



Annual Report

FOR THE YEAR ENDED DECEMBER 31, 2011



Striving to make People's lives healthier



GLAXOSMITHKLINE CONSUMER HEALTHCARE LIMITED





GLAXOSMITHKLINE
CONSUMER HEALTHCARE LTD.

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Chairman

Simon J. Scarff, O.B.E

Managing Director

Zubair Ahmed

Directors

Kunal Kashyap

Mukesh H. Butani

Naresh Dayal

P. Dwarakanath

Praveen K. Gupta

Ramakrishnan Subramanian

Subodh Bhargava

Company Secretary

Surinder Kumar

Bankers

Deutsche Bank

Citibank N.A.

BNP Paribas

State Bank of India

HDFC Bank Limited

The Hongkong & Shanghai Banking
Corporation Limited

Dena Bank

ICICI Bank Limited

State Bank of Patiala

Andhra Bank

Auditors

Price Waterhouse

Registered Office

Patiala Road, Nabha 147 201 (Punjab)

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)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
SOURCES OF FUNDS										
Share Capital	45,38	45,38	45,38	42,06	42,06	42,06	42,06	42,06	42,06	42,06
Reserves & Surplus	4,37,84	4,46,73	4,83,92	4,33,06	5,00,66	6,04,29	7,18,82	8,63,04	9,17,98	11,02,12
TOTAL SHAREHOLDERS' FUNDS	4,83,22	4,92,11	5,29,30	4,75,11	5,42,72	6,46,35	7,60,88	9,05,10	9,60,04	11,44,18
FUNDS EMPLOYED	4,83,22	4,92,11	5,29,30	4,75,11	5,42,72	6,46,35	7,60,88	9,05,10	9,60,04	11,44,18
DEFERRED TAX LIABILITIES	35,63	28,16	31,98	27,60	24,06	17,28	6,58	-	-	-
TOTAL	5,18,85	5,20,27	5,61,28	5,02,71	5,66,78	6,63,63	7,67,46	9,05,10	9,60,04	11,44,18

APPLICATION OF FUNDS

Gross Fixed Assets	5,15,56	4,92,22	5,04,63	5,17,74	5,28,21	5,40,99	5,55,34	5,96,26	7,07,29	8,07,73
Depreciation	1,22,70	1,62,31	1,97,24	2,33,95	2,70,32	2,97,65	3,29,24	3,64,00	3,96,71	4,35,97
NET FIXED ASSETS	3,92,86	3,29,91	3,07,39	2,83,79	2,57,89	2,43,34	2,26,10	2,32,26	3,10,58	3,71,76
INVESTMENTS	-	-	-	-	2,19,68	2,97,83	0,05	0,05	0,05	-
DEFERRED TAX ASSET	-	-	-	-	-	-	-	11,01	26,73	39,89
Gross Current Assets, Loans and Advances	2,93,43	3,63,02	4,32,20	4,01,79	2,97,76	3,71,13	8,53,37	11,72,91	14,23,13	16,70,09
Current Liabilities & Provisions	1,77,28	1,77,57	1,78,31	1,82,87	2,08,55	2,48,67	3,12,01	5,11,08	8,00,40	9,37,56
NET CURRENT ASSETS	1,16,15	1,85,45	2,53,89	2,18,92	89,21	1,22,46	5,41,36	6,61,83	6,22,73	7,32,53
MISCELLANEOUS EXPENDITURE	9,84	4,91	-	-	-	-	-	-	-	-
TOTAL APPLICATION	5,18,85	5,20,27	5,61,28	5,02,71	5,66,78	6,63,63	7,67,46	9,05,10	9,60,04	11,44,18

Ten Year Track Record

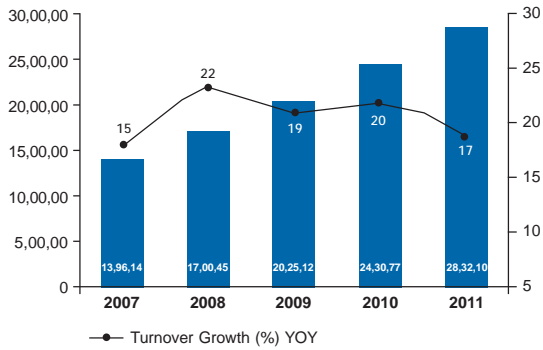
(Rs. Lacs)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TURNOVER	8,71,06	9,08,95	9,81,72	10,89,02	12,10,19	13,96,14	17,00,45	20,25,12	24,30,77	28,32,10
PROFIT BEFORE TAX	1,26,71	99,58	1,15,68	1,62,42	1,90,57	2,45,12	2,85,71	3,53,86	4,51,80	5,40,26
NET PROFIT	85,01	76,35	73,16	1,07,15	1,26,93	1,62,68	1,88,33	2,32,78	2,99,85	3,55,21
DIVIDEND PAYOUT	31,77	31,77	31,77	33,64	42,06	50,47	63,08	75,70	2,10,28	1,47,19
CORPORATE DIVIDEND TAX	-	4,07	4,15	4,72	5,90	8,58	10,72	12,87	34,92	23,88
RETAINED EARNINGS	53,24	40,51	37,24	68,79	78,98	1,03,63	1,14,53	1,44,22	54,65	1,84,13
DIVIDEND - %	70	70	70	80	100	120	150	180	500	350
EARNINGS PER SHARE (Rs.)	18.73	16.82	16.12	24.84	30.18	38.68	44.78	55.35	71.30	84.46
NUMBER OF SHARE HOLDERS	30,607	30,607	28,048	24,571	24,019	22,315	22,548	22,443	22,867	25,639

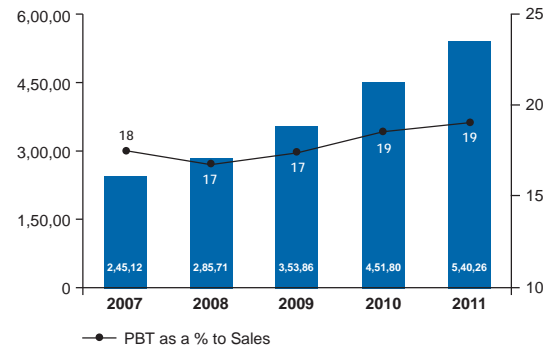


Financial Highlights

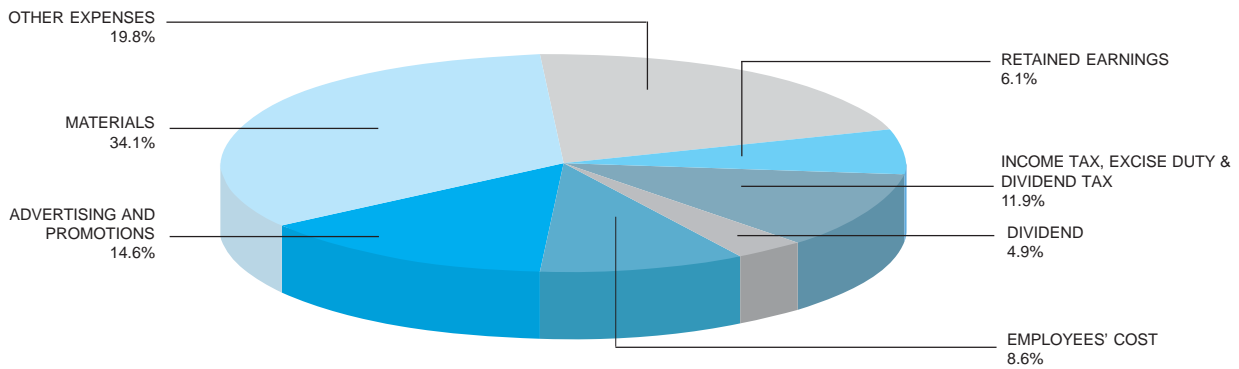
Turnover
(Rs. Lacs)



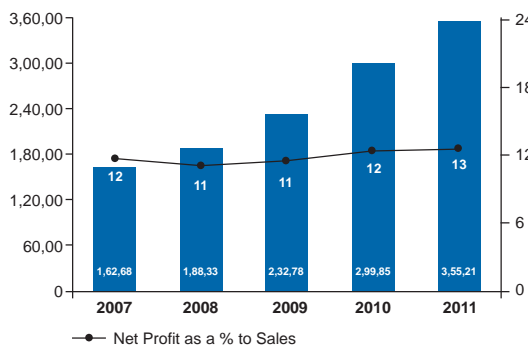
Profit Before Tax
(Rs. Lacs)



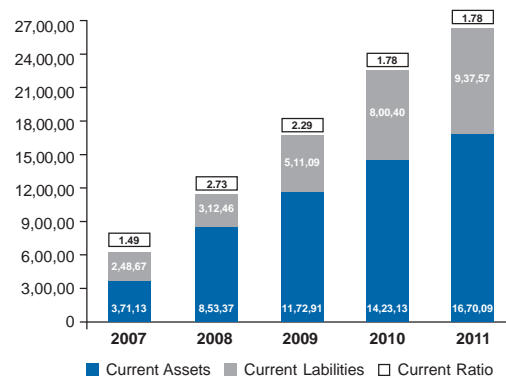
Utilization of Income 2011



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 December 31, 2011.

