66	3,16.13
Curtailement Cost / (Credit)	-	-	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-	-	-
Benefits Paid	(5.30)	(3.79)	(1,60.67)	(1,19.32)	(4,40.35)	(2,14.07)
Actuarial (gain) / loss on obligations	(1.82)	12.52	1,60.97	1,01.88	2,99.47	6,61.53
<b>Present Value of Obligation as at December 31</b>	<b>2,14.33</b>	1,82.14	<b>20,15.32</b>	17,40.60	<b>38,67.87</b>	34,21.58

**(B) Changes in the Fair value of Plan Assets**

(Rs. Lacs)

	Leave Encashment/ Compensated Absences		Employees Gratuity Fund		Senior Staff Gratuity Fund	
	2009	2008	2009	2008	2009	2008
Fair Value of Plan Assets as at January 1	-	-	17,39.38	12,23.48	29,79.92	19,96.60
Expected Return on Plan Assets	N.A.	N.A.	1,48.19	1,06.69	2,62.23	1,85.68
Actuarial Gains and (Losses)	N.A.	N.A.	(0.27)	12.31	40.76	16.59
Contributions	-	-	1,71.22	5,16.24	9,09.53	9,95.11
Benefits Paid	-	-	(1,60.67)	(1,19.34)	(4,13.81)	(2,14.06)
Fair Value of Plan Assets as at December 31	-	-	18,97.85	17,39.38	37,78.63	29,79.92
Unpaid Amount	-	-	(0.22)	(0.22)	(26.54)	(15.64)
<b>Fair Value of Plan Assets as at December 31 (net of unpaid amount)</b>	-	-	18,97.63	17,39.16	37,52.09	29,64.28

**(C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets**

Present Value of funded/ (unfunded) obligation as at December 31	(2,14.33)	(1,82.14)	20,15.32	17,40.60	38,67.87	34,21.58
Fair Value of Plan Assets as at the end of the period	-	-	18,97.63	17,39.16	37,52.09	29,64.28
Funded Status	-	-	(1,17.69)	(1.44)	(1,15.78)	(4,57.30)
Present Value of unfunded obligation as at December 31	2,14.33	1,82.14	-	-	-	-
Unrecognized Actuarial (gains) / losses	-	-	-	-	-	-
<b>Unfunded Net Asset / (Liability) recognized in Balance Sheet *</b>	(2,14.33)	(1,82.14)	(1,17.69)	(1.44)	(1,15.78)	(4,57.30)

\* included in Employee Benefits (Refer Schedule 11)

**(D) Expense recognised in the Profit and Loss Account**

(Rs. Lacs)

	Leave Encashment/ Compensated Absences		Employees Gratuity Fund		Senior Staff Gratuity Fund	
	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2009	Year Ended December 31, 2008
Current Service Cost	26.22	19.13	1,52.58	1,34.49	3,47.66	3,16.13
Past Service Cost	-	-	-	-	-	-
Interest cost	13.09	11.46	1,21.84	1,20.57	2,39.51	1,97.39
Expected Return on Plan Assets	N.A.	N.A.	(1,48.19)	(1,06.69)	(2,62.23)	(1,85.68)
Curtailment Cost / (Credit)	-	-	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-	-	-
Net actuarial (gain) / loss recognized in the period	(1.82)	12.52	1,61.24	89.57	2,58.71	6,44.94
<b>Total expenses recognized in the Profit and Loss Account</b>	37.48 ***	43.11 ***	2,87.47 **	2,37.94 **	5,83.65 **	9,72.78 **

\*\* included in Contribution to Provident and Other Funds (Refer Schedule 13)

\*\*\* included in Salaries, Wages and Bonus (Refer Schedule 13)

**(E) Constitution of Plan Assets**

(Rs. Lacs)