Financial Results

	(Rs. Lacs)	
	2011	2010
Sales (net of excise duty)	26,85,50.60	23,06,11.83
Profit before Depreciation, Amortisation and Tax	5,86,23.69	4,91,51.39
Less: Depreciation	45,97.56	39,32.56
Less: Amortisation of Patents and Trade Marks	0.00	38.38
Profit Before Tax	<u>5,40,26.13</u>	<u>4,51,80.45</u>
Less: Provision for Tax		
- Current Tax	1,91,56.00	1,67,97.00
- Deferred Tax	(13,15.51)	(15,72.30)
- Adjustment of Previous Years	6,64.95	(29.49)
	<u>1,85,05.44</u>	<u>1,51,95.21</u>
Profit After Tax	<u>3,55,20.69</u>	<u>2,99,85.24</u>
Previous year figures regrouped/reclassified wherever necessary to conform to this year's classification.		
Appropriations		
Proposed Final Dividend	1,47,19.44	2,10,27.77
Corporate Dividend Tax	23,87.86	34,92.45
Transferred to General Reserves	35,52.07	29,98.52
	<u>2,06,59.37</u>	<u>2,75,18.74</u>
Earnings Per Share (Rs.) (Basic & Diluted)	84.46	71.30

Performance of the Company

Your Company recorded 16.5% increase in sales and 18.5% increase in PAT during 2011 over the previous year and this resulted in doubling of your Company's turnover and PAT during the 4 year period from 2007 to 2011. Your Company has now achieved consistent double digit profitable growth for the seventh year in a row. This was achieved on the back of a fantastic performance of your Company's base brands which were very well complemented by the foods portfolio launched in line with the strategy to broad base your Company's product portfolio.

It was yet another year of strong performance by your Company's key brands - Horlicks and Boost, both of which saw strong double digit growth. Horlicks registered a growth of 17.8% during the year 2011 with all variants of Horlicks registering double digit growth. After an illustrious 100 year journey of the Mega Brand, Horlicks, your Company added the best ever Horlicks, Horlicks Gold to its portfolio. Horlicks Gold is available in 2 variants, Golden Malt and Chocolate Delight and is a superior product both, in terms of taste and nutrition. It is made using premium ingredients and superior processes and offers Double Action Nutrition through a package of 20 vital nutrients that are clinically proven to make children Taller, Stronger and Sharper along with 6

extra micro-nutrients (B-vitamins and minerals) that also provide energy and stamina. Your Company diversified the Horlicks brand a few years back with the launch of the Horlicks extensions range, which are custom made for specific target groups. The Horlicks extensions range has done exceedingly well having expanded your Company's customer base and adding incremental market shares to the Horlicks brand. Sales of the Horlicks Mega Brand crossed the Rs. 2000 Crores threshold during the year.

Boost recorded yet another year of double digit growth. The new variant launched in 2010 to suit the taste of customers in North and West India has been accepted very well by the consumer. This year also marked the restage of Boost with new best in class packaging, exciting consumer connections and the new improved claim to heighten competitiveness.

The Foods portfolio has delivered yet another year of high double digit growth, thus supporting the strategy to broad base your Company's product portfolio. The biscuits portfolio performed exceptionally well recording a 30% growth. It has the trusted nourishment of Horlicks in every biscuit which makes it stand apart from the others, as it combines an enjoyable consumption experience with a nutritional edge. Your Company also entered into the breakfast market in India with the launch of Horlicks Oats, thereby adding another category to its growing Foods portfolio. Designed as a healthy breakfast option for today's fast-paced life, Horlicks Oats comes with the '3 Way Health Advantage' - it helps manage weight, healthy blood pressure and reduce cholesterol. Your Company's entry into this category is in line with its commitment to providing the right solutions to the consumers for their changing lifestyle & their nutrition needs.

The year 2011 witnessed severe headline and food inflation. Your Company continued delivering on the cost management program through several initiatives to reduce operating costs across the value chain. Further, despite the stringent monetary policy and tight liquidity conditions throughout the year, your Company significantly improved its working capital position. The surplus cash generated through working capital improvement was placed in high interest yielding deposits thus enhancing your Company's profits. The cost optimization programs and improved yields on surplus cash have supported our investments in brand building through advertising & promotion. The marketing spends have been deployed very effectively to ensure a superior Return on Investment which reflects in various metrics for measuring advertising effectiveness. These initiatives have collectively helped your Company improve its Profit before Tax margins during 2011 in spite of the challenges in the external environment.

In order to respond to the growing demand, your Company had launched a project to enhance capacity by 16 - 18 thousand tones p.a. during 2010. The project is well on track and is expected to be completed in 2012. Your Company has spent Rs. 154 Crores till December 31, 2011; constituting 65% of the budgeted spend for the Project.

Dividends

The Directors recommend a total dividend of Rs. 35 per equity share of Rs. 10 each for the financial year ended December 31, 2011. If approved by the Members at the ensuing Annual General Meeting to be held on March 22, 2012, it will be paid on or before April 3, 2012 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 March 12, 2012.

Reserves

The total Reserves as on December 31, 2011 stood at Rs. 11,02,11.71 Lacs representing an increase of 20.1% from last year.

Exports

During the year, your Company's export earnings amounted to Rs. 2,35,35.17 Lacs, representing an increase of 33.4% over the previous year. The increase in exports was driven by higher exports to all the markets particularly Bangladesh and Middle East through specific initiatives to improve penetration of your Company's products. The other main markets where your Company continues to export are Sri Lanka, Nepal, Nigeria, Myanmar, Malaysia, and Bhutan.

Research and Development

The Research & Development (R&D) function played a significant role in your Company's aspiration for profitable growth. The R&D function contributed through its efforts on new product innovations, superior claims development and cost savings initiatives.

The year 2011 saw several new launches and restages including the mega restage of the Boost. Some of the significant launches were Horlicks Gold and Horlicks Oats.

Your Company's R&D function has adopted various innovative techniques for the above delivery, the significant ones being Open Innovation and Packaging Innovation. The Open Innovation methodology adopted last year, has helped build a strong pipeline of products for the coming years, in the base business as well new product categories. Further, specific projects involving networking with subject matter experts have helped in generating new and innovative ideas to enhance consumption through product creativity in your Company's brands. The Packaging Innovation projects have helped your Company adopt latest technologies and advancements in packaging to enhance the 'first moment of truth' for your Company's products.

R&D also continued to play a pivotal role in delivery of cost savings by partnering with Procurement and other business functions for development of innovative raw and packaging materials, which contributed to significant cost savings delivered by your Company. Your Company was awarded the Gold trophy at the Plastics Awards in the category, 'Conservation of Energy, Material and Ecology'.

The R&D function continues its focus on building a strong claims pipeline and having a robust regulatory strategy in place to support the innovation programme. Regulatory Affairs team has been closely engaging with Regulators and Key opinion leaders in the Indian Government.

ISO Certification

Your Company's manufacturing facilities at Nabha, Rajahmundry and Sonapat 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. The Information Technology function has played the crucial role of a business facilitator having effectively

partnered with all other functions. During the year, your Company has completed a project to strengthen its Sales force catering to the traditional business across India with latest technology. Further effort is being put to strengthen the Rural Sales force and provide superior IT solutions for Distributor Management and Transportation Management.

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. Zubair Ahmed's term as Managing Director ended on December 31, 2011. The Board of Directors, at its meeting held on November 4, 2011, re-appointed Mr. Zubair Ahmed as Managing Director of the Company for a period of one year and five months i.e. from January 1, 2012 to May 31, 2013. The proposal is being placed before the shareholders for approval in their meeting on March 22, 2012.

There was no other change in the Directors of the Company during the year.

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

Your Company acknowledges the importance of people and the fact that Human Resource is the most important asset for long term success. Your Company strives to be known as a great place to work and an employer of choice for talented people from all backgrounds. Key focus areas for the Human Resources function are Talent Management, Training and Development, Living the GSK Values and Employee Engagement and Communication.

Talent Management: A proactive talent acquisition which includes engagement with the best Educational Institutes helps us acquire the best talent externally across functions and levels. Further, there are robust processes in place to ensure Succession Planning for all crucial positions and a Talent Review Process to identify and nurture Key Leadership Talent. Your Company also follows a Performance Development Planning process through which employees have business-aligned objectives and behavioural goals. The reward systems are geared to promote high performance and help to attract and retain the best people. Performance-based pay and bonuses plans align employee interests with business targets.

Training and Development: Providing high quality training remains a focus area for your Company. During the year, numerous workshops on Leadership, Personal Effectiveness, Coaching, Talent Management, etc. were conducted for all levels.

Living the GSK Values: Your Company lays high emphasis on core values of the GSK Group - Integrity, Respect, Transparency and Consumer First. Constant communication initiatives are made to reinforce these values and to help all employees relate to and imbibe these values.

Employee Engagement and Communication: Your Company's communication channels are designed to keep employees informed, engaged and involved in activities across all areas of our organisation. We encourage two-way, open and honest communication with employees. We leverage all possible communication media like print, digital and face-to-face interactions. During the year, we launched the digital media screens across all our locations including manufacturing sites to enable direct employee communication. There is immense focus on Employee Engagement activities like team building, sports events and open forums. The wellness and wellbeing service has been launched this year to help employees in coping with the day-to-day challenges of modern life.

Environment and Social Commitment

Your Company believes in the 'Spirit of Partnership', and is strongly committed in helping the community that it operates in. Corporate Social Responsibility ("CSR"), to your Company is an investment in the community and not just 'corporate philanthropy' and thus, it makes a conscious and committed effort to spread awareness and contribute in whatever way it can. During the year, your Company focussed on relevant issues across locations such as health, education, women and child development, with a special focus on the upliftment of the girl child.

At the very foundation of your Company's CSR activities is the GSK 'Spirit'. Hence, employee volunteering is the cornerstone to any CSR activity. As part of the 'PULSE' program, which is an integral part of GSK's commitment to serve communities around the world by empowering employees to volunteer their professional expertise towards sustainable change, one of your Company's employees received an opportunity to make a difference by way of a three month project with 'Save the Children', an international NGO. Further, as a part of their induction into your Company, the Management trainee batch of 2011 got an opportunity to understand the work done in the CSR domain.

Your Company strives to improve the quality of life and partnering with the society to improve, rebuild and create awareness about important social issues through 'Orange Day' events. These events are led, implemented and managed by your Company's employees, thus taking forward your Company's philosophy of developing self and others. As part of the 'Orange day' activities, your Company's employees spent quality time with marginalised sections of the society. The Company also supported numerous Community Partnership Projects in the sphere of children's education and healthcare, support to the homeless, education and empowerment of tribal children, sustaining healthcare and livelihoods of the tribal community across the country.

Your Company also works very closely with 'LSN Foundation' on a project that is aimed at providing improved quality of life to the homeless, street children, orphans, senior citizens and scavengers. During the year, your Company partnered with LSN Foundation to establish night shelters, community shelters, camps, stationary, training and publicity for the shelters to fund their management.

The Rajahmundry site conducted a full-fledged gynaecology camp for the suburban and rural women of Rajahmundry during the year. The camp involved a check-up for women and was a great success with almost 150 women benefitting from it. On the occasion of World Tuberculosis Day, an awareness rally was conducted by the medical team and students at the TB Unit of the Government Hospital,

Rajahmundry. Other initiatives included distribution of nutritional supplements and creating awareness about them and provision of additional class room shelter for a local school for the Hearing & Speech Impaired.

At Nabha, your Company embarked upon a novel initiative to provide nutritional and holistic support to pregnant ladies in and around Nabha. This was done through collaboration with a local NGO to provide nutritional support to 25 pregnant women from the underprivileged section of the society. Through one of the projects, your Company has also provided support to girl children from economically backward backgrounds to help them in continuing their school education. Your Company also partnered with Tribal Health Initiative to provide healthcare to tribal people in Sittilingi in line with an initiative recognised by the United Nations Foundation. Their health interventions go beyond merely providing a curative and preventive medical service, as the farming and craft initiatives are directly connected to maintaining health in the region. As part of ongoing capacity-building initiatives, year-long clinical training designed for health workers teaches them how to deal with patients in the new outreach clinics, weigh babies, provide immunisation, and improve health conditions for families in the village. Apart from the above initiatives, we also continue to address Black Fever, health and sanitation issues in North Bihar by creating Information and Education Communication (IEC) material and ensuring its appropriate dissemination in collaboration with Integrated Development Foundation.

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 <i>Kunal Kashyap Directors</i>
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Place : Gurgaon
Dated : February 6, 2012

Annexure to the Directors' Report 2011

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

- Nabha Factory has been awarded Certificate of Merit at National Energy Conservation Awards, 2011. It also won the 2nd place in Energy Conservation from Punjab Energy Development Agency ("PEDA") in the state level Energy Conservation competition for the year 2010 for the second successive year. Further, Nabha factory also secured President's Roll of Honour ("PROH") as a part of the GSK Excellence Recognition Awards for their contribution towards reduction in energy consumption.
- Rajahmundry Factory has won the National Award, "Excellent Energy Efficient unit", for Excellence in Energy Management, 2011 from the CII.
- Sonepat site has been awarded 1st Place in State level Energy Conservation award from Haryana Renewable Energy Development Agency (HAREDA) for the year 2010.

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken

1. Steam

Various energy conservation initiatives and throughput enhancement by improving process efficiencies being driven at all sites as part of Operational Excellence program have resulted in mitigating the energy inflation through improved yields. All the sites have had successful trials of blending bio-mass (briquettes/pellets/waste rice husk) with coal for steam generation thus paving way for reducing carbon foot print significantly in the coming years and ensuring a clean & sustainable environment.

2. Electricity

Several energy conservation initiatives have been carried out during the year. At Nabha, installation of energy efficient air compressors, enhanced power generation through co-generation Steam Turbine, Variable Frequency Drive application on Exhaust fans and replacement of inefficient motors with energy efficient motors were carried out during the year. At Rajahmundry, replacement of inefficient motors and air conditioners with energy efficient motors and air conditioners, replacement of conventional tube lights with LED tube rods, enhanced power generation through Co-Generation Steam Turbine and optimal loading of Forced Draft Ventilation, Refrigeration and Cooling tower systems were carried out during the year. At Sonepat, optimisation of equipment operations and control was carried during the year.

(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 throughput enhancement of Spray Dryer by 10% at Sonepat, Turbine synchronization with Grid, Variable Frequency Drive for Air Handling Units & Boiler Primary Air fan and Energy monitoring

and management system at Rajahmundry, 66 KV substation, Solar hot water battery, flash steam recovery, LED tube rods /lights, planetary gear boxes and energy efficient Air Conditioners at Nabha.

As a part of renewable energy initiatives, Nabha and Rajamundhry have installed sun pipes for natural lighting in buildings.

In order to reduce carbon foot printing across Primary Manufacturing sites, all sites have taken successful trials with briquettes/pellets/waste rice husk by blending with coal in the boilers for generation of process steam and will be increasing the biomass blending with coal to 10-20% by next year. All the sites are further exploring the feasibility of using Waste Rice Husk along with other Bio Mass in place of coal along with High Pressure boiler and steam turbine to generate power and steam.