	Leave Encashment/ Compensated Absences		Employees Gratuity Fund		Senior Staff Gratuity Fund	
	As at December 31, 2009	As at December 31, 2008	As at December 31, 2009	As at December 31, 2008	As at December 31, 2009	As at December 31, 2008
Equity Instruments	N.A.	N.A.	-	-	-	-
Debt Instruments	N.A.	N.A.	17,89.99	16,68.59	36,65.17	27,64.17
Property	N.A.	N.A.	-	-	-	-
Other Assets	N.A.	N.A.	1,07.64	70.57	86.92	2,00.11
<b>Total of the Plan Assets</b>	<b>N.A.</b>	<b>N.A.</b>	<b>18,97.63</b>	<b>17,39.16</b>	<b>37,52.09</b>	<b>29,64.28</b>

- (b) The Guidance Note on Implementing AS 15, 'Employee Benefits' issued by the Accounting Standard Board (ASB) states that Provident Funds set up by employers that guarantee a specified rate of return and which require interest shortfall to be met by the employer would be defined benefit plans in accordance with the requirements of paragraph 26(b) of AS 15. Pursuant to the Guidance Note, the Company has accounted for the liability in respect of the shortfall of interest earnings of Provident Fund aggregating Rs. 1,08.72 Lacs (Previous Year Rs. 1,21.31 Lacs) [Refer Schedule 11] determined on the basis of an actuarial valuation carried out as at 31 December 2009 as another long term benefit. The Company's actuary has stated in his certificate that the valuation is in respect of "Other Long Term Employee Benefits" and accordingly the detailed disclosures stated in A-E above are not required.
- (c) The Company pays insurance premium annually to NIC (National Insurance Company) to assure the underlying benefits under a post-employment medical assistance scheme, a Defined Insured Benefit plan. The Company has accounted for the liability for insurance premium amounting to Rs. 21,00.32 Lacs (Previous Year Rs. 16,32.55 Lacs) [Refer Schedule 11] determined on the basis of an actuarial valuation carried out as at 31 December 2009. The Company's actuary has stated in his certificate that the valuation is in respect of "Other Long Term Employee Benefits" and accordingly the detailed disclosures stated in A-E above are not required.
16. The Company estimates the deferred tax charge/(credit) using the substantially enacted tax rate applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. The movement of provision for deferred tax is given below :-

(Rs. Lacs)

Deferred Tax Liability / (Asset)	Balance as at		Charge/(Credit)		Balance as at	
	January 1, 2009	January 1, 2008	Year ended December 31, 2009	Year ended December 31, 2008	December 31, 2009	December 31, 2008
Depreciation/Amortization	18,22.19	23,34.65	(5,39.18)	(5,12.46)	12,83.01	18,22.19
Section 43B Disallowances	(8,04.95)	(2,95.47)	(8,91.77)	(5,09.48)	(16,96.72)	(8,04.95)
VRS	(2,35.92)	(2,40.10)	(20.22)	4.18	(2,56.14)	(2,35.92)
Provision for Doubtful Debts	(31.96)	(32.41)	(37.78)	0.45	(69.74)	(31.96)
Other Disallowances	(90.91)	(38.61)	(2,70.66)	(52.30)	(3,61.57)	(90.91)
<b>Deferred Tax Liability (net)</b>	<b>6,58.45</b>	<b>17,28.06</b>	<b>(17,59.61)</b>	<b>(10,69.61)</b>	<b>(11,01.16)</b>	<b>6,58.45</b>

17. The Company's nutritional business is India focused and in a single business and geographical segment. Accordingly Segment information is not required to be disclosed pursuant to Accounting Standard 17 'Segment Reporting'.

		<b>Year ended December 31, 2009</b>	Year ended December 31, 2008
18. Earnings Per Share (EPS) – The numerator and denominator used to calculate Basic and Diluted Earnings per Share			
– Profit attributable to the Equity Shareholders (Rs)	(A)	<b>2,32,78,27,580</b>	1,88,33,23,334
– Basic/ Weighted average number of Equity Shares outstanding during the year	(B)	<b>4,20,55,538</b>	4,20,55,538
– Nominal value of Equity Shares (Rs)		<b>10.00</b>	10.00
– Basic/ Diluted Earnings per Share (Rs)	(A) / (B)	<b>55.35</b>	44.78
19. As part of the restructuring process, the Company has during the year made certain exgratia payments to its employees as per the VRS scheme duly approved by the Board of Directors aggregating Rs. 3,67.90 Lacs (Previous Year Rs. 2,63.72 Lacs) included under Employee's Cost (Refer Schedule 13).			
20. The amounts due to Micro & Small Enterprises as at 31 December 2009 have been disclosed under Sundry Creditors in Schedule 10 on the basis of confirmations obtained from suppliers who have registered themselves under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and/or based on the information available with the Company. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.			

## 21. Details of Class of Goods –

	Annual Capacity				Actual Production*		Stock Goods Produced							
	Licensed		Installed		Year Ended	Year Ended	Opening				Closing			
	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08	As on 01.01.09		As on 01.01.08		As on 31.12.09		As on 31.12.08	
	Qty MT	Qty MT	Qty MT	Qty MT	Qty MT	Qty MT	Qty MT	Value Rs. Lacs	Qty MT	Value Rs. Lacs	Qty MT	Value Rs. Lacs	Qty MT	Value Rs. Lacs
1. Malt Based Foods	91,100	91,100	-	-	34,571	40,073	6,801	69,28.01	10,352	96,88.61	5,427	57,24.18	6,801	69,28.01
2. Cereal Based Beverage	2,000	2,000	1,03,600	98,300	2,099	1,275	257	3,36.15	214	2,51.15	528	6,86.59	257	3,36.15
3. Powdered Milk	3,000	3,000	-	-	-	-	-	-	-	-	-	-	-	-
4. Protein Rich Foods	3,000	3,000	2,200	2,200	1,200	1,105	308	6,66.51	210	4,85.28	231	4,83.93	308	6,66.51
5. Nutritional Food Powder	1,200	-	-	-	41	-	-	-	-	-	8	30.32	-	-
6. Malt Based Foods	-	-	-	-	58,685	49,288	7,788	71,57.46	1,431	11,42.20	8,443	81,45.64	7,788	71,57.46
7. Protein Rich Foods	-	-	-	-	79	-	-	-	-	-	28	59.68	-	-
Total (1+2+3+4+5+6+7)	1,00,300	99,100	1,05,800	1,00,500	96,675	91,741	15,154	1,50,88.13	12,207	1,15,67.24	14,665	1,51,30.34	15,154	1,50,88.13
8. Ghee	6,000	6,000	4,000	4,000	572	556	69	1,13.81	109	1,17.15	108	2,13.68	69	1,13.81
9. Biscuits	-	-	-	-	1,112	11,449	1,296	6,26.37	956	4,25.81	-	-	1,296	6,26.37
10. Nutrition Bar Sweetmeat	-	-	-	-	389	32	31	1,06.90	-	-	59	1,88.33	31	1,06.90
								<u>1,59,35.21</u>		<u>1,21,10.20</u>		<u>1,55,32.35</u>		<u>1,59,35.21</u>

\* Actual Production includes Bulk Production and does not include Trial Production

## Notes:

- The actual production under Serial No. 1 does not include production of intermediate products of 36,292 MT (Previous Year 29,890 MT) for captive consumption. This intermediate product is further processed at a Third Party for manufacture of Malt Based Foods and accordingly, the said production is disclosed under Serial No. 6. Further, the closing stock under Serial No. 1 does not include 4,979 MT amounting to Rs. 48,49.12 Lacs (Previous Year 4,453 MT amounting to Rs. 41,56.64 Lacs)
- The installed capacities on triple shift basis are as per certificates given by the Director-Operations and have not been verified by the Auditors, being a technical matter.
- Production figures are net of captive consumption.
- Powdered Milk is for captive consumption and accordingly the same have been included in Goods in Process in Schedule 5 & 15. Boost Intermediate/Horlicks Intermediates are included in Goods in Process in Schedule 5 & 15 as these are semi-finished products.
- Licensed capacity listed above Serial No. 1, 2, 3, 5 & 8 are in respect to all the three factories of the Company and are covered by Industrial Entrepreneurs' Memorandums (IEMs) in terms of Notification No. 477 (E) dated 25 July 1991 of the Department of Industrial Development, Ministry of Industry, Government of India.
- The Products under Serial No. 1, 2 & 3 to 5 are manufactured in an integrated plant respectively and, therefore, installed capacity can not be given separately.
- The Products listed under Serial No. 6, 7, 9 & 10 are processed by Third Parties.
- Closing Stock is net of samples, internal consumption, other stock losses.