(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

All the energy saving initiatives and projects implemented across sites have helped mitigate the severe inflation in HSD and Coal prices.

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"

	2011	2010
A. Power and Fuel Consumption		
1. Electricity		
a) Purchased Units (in Lacs)	3,74.29	3,39.27
Total amount (Rs. Lacs)	20,11.59	17,29.43
Rate/Unit (Rs.)	5.37	5.10
b) Own Generation-		
1) DG Sets Units (in Lacs)	41.21	45.27
Units per litre of Diesel oil	3.49	3.45
Cost/Unit (Rs.)	10.62	10.27
2) Turbine Units (in Lacs)	24.32	18.75
2. Coal Used in Boilers		
Quality (Calorific value ranging between 2500 to 3500 BTU) Quantity (Tonnes)*	51,265	46,852
Total Cost (Rs. Lacs)	28,33.47	21,36.02
Average Rate (Rs.)	55,27.04	45,59.11

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

	2011	2010
	Coal MT	Power Units
	Coal MT	Power Units

B. Consumption per unit of Production:

1. Malt Based Food / Energy and Protein Health Food / Cereal Based Food / Powdered Milk (Per Ton)	0.53	454	0.53	455
2. Ghee & Butter (Per Ton)	0.28	129	0.29	137

B. TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT (R&D)

(1) Specific Areas in which R&D was carried out by the Company

R&D's key focus areas continue to be product innovation, new claims development, packaging development, cost savings initiatives and regulatory compliance. Further, various new initiatives have been taken to build a strong pipeline of new products and enhance consumption of existing products through product creativity and tapping of new target groups.

(2) Benefits derived as a result of the above R&D

New product launches, re-launches, novel claims and new packaging have collectively enabled business to sustain high growth rate and end the year with a good Innovation pipeline, setting the platform for new launches into the following year. Cost savings generated have helped plough back these in promoting the new & existing products.

(3) Further Plan of Action

Your Company's R&D has a key role to play in achieving the next vision of becoming the world's best Fast-Moving Consumer Healthcare Company, driven by science and values. Cutting edge innovation based on consumer preferences without shifting focus on profitability would help R&D contribute and deliver the next vision of your Company. Initiatives such as Open Innovation, Packaging Innovation, emphasis on 'Design to Value' and Up-weight focus on Consumer Insights are some of the key initiatives that would be undertaken.

(4) Expenditure on R&D

(Rs. Lacs)

	2011	2010
a) Capital	1,29.68	69.07
b) Recurring	31,11.51	22,25.03
Total	32,41.19	22,94.10
R&D Expenditure as a percentage of turnover	1.1%	0.9%

Technology Absorption Adaptation and Innovation

The Company is continuously taking steps to improve the product and process technology in an effort to provide for better value for money to consumers.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Activities relating to exports : Initiatives taken to increase exports: Development of new export methods for products and services and export plans

The Foreign exchange earnings through exports have substantially increased in the current year covering exports to Bangladesh, Sri Lanka, Middle East, Myanmar, Malaysia, Nigeria and Kenya. The efforts to broaden the export base to new and existing countries are continuing.

(b) Total Foreign Exchange used and earned

(Rs. Lacs)

	2011	2010
Foreign Exchange Earnings	1,82,94.88	1,34,51.16
Foreign Exchange Outgo	23,18.82	35,86.39

Directors' Responsibility Statement as per Section 217(2aa) Of The Companies Act, 1956

The financial statements of the Company for the year ended December 31, 2011 have been prepared in conformity with the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956. All the financial statements have been prepared on a historical cost convention, as a going concern and on the accrual basis. There have been no material departures in the adoption and application of the accounting standards. The accounting policies used in the preparation of the financial statements have been consistently applied except where otherwise stated in the notes to accounts.

The Board of Directors of GlaxoSmithKline Consumer Healthcare Limited (GSKCH) accepts the responsibility for the integrity and the objectivity of these financial statements. The estimates and judgements relating to the financial statements have been made on a prudent and reasonable basis in order to ensure that the financial statements reflect in a true and fair manner the form and substance of the transactions and reasonably present the Company's state of affairs and profits for the year. To ensure this the Directors have taken proper and adequate care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. The internal control systems are reviewed, evaluated and updated on an ongoing basis. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company have been followed for safe-guarding the assets of the Company and for protecting any form of fraud and irregularities, subject to the inherent limitations in any system and procedure and coverage thereof that should be recognized in weighing the assurance provided by system of internal controls and accounts.

The financial statements have been audited by Price Waterhouse, Chartered Accountants. The Audit Committee of GSKCH meets on a quarterly basis to review the manner in which the internal auditors are performing their responsibilities and to discuss auditing, internal controls and financial reporting issues. To ensure complete independence, the internal auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.

For and on behalf of the Board

S.J.Scarff Chairman	Zubair Ahmed Managing Director	R Subramanian Kunal Kashyap Directors
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Place : Gurgaon

Dated : February 6, 2012

Management Discussion and Analysis Report

Industry Structure and Development

The year 2011 was probably one of the toughest years for the Indian economy in recent times. The adverse performance of all the key economic indicators weighed heavily on the Indian economy throughout the year. Headline and food inflation indices were at high single digit levels and showed no signs of cooling off throughout the year. The RBI adopted a hawkish stance in its monetary policy with multiple rate hikes making credit expensive and investments sparse. The strict monetary policy coupled with a slowdown in exports resulted in a slowdown in industrial activity. The IIP declined by 10% in the first 10 months of 2011. During the year, the stock indices performed poorly, depreciating by over 24% and FII outflows from India were the highest amongst the BRIC nations. The slowdown in exports and FII outflows amongst other factors caused the Indian Rupee to depreciate by around 18% during the year. The Indian economy, being a net importer was adversely impacted by the weak rupee. Further, the weak rupee also hit companies having outstanding foreign currency loans particularly those having redemption commitments in the near term. The fiscal deficit is also expected to significantly exceed the budget estimate having serious implications on domestic inflation. GDP, which grew by 7.3% during the first half of the current fiscal, is expected to grow at 7% against the initial expected growth of 9% and 8.5% growth during the last fiscal. Amongst all the economic woes, policy making and the reforms process also took a backseat as a result of which some key reforms such as GST, DTC, FDI in Retail, Companies Bill, etc. could not be enacted during the year.

Amidst all the challenges faced by the Indian economy throughout the year, there were signs of improvement as year came to end. There was a significant dip in headline inflation and negative food inflation. Expectations were running high for a cut in interest rates. Respite from high inflation and interest cost will be a major relief to the Indian economy.

Opportunities, Threats and Outlook

The FMCG sector is relatively insulated from the economic turmoil largely due to the strong domestic consumption story. Factors such as favourable demographics, higher disposable income in the hands of consumers and growing urbanisation have resulted in rapidly changing consumption patterns. Further, the low per-capita consumption and the potential for expansion in rural and semi-urban locations offer a tremendous opportunity to the FMCG sector. The Rural market is a rapidly growing segment backed by higher incomes due to growth in non-agriculture income and better MSP rates, higher education and the Government's emphasis on rural development programmes. The rapidly growing 'organised retail' segment is also benefitting the FMCG sector tremendously through better visibility, reach, etc. which favourably impact the demand for products. Rising incomes amongst mid and high-income consumers in urban areas have also offered the FMCG sector an opportunity to upgrade their portfolio by offering premium products which ultimately help in enhancing revenues and profitability.

The all time high inflation is the single largest area of concern to the FMCG sector. Inflation tends to have a dual impact on the FMCG sector, firstly in terms of margin dilution and secondly in terms of softening demand due to reduced disposable income in the hands of consumers. The recently enacted law on packaging norms is also expected to adversely affect the FMCG sector due to its impact on affordability, consumer and retailer convenience, etc. Further, dip in industrial growth, slowing global economy together with an overall moderating consumer sentiment is also expected to lead to a slow volume growth of FMCG segment in 2012. The absence of reforms and policy making by the Government have deprived the Industry of the benefits of some of the much awaited legislations such as GST, DTC and FDI in retail. The consumer sector being extremely attractive, particularly in the developing economies is attracting a lot of new entrants; global as well domestic players adding to the competitive pressures.