22. (a) In accordance with the requirements of Accounting Standard (AS) – 18 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year end balance with them as identified by the management in the ordinary course of business and on arms' length basis are given below:
- A. Promoter Company – Horlicks Limited (a subsidiary of GlaxoSmithKline Plc UK) holds 43.16% of equity shares of the Company.
- B. Other related parties in GlaxoSmithKline Group where Common Control exists -
- (a) Glaxo Operations UK Area
  - (b) GlaxoSmithKline Bangladesh Ltd.
  - (c) GlaxoSmithKline Exports Ltd
  - (d) Glaxo Wellcome Indonesia
  - (e) GlaxoSmithKline Asia Pvt Ltd.
  - (f) GlaxoSmithKline Australia Pty
  - (g) GlaxoSmithKline Consumer Healthcare GmbH
  - (h) GlaxoSmithKline Consumer Healthcare SDN BHD Malaysia
  - (i) GlaxoSmithKline Pharmaceuticals Ltd.
  - (j) GlaxoSmithKline Pte. Ltd.
  - (k) GlaxoSmithKline Services Unlimited (U.K.)
  - (l) GlaxoSmithKline Trading Services Limited
  - (m) GSK Nigeria
  - (n) GSK Plc, UK
  - (o) GSK Services Limited
  - (p) SB Bangladesh
  - (q) PT Sterling Products Indonesia
  - (r) SB Corp CB (USA)
  - (s) SB Pharmaceutical Services
  - (t) SB Research Ltd.
  - (u) SB Corporate Centre
  - (v) SmithKline Beecham (Pvt.) Ltd., Sri Lanka
  - (w) SmithKline Beecham Corporation
  - (x) Sterling Drugs (M) Sdn Bhd
  - (y) Tianjin SmithKline & French Labs Ltd., China
- C. Trusts under Control of the Board of the Trustees -
- a. Senior Staff Gratuity Fund
  - b. Employees' Gratuity Fund
  - c. Provident Fund
  - d. Indian Senior Executives Superannuation Fund
- D. Key Management Personnel
- a. Zubair Ahmed, Managing Director
  - b. Praveen Kumar Gupta, Director - Operations
  - c. Ramakrishnan Subramanian, Director - Finance (Ceased to be a Wholetime Director effective 31 March 2009, re-appointed as a Wholetime Director effective 1 August 2009).

22 (b). The following transactions were carried out with the related parties in the ordinary course of business

(Rs. Lacs)

Particulars	Year ended December 31, 2009					Year ended December 31, 2008				
	Promoter Company	Companies under Common Control	Key Management Personnel	Trusts under the control of Board of Trustees	Total	Promoter Company	Companies under Common Control	Key Management Personnel	Trusts under the control of Board of Trustees	Total
<b>Sale of goods (Exports)</b>	-	<b>86,20.15</b>	-	-	<b>86,20.15</b>	-	<b>73,44.87</b>	-	-	<b>73,44.87</b>
SmithKline Beecham (Pvt) Ltd, Sri Lanka	-	51,93.90	-	-	51,93.90	-	59,33.28	-	-	59,33.28
GlaxoSmithKline Bangladesh Ltd.	-	33,26.65	-	-	33,26.65	-	14,11.59	-	-	14,11.59
Others	-	99.60	-	-	99.60	-	-	-	-	-
<b>Sale of Raw Materials</b>	-	<b>62.96</b>	-	-	<b>62.96</b>	-	<b>24.48</b>	-	-	<b>24.48</b>
GlaxoSmithKline Bangladesh Ltd.	-	62.96	-	-	62.96	-	24.48	-	-	24.48
<b>Consignment Sales (net)</b>	-	<b>2,86,36.58</b>	-	-	<b>2,86,36.58</b>	-	<b>2,42,56.57</b>	-	-	<b>2,42,56.57</b>
GlaxoSmithKline Asia Pvt Ltd.	-	2,07,37.92	-	-	2,07,37.92	-	1,73,32.19	-	-	1,73,32.19
GlaxoSmithKline Pharmaceuticals Ltd.	-	78,98.66	-	-	78,98.66	-	69,24.38	-	-	69,24.38
<b>Purchase of Materials</b>	-	-	-	-	-	-	<b>0.27</b>	-	-	<b>0.27</b>
GlaxoSmithKline Pharmaceuticals Ltd.	-	-	-	-	-	-	0.27	-	-	0.27
<b>Services received (Paid / Payable)</b>	-	<b>2,92.16</b>	-	-	<b>2,92.16</b>	-	<b>1,05.24</b>	-	-	<b>1,05.24</b>
GlaxoSmithKline Services Unlimited (U.K.) ^	-	1,82.71	-	-	1,82.71	-	-	-	-	-
GlaxoSmithKline Consumer Healthcare GmbH ^	-	68.28	-	-	68.28	-	51.50	-	-	51.50
GlaxoSmithKline Australia Pty	-	40.29	-	-	40.29	-	53.74	-	-	53.74
Others ^	-	0.88	-	-	0.88	-	-	-	-	-
<b>Payment on Behalf of Fellow Subsidiaries (Received / Receivable) **</b>	-	<b>23,24.17</b>	-	-	<b>23,24.17</b>	-	<b>23,94.13</b>	-	-	<b>23,94.13</b>
SB Pharmaceutical Services	-	2,28.32	-	-	2,28.32	-	2,78.45	-	-	2,78.45
GlaxoSmithKline Asia Pvt Ltd.	-	3,94.38	-	-	3,94.38	-	4,30.52	-	-	4,30.52
GlaxoSmithKline Pharmaceuticals Ltd.	-	98.85	-	-	98.85	-	3,18.10	-	-	3,18.10
GlaxoSmithKline Pte. Ltd.	-	3,97.69	-	-	3,97.69	-	3,07.50	-	-	3,07.50
GlaxoSmithKline Exports Ltd	-	4,52.93	-	-	4,52.93	-	3,74.26	-	-	3,74.26
Others	-	7,52.00	-	-	7,52.00	-	6,85.30	-	-	6,85.30
<b>Reimbursements of Expenses (Paid / Payable) **-</b>	-	<b>93.86</b>	-	-	<b>93.86</b>	-	<b>80.51</b>	-	-	<b>80.51</b>
GlaxoSmithKline Services Unlimited (U.K.)	-	34.66	-	-	34.66	-	60.00	-	-	60.00
GlaxoSmithKline Pte. Ltd.	-	13.68	-	-	13.68	-	3.43	-	-	3.43
GlaxoSmithKline Exports Ltd	-	15.30	-	-	15.30	-	-	-	-	-
Others	-	30.22	-	-	30.22	-	17.08	-	-	17.08
<b>Business Auxilliary Service Commission *</b>	-	<b>51,68.13</b>	-	-	<b>51,68.13</b>	-	<b>41,13.35</b>	-	-	<b>41,13.35</b>
GlaxoSmithKline Asia Pvt Ltd.	-	41,81.69	-	-	41,81.69	-	32,96.43	-	-	32,96.43
GlaxoSmithKline Pharmaceuticals Ltd.	-	9,86.44	-	-	9,86.44	-	8,16.92	-	-	8,16.92
<b>Rent paid *</b>	-	<b>1,82.63</b>	-	-	<b>1,82.63</b>	-	<b>1,85.46</b>	-	-	<b>1,85.46</b>
GlaxoSmithKline Asia Pvt Ltd.	-	1,82.63	-	-	1,82.63	-	1,85.46	-	-	1,85.46
<b>Rent received *</b>	-	<b>0.80</b>	-	-	<b>0.80</b>	-	<b>0.81</b>	-	-	<b>0.81</b>
GlaxoSmithKline Asia Pvt Ltd.	-	0.80	-	-	0.80	-	0.81	-	-	0.81
<b>Licence agreement (Royalty Paid / Payable) *</b>	-	<b>72,55.85</b>	-	-	<b>72,55.85</b>	-	<b>58,23.56</b>	-	-	<b>58,23.56</b>
GlaxoSmithKline Asia Pvt Ltd.	-	72,55.85	-	-	72,55.85	-	58,23.56	-	-	58,23.56
<b>Dividend Paid</b>	<b>9,07.61</b>	-	-	-	<b>9,07.61</b>	<b>18,15.22</b>	-	-	-	<b>18,15.22</b>
Horlicks Limited	9,07.61	-	-	-	9,07.61	18,15.22	-	-	-	18,15.22
<b>Remuneration paid ***</b>	-	-	<b>6,45.71</b>	-	<b>6,45.71</b>	-	-	<b>5,13.21</b>	-	<b>5,13.21</b>
Praveen Kumar Gupta	-	-	1,33.21	-	1,33.21	-	-	1,21.80	-	1,21.80
Zubair Ahmed	-	-	4,13.22	-	4,13.22	-	-	2,85.42	-	2,85.42
Ramakrishnan Subramanian	-	-	99.28	-	99.28	-	-	1,05.99	-	1,05.99