The FMCG sector is the third largest sector in India and is expected to grow rapidly in the near future. Your Company strongly believes that we are strategically placed to benefit from the potential offered by the FMCG Sector given our internal strengths on people, processes, business strategy and strong brands with innovation capabilities.

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. Learning from these tests has 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 recognise 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 December 31, 2011.

The Company has minimal import requirements for its production process. The Company exports during the year stood at Rs. 2,35,35.17 Lacs (which includes Rs. 53,75.96 Lacs exported to Nepal & Bhutan). Hence no significant 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 Operations

(A) Results of Operations

(1) Sales

Sales for 2011, increased by 16.5% driven both by volume and price / yield increase. During the year your Company launched several new products.

(2) Other Income

Other Income increased by Rs. 47,35.78 Lacs primarily due to improved yields from Bank Deposits and higher Business Auxiliary Services Commission.

(3) Expenditure

During the year, input cost of Raw Material, Packing Material and Purchased Finished Goods, as a percentage to sales has increased to 36.1% as against 35.6% last year mainly due to higher input costs (particularly liquid milk, skimmed milk powder and malted barley).

The Company continued to invest behind the brands and Advertisement and Promotion expenses have increased to 15.4% in current year as a percentage of Sales.

(4) Profit before Taxation

Profit before Taxation amounted to Rs. 5,40,26.13 Lacs and has increased by 19.6% over previous year.

(5) Provision for Taxation

The Company has made provisions for taxation for the year amounting to Rs. 1,85,05.44 Lacs (Including deferred tax) on Profits before Tax. The effective tax rate for the year is 34.25%.

(B) Financial Condition

(1) Reserves and Surplus

The Reserves and Surplus increased during the year by Rs. 1,84,13.39 Lacs. The transfer was made after providing for Proposed Final Dividend of Rs. 1,47,19.44 Lacs including Dividend Tax amounting to Rs. 23,87.86 Lacs for the year 2011.

(2) Fixed Assets

Additions of Rs. 46,99.89 Lacs during the year include primarily Plant and Machinery (Rs. 33,03.91 Lacs), Buildings (Rs. 1,92.46 Lacs), Information Technology Equipment (Rs. 7,69.05 Lacs), and Motor Vehicles (Rs. 3,47.86 Lacs).

(3) Inventories

Inventories amounted to Rs. 3,69,95.58 Lacs as at December 31, 2011 as against Rs. 3,12,00.06 Lacs as at previous year end. The increase is primarily on account of an increase in Raw Materials from Rs. 69,35.65 Lacs in 2010 to Rs. 82,81.70 Lacs in 2011 and Finished Goods from Rs. 1,78,79.23 Lacs in 2010 to Rs. 2,12,98.45 Lacs in 2011.

(4) Sundry Debtors

Sundry debtors amounted to Rs. 99,19.07 Lacs as at end December 31, 2011 as against Rs. 50,36.64 Lacs as at end December 31, 2010.

The debtors as at end December 2011 represent 13 days' sale value.

(5) Cash and Bank Balances

Cash and Bank balances with scheduled banks amounting to Rs. 22,03.78 Lacs and short term deposits of Rs. 10,55,50.00 Lacs with various scheduled banks.

(6) Loans and Advances

Loans and advances amounting to Rs. 72,13.58 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. 5,01,02.48 Lacs include creditors for advertising and promotion spends, raw materials, packing materials and creditors for capital purchases.

Other liabilities amounting to Rs. 1,12,25.51 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 December 31, 2011.

(9) Net Working Capital

The Company has a negative Working Capital (Excluding Cash and Bank Balances and Proposed Dividend) of Rs. (1,76,05.44) Lacs as at December 31, 2011 as against negative Working Capital Rs. (1,08,17.07) Lacs as at December 31, 2010. Your Company has taken various measures towards reducing the Working Capital.

(10) Return on Capital Employed

The return on capital employed (average) during the year has increased to 33.8% from 32.2% 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 a zero debt-equity ratio.

Material Developments on Human Resource/Industrial Relations Front

Mr. Zubair Ahmed's term as Managing Director ended on December 31, 2011. The Board of Directors, at its meeting held on November 4, 2011, re-appointed Mr. Zubair Ahmed as Managing Director of the Company for a period of one year and five months i.e. from January 1, 2012 to May 31, 2013. The proposal is being placed before the shareholders for approval in their meeting on March 22, 2012.

There was no other change in the Directors of the Company during the year.

Please refer to the Directors Report on Human Resource Development.

The Company had 3199 permanent employees on its payroll as on December 31, 2011.

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
Kunal Kashyap
Directors

Place : Gurgaon
Dated : February 6, 2012

Corporate Governance Report

Company's Philosophy on Corporate Governance

GlaxoSmithKline Consumer Healthcare Limited is committed to following best global corporate governance practices in all its pursuits. The guiding principle for the Company has always 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 December 31, 2011 are as under:

Name of the Director	Category of Directorship	No. of Board meetings attended	Attendance at last AGM held on March 29, 2011	No. of Directorships in other Public Companies	No. of Committee Position held in Other Public Companies	
					Chairman	Member
Mr. Simon J. Scarff	NEC	4	Yes	1	-	1
Mr. Zubair Ahmed	MD	4	Yes	1	-	-
Mr. Kunal Kashyap	NED - I	4	Yes	1	2	-
Mr. Mukesh H Butani	NED - I	3	Yes	1	1	-
Mr. Naresh Dayal	NED - I	3	Yes	1	-	-
Mr. P. Dwarakanath	NED - I	3	Yes	5	-	-
Mr. Praveen K Gupta	WTD	4	Yes	-	-	-
Mr. R Subramanian	WTD	4	Yes	-	-	-
Mr. Subodh Bhargava	NED - I	4	Yes	10	2	3

NEC - Non Executive Chairman

WTD - Wholetime Director

MD - Managing 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 2011 on 2 February, 2 May, 1 August and 4 November.

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 on the 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 comprised of Mr. Kunal Kashyap as Chairman and Mr. Subodh Bhargava and Mr. Mukesh Butani as the other two members. Mr. Surinder Kumar, Company Secretary acts as Secretary to the Committee. The Chairman, Managing Director, Finance Director 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, KPMG Representatives (co-sourced internal 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 March 29, 2011 to answer shareholders queries.

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. Mukesh Butani	4

b) Remuneration Committee

The Company has a Remuneration Committee which comprises of three members. The Committee comprised Mr. P Dwarakanath as the Chairman and Mr. Simon Scarff and Mr. Naresh Dayal 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. Simon J Scarff	2
Mr. P. Dwarakanath	1
Mr. Naresh Dayal	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 Wholtime 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 Wholtime directors of the Company is 60 years while for Non Executive Directors it is 75 years. The Notice period for the Wholtime 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 December 31, 2011:

(Rs.)

S.No.	Name	Designation/ Position	Salary	Benefits	Performance Incentive	Grand Total
1.	Mr. Zubair Ahmed	Managing Director	3,36,01,002	1,34,78,166	99,43,152	5,70,22,320
2.	Mr. R Subramanian	Director - Finance	1,31,23,264	38,58,922	35,73,589	2,05,55,776
3.	Mr. Praveen K Gupta	Director -Operations	1,45,40,970	4,57,89,487	30,23,760	6,33,54,217

(Rs.)

S.No.	Name	Particulars	Sitting Fees	Commission	Total
1.	Mr. Kunal Kashyap	Non Executive Director - Independent	1,80,000	5,00,000	6,80,000
2.	Mr. Mukesh H Butani	Non Executive Director - Independent	1,40,000	5,00,000	6,40,000
3.	Mr. Naresh Dayal	Non Executive Director - Independent	90,000	5,00,000	5,90,000
4.	Mr. P Dwarakanath	Non Executive Director - Independent	1,20,000	5,00,000	6,20,000
5.	Mr. Simon J. Scarff	Non Executive Director	1,70,000	5,00,000	6,70,000
6.	Mr. Subodh Bhargava	Non Executive Director - Independent	1,80,000	5,00,000	6,80,000

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 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, dematerialization, 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. R Subramanian	4

The total numbers of complaints received and replied to the satisfaction of the shareholders during the year under review were 241. 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 December 31, 2011. 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
2009	April 24, 2009	09.30 a.m.	Punjab Public School Auditorium,	No Special resolution
2010	April 23, 2010	09.30 a.m.	The Punjab Public School	No Special resolution
2011	March 29, 2011	09.30 a.m.	(Senior Wing), Nabha 147 201 (Punjab)	No Special resolution

Postal Ballot Resolution

No Postal ballot resolution was passed during the year 2011. 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 2011, the Company has related party transactions as envisaged under the Corporate Governance Code which have been mentioned in Note 22 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 2011, 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. 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.

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 six meetings and six 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. A copy of the presentations made to Financial Analysts is also made available on the website of the Company at www.gsk-ch.in.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting:

Date: The Fifty Third Annual General Meeting is scheduled to be held on Thursday, March 22, 2012

Time: 9.30 a.m.

Venue: Punjab Public School Auditorium, The Punjab Public School (Senior Wing), Nabha, 147 201 (Punjab)

Financial Year:

January 1, 2011 to December 31, 2011

Financial Calendar:

S.No.	Particulars	Date of Board meeting
1.	Quarter ending March 31, 2012	May, 2012
2.	Quarter ending June 30, 2012	August, 2012
3.	Quarter ending September 30, 2012	November, 2012
4.	Quarter ending December 31, 2012	February, 2013

Book closure:

The books will be closed from March 13, 2012 to March 22, 2012 (both days inclusive).

Dividend payment:

For the year ended December 31, 2011, the Directors have recommended a dividend at the rate of Rs. 35 per equity share, subject to approval of the Members at the ensuing Annual General Meeting. If approved, the dividend shall be paid on or before April 03, 2012 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	GLAXOCON
National Stock Exchange of India Limited, Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051	GSKCONS

The Listing Fee for the year 2011-2012 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, 2011 - December, 2011 on the Stock Exchange, Mumbai

MONTH	HIGH	LOW	MONTH	HIGH	LOW
January 2011	2299.90	1988.05	July 2011	2497.25	2353.50
February 2011	2156.05	1948.25	August 2011	2413.50	2295.95
March 2011	2237.90	2051.00	September 2011	2436.10	2264.25
April 2011	2438.00	2218.00	October 2011	2403.05	2321.55
May 2011	2383.40	2160.15	November 2011	2674.10	2315.16
June 2011	2473.85	2310.30	December 2011	2576.35	2420.75

Performance in comparison to BSE Sensex:



Closing Share Price and BSE Index (Sensex) since January 1, 2011 to December 31, 2011

Registrar and Transfer Agents:

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

Share Transfer System

Share transfers, where transfer documents are found in order, are registered and returned in the normal course within a period of 15 days from the date of receipt of the documents. Any requests for dematerialization / rematerialisation of shares are processed and confirmation given to depositories i.e. National Securities Depositories Limited (NSDL) or Central Depositories Services (India) Limited (CDSL), as the case may be, within 15 days from the date of receipt.

Distribution of shareholding as on December 31, 2011:

S.No.	Category (Shares)	No. of Shareholders	% to Shareholders	No. of Shares	% to Shares
1	1 - 250	19742	77.00	1368083	3.25
2	251 - 500	3795	14.80	1285932	3.06
3	501 - 1000	1178	4.60	827095	1.97
4	1001 - 2000	374	1.46	542789	1.29
5	2001 - 3000	126	0.49	315364	0.75
6	3001 - 4000	67	0.26	243232	0.58
7	4001 - 5000	51	0.20	230513	0.55
8	5001 - 10000	111	0.43	814877	1.94
9	10001 AND ABOVE	195	0.76	36427653	86.61
	Total	25639	100%	42055538	100%

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	30,66,631	7.29
3.	Banks, Financial Institutions & Insurance Companies	39,96,283	9.50
4.	Foreign Institutional Investors	63,65,443	15.14
5.	Private Corporate Bodies	39,55,489	9.41
6.	Indian Public	64,11,223	15.24
7.	NRIs / OCBs	1,05,995	0.25
8.	Any others	2,231	0.01
	Total	4,20,55,538	100.00

Dematerialisation of shares and liquidity:

As on December 31, 2011, we have dematerialised 51.40% of our equity share capital, whilst 43.16% is held by Horlicks Ltd. in the physical form. Therefore, apart from Horlicks Ltd. holding, only 5.44% 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:

Nabha Plant:	GlaxoSmithKline Consumer Healthcare Limited, Patiala Road, Nabha - 147 201 (Punjab)
Rajahmundry Plant:	GlaxoSmithKline Consumer Healthcare Limited, Industrial Area, Dowleswaram - 533 124 (Andhra Pradesh)
Sonepat Plant:	GlaxoSmithKline Consumer Healthcare Limited, 14 km Stone, Sonepat - Meerut Road, Village Khewra, P.O. Bahalgarh - 130 121, District Sonepat (Haryana)

Address for correspondence:

Registered Office:	GlaxoSmithKline Consumer Healthcare Limited, Patiala Road, Nabha - 147 201 (Punjab)
Head Office:	GlaxoSmithKline Consumer Healthcare Limited, DLF Plaza Tower, DLF City, Phase I, Gurgaon - 122 002 (Haryana)
Registrars and Share Transfer Agents:	Karvy Computershare Pvt. Ltd. Plot No. 17-24 Vittal Rao Nagar, Near Image Hospital, Madhapur, Hyderabad - 500 081 Phone: 040- 23420818, Facsimile: 040-23420814
Name, Address and contact numbers of the Compliance Officer:	Surinder Kumar, Company Secretary DLF Plaza Tower, DLF City, Phase I, Gurgaon – 122 002 Telephone: 0124 - 254 0724 Facsimile: 0124 - 254 0720/21
Email for Investors:	einward.ris@karvy.com, investor.2.co@gsk.com
Company's website address:	www.gsk-ch.in

Place : Gurgaon
Dated : February 6, 2012

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, 2011.

Place : Gurgaon
Dated : February 6, 2012

Zubair Ahmed
Managing Director



Auditors' Certificate regarding compliance of conditions of Corporate Governance

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, 2011, as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. 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
Firm Registration Number: 301112E
Chartered Accountants

Usha Rajeev
Partner

Place : Gurgaon
Dated : February 6, 2012

Membership No: F 087191

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, 2011 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 : February 6, 2012

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 (the "Company") as at December 31, 2011, 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 Management. 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 (together the "Order"), 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 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 the written representations received from the directors, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956

- (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, 2011;
 - (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
Firm Registration Number: 301112E
Chartered Accountants
Usha Rajeev

Place : Gurgaon *Partner*
Dated : February 6, 2012 Membership Number: F 087191

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, 2011.

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 3 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. In respect of inventory lying with third parties, these have substantially been confirmed by them. 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.
(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.
4. In our opinion and according to the information and explanations given to us, 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. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
(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, 2011 which have not been deposited on account of a dispute are as follows:

Name of the Statute	Nature of dues	Amount (Rs. Lacs) #	Period to which the amount relates	Forum where the dispute is pending
EXCISE DUTY				
The Central Excise Act, 1944	Excise duty on clearance from excise exempt zone	30,19.30	2008-2011	Himachal Pradesh, High Court
The Central Excise Act, 1944	Valuation cases and other matters	1,33.24	1983-2003	Custom Excise Service Tax Appellate Tribunal, various states
The Central Excise Act, 1944	Valuation cases and other matters	0.49	1991	Commissioner of Central Excise (Appeal), Chennai
The Central Excise Act, 1944	Valuation cases, refund of duty and other matters	2,03.82	1995-2006	Commissioner/Additional/Deputy/ Assistant Commissioner of Central Excise, Various States
Sub Total (A)		33,56.84		
SERVICE TAX				
The Finance Act, 1944	Maintenance of records for common inputs	53.98	2005-2008	Customs Excise Service Tax Appellate Tribunal, Bangalore
The Finance Act, 1944	Availment of service tax on outward transportation	19.19	2005-07	Custom Excise Service Tax Appellate Tribunal, Delhi
Sub Total (B)		73.17		