(Rs. Lacs)

Particulars	Year ended December 31, 2009					Year ended December 31, 2008				
	Promoter Company	Companies under Common Control	Key Management Personnel	Trusts under the control of Board of Trustees	Total	Promoter Company	Companies under Common Control	Key Management Personnel	Trusts under the control of Board of Trustees	Total
<b>Annual Contributions made by the Company</b>	-	-	-	<b>44,95.32</b>	<b>44,95.32</b>	-	-	-	<b>42,81.55</b>	<b>42,81.55</b>
Provident Fund Trust	-	-	-	29,26.83	29,26.83	-	-	-	23,30.24	23,30.24
Senior Staff Gratuity Fund	-	-	-	5,68.01	5,68.01	-	-	-	9,81.61	9,81.61
Employees Gratuity Fund	-	-	-	2,87.47	2,87.47	-	-	-	2,37.96	2,37.96
Indian Senior Executives Superannuation Scheme	-	-	-	7,13.01	7,13.01	-	-	-	7,31.74	7,31.74
<b>Payments made by the Company to the employees on behalf of Trust towards their settlement</b>	-	-	-	<b>23,63.65</b>	<b>23,63.65</b>	-	-	-	<b>23,52.01</b>	<b>23,52.01</b>
Provident Fund Trust	-	-	-	15,39.42	15,39.42	-	-	-	19,33.35	19,33.35
Senior Staff Gratuity Fund	-	-	-	4,09.93	4,09.93	-	-	-	2,21.36	2,21.36
Employees Gratuity Fund	-	-	-	1,61.25	1,61.25	-	-	-	1,19.45	1,19.45
Indian Senior Executives Superannuation Scheme	-	-	-	2,53.05	2,53.05	-	-	-	77.85	77.85
<b>Recoveries made from Trusts on account of settlement and Investments</b>	-	-	-	<b>23,39.69</b>	<b>23,39.69</b>	-	-	-	<b>24,28.54</b>	<b>24,28.54</b>
Provident Fund Trust	-	-	-	16,69.89	16,69.89	-	-	-	19,41.15	19,41.15
Senior Staff Gratuity Fund	-	-	-	2,57.37	2,57.37	-	-	-	2,84.39	2,84.39
Employees Gratuity Fund	-	-	-	1,59.38	1,59.38	-	-	-	1,22.94	1,22.94
Indian Senior Executives Superannuation Scheme	-	-	-	2,53.05	2,53.05	-	-	-	80.06	80.06
<b>Interest Shortfall on Provident Fund Trust</b>	-	-	-	<b>1,08.72</b>	<b>1,08.72</b>	-	-	-	<b>1,72.65</b>	<b>1,72.65</b>
Provident Fund Trust	-	-	-	1,08.72	1,08.72	-	-	-	1,72.65	1,72.65
<b>Balances as at year end - Receivables</b>	-	<b>12,93.89</b>	-	<b>1,77.98</b>	<b>14,71.87</b>	-	<b>22,04.18</b>	-	<b>1,47.02</b>	<b>23,51.20</b>
SmithKline Beecham (Pvt) Ltd, Sri Lanka	-	5,91.29	-	-	5,91.29	-	13,51.98	-	-	13,51.98
GlaxoSmithKline Pte. Ltd.	-	2,48.12	-	-	2,48.12	-	7.99	-	-	7.99
GlaxoSmithKline Bangladesh Ltd.	-	2,42.84	-	-	2,42.84	-	4,14.99	-	-	4,14.99
GlaxoSmithKline Exports Ltd	-	1,71.22	-	-	1,71.22	-	1,84.70	-	-	1,84.70
Provident Fund Trust	-	-	-	-	-	-	-	-	1,23.47	1,23.47
Senior Staff Gratuity Fund	-	-	-	1,59.56	1,59.56	-	-	-	7.00	7.00
Employees Gratuity Fund	-	-	-	18.42	18.42	-	-	-	16.55	16.55
Others	-	40.42	-	-	40.42	-	2,44.52	-	-	2,44.52
<b>Balances as at year end - Payables</b>	-	<b>(13,09.38)</b>	<b>(0.31)</b>	<b>(6,17.98)</b>	<b>(19,27.67)</b>	-	<b>(15,02.00)</b>	<b>(0.89)</b>	<b>(8,34.69)</b>	<b>(23,37.58)</b>
GlaxoSmithKline Services Unlimited (U.K.)	-	(1,38.29)	-	-	(1,38.29)	-	-	-	-	-
GlaxoSmithKline Asia Pvt Ltd.	-	(5,19.61)	-	-	(5,19.61)	-	(6,66.99)	-	-	(6,66.99)
GSK Plc, UK	-	-	-	-	-	-	(2,20.09)	-	-	(2,20.09)
GlaxoSmithKline Pharmaceuticals Ltd.	-	(5,50.57)	-	-	(5,50.57)	-	(5,50.44)	-	-	(5,50.44)
Zubair Ahmed ****	-	-	-	-	-	-	-	(0.88)	-	(0.88)
Ramakrishnan Subramanian ****	-	-	(0.31)	-	(0.31)	-	-	(0.01)	-	(0.01)
Provident Fund Trust	-	-	-	(3,32.63)	(3,32.63)	-	-	-	(3,25.48)	(3,25.48)
Senior Staff Gratuity Fund	-	-	-	(1,15.78)	(1,15.78)	-	-	-	(4,57.30)	(4,57.30)
Employees Gratuity Fund	-	-	-	(1,17.69)	(1,17.69)	-	-	-	(1.44)	(1.44)
Indian Senior Executives Superannuation Scheme	-	-	-	(51.88)	(51.88)	-	-	-	(50.47)	(50.47)
Others	-	(1,00.91)	-	-	(1,00.91)	-	(64.48)	-	-	(64.48)