Name of the Statute	Nature of dues	Amount (Rs. Lacs) #	Period to which the amount relates	Forum where the dispute is pending
SALES TAX				
As per the statute applicable in the state of Tamil Nadu & Andhra Pradesh	Turnover Tax on milk and additions on account of concessional rates of tax	6,50.67	1990-2007	At High Courts of Andhra Pradesh and Tamil Nadu
As per the statute applicable in the state of Chhattisgarh, Uttar Pradesh, West Bengal and Orissa	Additions on account of freebies and other disallowances	70.72	1983-2005	Sales Tax Appellate Tribunal/ Revenue Board
As per the statute applicable to Orissa, Assam, West Bengal, Madhya Pradesh, Maharashtra, Chhattisgarh and Kerala	Miscellaneous Demands	89.10	1999-2008	First Appellate Authorities at various levels
As per the statute applicable to Punjab, Delhi, Rajasthan, Uttar Pradesh, Goa, West Bengal, Bihar and Assam	Miscellaneous Demands	1,52.63	1999-2007	Adjudication Level
Sub Total (C)		9,63.12		
INCOME TAX				
The Income Tax Act, 1961	Additions to Income Tax	1,07,57.27	2006-08	Income Tax Appellate Tribunal
Sub Total (D)		1,07,57.27		
Grand Total (A+B+C+D)		1,51,50.40		

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

includes interest and penalty amounts as specified in the demand order

- | | |
|---|---|
| <p>10. The Company has no accumulated losses as at December 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.</p> <p>11. According to the records of the Company examined by us and the information and explanations given to 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.</p> <p>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.</p> <p>13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.</p> <p>14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.</p> <p>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.</p> <p>16. The Company has not obtained any term loans.</p> <p>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.</p> | <p>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.</p> <p>19. There are no debentures issued and outstanding at the year-end.</p> <p>20. The Company has not raised any money by public issues during the year.</p> <p>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.</p> <p>22. The other clauses (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.</p> |
|---|---|

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants
Usha Rajeev
Partner
Place : Gurgaon
Dated : February 6, 2012 Membership Number: F 087191



Balance Sheet

As at December 31, 2011

	Schedule No.	As at December 31, 2011 (Rs. Lacs)	As at December 31, 2010 (Rs. Lacs)
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	42,05.55	42,05.55
Reserves and Surplus	2	11,02,11.71	9,17,98.32
TOTAL		11,44,17.26	9,60,03.87
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	6,36,66.27	5,98,96.20
Less: Depreciation		4,35,97.33	3,96,71.00
Net Block		2,00,68.94	2,02,25.20
Capital Work in Progress		1,71,06.65	1,08,32.62
		3,71,75.59	3,10,57.82
INVESTMENTS	4	-	0.05
DEFERRED TAX ASSET (net) [Schedule 16 (Notes 1(h) (b), 16)]		39,88.97	26,73.46
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	5	3,69,95.58	3,12,00.06
Sundry Debtors	6	99,19.07	50,36.64
Cash and Bank Balances	7	10,79,65.44	9,76,09.83
Other Current Assets	8	49,15.64	34,55.66
Loans and Advances	9	72,13.58	50,10.73
		16,70,09.31	14,23,12.92
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	10	6,66,31.76	4,70,36.73
Provisions	11	2,71,24.85	3,30,03.65
		9,37,56.61	8,00,40.38
NET CURRENT ASSETS		7,32,52.70	6,22,72.54
TOTAL		11,44,17.26	9,60,03.87
Notes to the Accounts	16		

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

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

S.J. Scarff
Chairman

Usha Rajeev
Partner
Membership No.: F 087191

Zubair Ahmed
Managing Director

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

Ramakrishnan Subramanian
Kunal Kashyap
Directors

Surinder Kumar
Company Secretary

Place : Gurgaon
Dated : February 6, 2012

Profit And Loss Account

For the year ended December 31, 2011

	Schedule No.	Year ended December 31, 2011 (Rs. Lacs)	Year ended December 31, 2010 (Rs. Lacs)
INCOME			
Sales [Schedule 16 Notes 1(g), 6]		28,32,09.55	24,30,77.18
Less: Excise Duty		1,46,58.95	<u>1,24,65.35</u>
Other Income	12	1,64,75.06	1,17,39.28
TOTAL		<u>28,50,25.66</u>	<u>24,23,51.11</u>
EXPENDITURE			
Consumption of Raw Materials [Schedule 16 (Notes 7, 8, 9)]		7,00,61.53	5,85,21.16
Consumption of Packing Materials		2,31,78.92	1,93,12.92
Purchased Finished Goods [Schedule 16 (Note 10)]		1,34,32.98	1,16,37.05
Employees' Cost	13	2,58,36.56	2,29,66.31
Expenses	14	9,82,92.05	8,37,42.28
Depreciation/Amortization	3		
- On Patents and Trade Marks		-	38.38
- On Other Fixed Assets		45,97.56	<u>39,32.56</u>
Adjustment due to (Increase)/Decrease in Stock of Finished Goods and Goods in Process	15	(44,00.07)	(29,80.00)
TOTAL		<u>23,09,99.53</u>	<u>19,71,70.66</u>
PROFIT BEFORE TAX			
Tax for the year - Current Tax		1,91,56.00	1,67,97.00
- Deferred Tax Charge / (Credit)		(13,15.51)	(15,72.30)
- Adjustments relating to previous years (net) [Schedule 16 (Notes 1(h), 16)]		6,64.95	(29.49)
PROFIT AFTER TAX AVAILABLE FOR APPROPRIATION		<u>3,55,20.69</u>	2,99,85.24
Balance brought forward		1,45,89.67	1,20,93.93
Adjustment of Differential Dividend Tax for Prior year		-	29.24
BALANCE AVAILABLE FOR APPROPRIATION		<u>5,01,10.36</u>	<u>4,21,08.41</u>
APPROPRIATIONS:			
Proposed Dividend - Final		1,47,19.44	2,10,27.77
Corporate Dividend Tax		23,87.86	34,92.45
Transferred to General Reserve		35,52.07	29,98.52
SURPLUS CARRIED TO BALANCE SHEET		<u>2,94,50.99</u>	<u>1,45,89.67</u>
Earnings Per Share (Nominal value of Rs. 10 each)			
Basic/Diluted (Rs.) [Schedule 16 (Note 18)]		84.46	71.30
Notes to the Accounts	16		

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

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

S.J. Scarff
Chairman

The schedules referred to above form an integral part of the Profit And Loss Account.

Ramakrishnan Subramanian
Kunal Kashyap
Directors

Usha Rajeev
Partner
Membership No.: F 087191

Zubair Ahmed
Managing Director

Surinder Kumar
Company Secretary

Place : Gurgaon
Dated : February 6, 2012



Cash Flow Statement

For the year ended December 31, 2011

	Year ended December 31, 2011 (Rs. Lacs)	Year ended December 31, 2010 (Rs. Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	5,40,26.13	4,51,80.45
Add:		
Depreciation / Amortization		
- On Patents and Trade Marks	-	38.38
- On Other Fixed Assets	45,97.56	39,32.56
Provision for Doubtful Debts	-	89.78
Provision for doubtful other current assets/ Advances written off	32.94	-
Provision for Stock Obsolescence/ Stock written off	10,51.62	5,26.28
Interest Expense	3,46.64	2,60.15
Loss on Fixed Assets retired from active use/ Provision for Capital Work in Progress	81.04	81.27
Less:		
Interest Income	(70,44.21)	(43,50.78)
Release of accruals	(6,81.80)	(7,98.05)
Profit on sale of Fixed Assets (net)	(2.06)	(2,68.88)
Operating Profit Before Working Capital Changes	5,24,07.86	4,46,91.16
Add/(Less): (Increase)/Decrease in Current Assets		
Sundry Debtors	(48,59.62)	(19,90.78)
Loans & Advances	(32,08.77)	(20,43.62)
Other Current Assets	(7,66.66)	(2,87.70)
Inventories	(68,47.14)	(51,23.14)
Add/(Less): Increase/(Decrease) in Current Liabilities and Provisions	2,01,52.26	1,33,45.48
Cash Generated from Operations	5,68,77.93	4,85,91.40
Less:		
Income Tax paid (net of refunds) [excludes tax deducted at source] - Current Tax	(1,81,53.32)	(1,59,70.00)
Net Cash flow from Operating Activities	3,87,24.61	3,26,21.40
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets / Additions to Capital Work in Progress	(96,38.31)	(1,14,30.42)
Sale proceeds of Fixed Assets	1,13.61	5,66.98
Interest Received	59,04.23	29,24.48
Net Cash flow from Investing Activities	(36,20.47)	(79,38.96)