\* Amount is inclusive of Service Tax

\*\* Includes recovery/ reimbursement of expenses on account of Employee's Cost, Travelling Expenses, Consultancy Fees and Other General expenses.

\*\*\* The contribution to Gratuity Fund and Post Employment Medical Assistance Scheme has been made on a group basis based on an actuarial valuation and separate figures applicable to an individual employee are not available and accordingly, the same has not been considered above except where paid during the year.

\*\*\*\* Excludes payable on account of Long Term Incentive Plan.

^ Represents amounts included under Capital Work in Progress/ Fixed Assets on Schedule 3



(c) The Company recovers Business Auxilliary Service Commission from certain related Companies for the selling and distribution of the latter's products in accordance with the recommendations of an independent study. Further, the Company also recovers the employee benefit cost in respect of employees seconded by it to Group companies.

23. The Company has initiated a long term incentive plan to maintain its competitiveness in attracting and retaining Senior Grade Managers. In terms of this plan, the eligible employees will receive cash equivalent to the market price of the shares of GSK Plc. at the end of the three years restricted period provided the eligible employees are in continuous employment with the Company during that time. Accordingly, a sum of Rs. 325.97 Lacs (Previous Year Rs. 162.69 Lacs) has been accounted in these financial statements on a prorata basis as Salaries, Wages and Bonus under 'Employees' Cost' (Refer Schedule 13).

24. The Company has unpaid disputed dues/ demands outstanding at the year end arising of indirect/direct tax litigations/ disputes in respect of Excise Duty, Service Tax, Sales Tax and Income Tax amounting to Rs. 61,52.03 Lacs, Rs. 98.98 Lacs, Rs. 5,72.74 Lacs and Rs. 1,95.81 Lacs respectively (Previous Year Rs. 51,56.04 Lacs, Nil, Rs. 3,94.62 Lacs and Rs. 6,87.37 Lacs respectively). Adequate liability/provisions have been provided/made aggregating Rs. 21,11.01 Lacs (Previous Year Rs. 10,89.95 Lacs), against these demands, in these accounts, wherever considered necessary by management. Further, based on the legal opinion and best estimate of management, interest on disputed dues aggregating to Rs. 2,15.97 Lacs (Previous Year Nil) has been provided wherever considered necessary.

25. In accordance with the requirements of Accounting Standard (AS) – 19 'Leases', the Company has entered into two non-cancellable operating leases in respect of office premises. The terms of the said lease include terms for renewal, increase in rents in future periods for premises and terms of cancellation. The total lease payments recognized in the statement of Profit and Loss Account for the period amount to Rs. 382.27 Lacs (Previous Year Rs. 2,29.06 Lacs). Total of future Minimum Lease Payments under non-cancellable leases in case of the premise on lease:

- Not later than 1 year	Rs. 3,82.27 Lacs
- Later than 1 and not later than 5 years	Rs. 8,04.48 Lacs
- Later than five years	Nil

26. (a) In accordance with AS 29 – "Provisions, Contingent Liabilities and Contingent Assets", the Company has been prudent to consider the following provisions which have been disclosed as under:

(Rs. Lacs)

	January 1, 2009	Additions	Utilizations	Reversals/Adjustments	December 31, 2009
(i) Indirect Taxes	10,00.74	4,67.16	-	93.00	13,74.90
(ii) Other Matters	1,77.18	-	1,22.18	-	55.00
<b>Total</b>	<b>11,77.92</b>	<b>4,67.16</b>	<b>1,22.18</b>	<b>93.00</b>	<b>14,29.90</b>

The future cash outflows are determinable only on occurrence of uncertain future events.

(b) Contingent Liabilities not provided for:

	As at December 31, 2009 (Rs. Lacs)	As at December 31, 2008 (Rs. Lacs)
Cheques under Cash Management System	15.43	28.00
Claims made against the Company not acknowledged as debts (to the extent ascertainable)		
a) Direct Tax	30,08.00	30,08.00
b) Indirect Taxes - net of tax Rs. 1,65.37 Lacs (Previous Year Rs. 2,84.86 Lacs)	3,21.17	5,53.22

The future cash outflows are determinable only on occurrence of uncertain future events.

27. Previous Year's figures have been regrouped/ reclassified, wherever necessary, to conform to the current year's classification.

For Price Waterhouse  
Chartered Accountants

S.J. Scarff  
Chairman

Ramakrishnan Subramanian  
Subodh Bhargava  
Directors

Anupam Dhawan  
Partner  
Membership No.: F 084451

Zubair Ahmed  
Managing Director

Place : Gurgaon  
Dated : 25 January 2010

Surinder Kumar  
Company Secretary



# Balance Sheet Abstract and Company's General Business Profile

## I. REGISTRATION DETAILS

Registration No.      State Code

Balance Sheet Date

## II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue

Rights Issue

Bonus Issue

Private Placement

## III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities

Total Assets

### SOURCES OF FUNDS

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

### APPLICATION OF FUNDS

Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

Deferred Tax Asset (net)

## IV. PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover (Sales\* and Other Income)

Total Expenditure

\* Sales are net of Excise Duty

Profit/Loss Before Tax

Profit/Loss After Tax

Earning per share in Rs. \*\*

Dividend @%

\*\* Basic/Diluted

## V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description