	Year ended December 31, 2011 (Rs. Lacs)	Year ended December 31, 2010 (Rs. Lacs)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(2,85.56)	(2,45.21)
Dividend Paid	(2,09,70.52)	(75,50.01)
Dividend Tax Paid	(34,92.45)	(12,57.28)
Net cash flow from Financing Activities	(2,47,48.53)	(90,52.50)
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>1,03,55.61</u>	<u>1,56,29.94</u>
Cash and Cash Equivalents at the beginning of the year		
Cash and Bank Balances [including exchange fluctuation (gain)/ loss Rs. (0.63) Lacs (Previous Year Rs. 1.98 Lacs)]	9,76,09.83	8,19,79.89
Cash and Cash Equivalents at the end of the year		
Cash and Bank Balances [including exchange fluctuation (gain)/ loss Rs. (0.93)Lacs (Previous Year Rs. (0.63) Lacs)]	<u>10,79,65.44</u>	9,76,09.83
Net Increase/(Decrease) in Cash and Cash Equivalents	<u><u>1,03,55.61</u></u>	<u><u>1,56,29.94</u></u>

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement.
2. Cash and Cash equivalents include balances with Scheduled Banks on Dividend accounts Rs. 1,77.50 Lacs (Previous Year Rs. 1,20.25 Lacs) and Rs. Nil Lacs (Previous Year Rs. 1.08 Lacs) lodged as Security Deposits, which are not available for use by the Company.
3. Notes to the Accounts (Schedule 16) form an integral part of the Cash Flow Statement.
4. 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
Firm Registration Number: 301112E
Chartered Accountants

S.J. Scarff
Chairman

Ramakrishnan Subramanian
Kunal Kashyap
Directors

Usha Rajeev
Partner
Membership No.: F 087191

Zubair Ahmed
Managing Director

Surinder Kumar
Company Secretary

Place : Gurgaon
Dated : February 6, 2012

Schedules

Forming Part of the Accounts

	As at December 31, 2011 (Rs. Lacs)	As at December 31, 2010 (Rs. Lacs)
1. SHARE CAPITAL		
AUTHORISED		
6,00,00,000 Equity Shares of Rs. 10 each	<u>60,00.00</u>	<u>60,00.00</u>
ISSUED AND SUBSCRIBED		
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>
 Notes:		
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.		
 2. RESERVES AND SURPLUS		
GENERAL RESERVE		
As per last Balance Sheet	<u>7,68,76.14</u>	7,38,77.62
Transferred from Profit and Loss Account	<u>35,52.07</u>	29,98.52
	<u>8,04,28.21</u>	7,68,76.14
CAPITAL REDEMPTION RESERVE*	<u>3,32.51</u>	3,32.51
SURPLUS CARRIED FROM PROFIT AND LOSS ACCOUNT	<u>2,94,50.99</u>	1,45,89.67
	<u>11,02,11.71</u>	<u>9,17,98.32</u>

* Schedule 1 [Note 4]

3. FIXED ASSETS *

(Rs. Lacs)

	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	Cost As at January 1, 2011	Additions during the Year	Deletions / Adjustments during the Year	Cost As at December 31, 2011	Upto January 1, 2011	During the Year #	Deletions / Adjustments during the Year	Upto December 31, 2011	As at December 31, 2011	As at December 31, 2010
Tangible Assets										
Land (Freehold)	14,79.78	3.57	-	14,83.35	-	-	-	-	14,83.35	14,79.78
Buildings***	98,36.29	1,92.46	-	1,00,28.75	26,83.57	3,06.90	-	29,90.47	70,38.28	71,52.72
Plant & Machinery ** °	3,54,78.58	33,03.91	3,83.95	3,83,98.54	2,57,19.29	36,31.14	2,19.17	2,91,31.26	92,67.28	97,59.29
Information Technology Equipment °	20,14.80	7,69.05	2,34.19	25,49.66	15,17.17	2,60.21	2,32.98	15,44.40	10,05.26	4,97.63
Furniture & Fittings	11,97.58	39.72	6.45	12,30.85	8,65.67	70.38	6.32	9,29.73	3,01.12	3,31.91
Office Equipment °	14,71.44	43.32	85.28	14,29.48	11,10.15	1,05.98	87.76	11,28.37	3,01.11	3,61.29
Motor Vehicles	9,53.79	3,47.86	2,19.95	10,81.70	4,05.74	1,78.62	1,30.27	4,54.09	6,27.61	5,48.05
Leasehold Improvements	8,22.22	-	-	8,22.22	7,27.69	49.60	-	7,77.29	44.93	94.53
Intangible Assets										
Patent and Trade Marks ***	66,41.72	-	-	66,41.72	66,41.72	-	-	66,41.72	-	-
	<u>5,98,96.20</u>	<u>46,99.89</u>	<u>9,29.82</u>	<u>6,36,66.27</u>	<u>3,96,71.00</u>	<u>46,02.83</u>	<u>6,76.50</u>	<u>4,35,97.33</u>	<u>2,00,68.94</u>	<u>2,02,25.20</u>
Previous Year	5,58,47.73	50,49.21	10,00.74	5,98,96.20	3,64,00.19	39,73.45	7,02.64	3,96,71.00		
Capital Work in Progress includes Capital Advances - Rs. 21,90.86 (Previous Year Rs. 50,75.30 Lacs) **** #									1,71,06.65	1,08,32.62
									<u>3,71,75.59</u>	<u>3,10,57.82</u>

* Schedule 16 [Note 1(b)]

Includes Depreciation amounting to Rs. 5.27 Lacs (Previous year - Rs. 2.51 Lacs) for Capital Project transferred to CWIP

** 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. 20.97 Lacs (Previous Year Rs. 23.05 Lacs). (Also refer Schedule 14)

**** Net of Provision for Capital Work in Progress aggregating Rs. 2,51.39 Lacs (Previous Year Rs. 3,17.00 Lacs). (Also refer Schedule 14)

As at December 31, 2011 (Rs. Lacs)	As at December 31, 2010 (Rs. Lacs)
---	---

4. INVESTMENTS

Long Term Investments (Non Trade) Unquoted

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

-	0.05
<u>-</u>	<u>0.05</u>

	As at December 31, 2011 (Rs. Lacs)	As at December 31, 2010 (Rs. Lacs)
5. INVENTORIES *		
(At lower of Cost and Net Realisable Value)		
Raw Materials [Includes Goods in Transit Rs. 2,28.84 Lacs (Previous Year Rs. 3,76.50 Lacs)]	82,81.70	69,35.65
Packing Materials [Includes Goods in Transit Rs. 59.43 Lacs (Previous Year Rs. 19.80 Lacs)]	13,60.88	13,33.99
Goods in Process	35,05.38	19,32.19
Purchased Finished Goods	12,68.69	18,28.45
Finished Goods (including Bulk powder)	2,12,98.45	1,78,79.23
Stores and Spare parts	12,22.86	12,00.35
By-Products (at Net Realisable Value)	57.62	90.20
	<u>3,69,95.58</u>	<u>3,12,00.06</u>
<i>* Schedule 14, Schedule 16 [Notes 1(d), 10, 21]</i>		
6. SUNDRY DEBTORS		
(Considered good, unless otherwise stated)		
Over six months		
Secured - Considered good	23.28	56.70
Unsecured - Considered good	1,14.62	49.74
Unsecured - Considered doubtful	2,45.50	2,58.34
Less: Provision for doubtful debts	<u>(2,45.50)</u>	<u>(2,58.34)</u>
	1,37.90	1,06.44
Others		
Secured - Considered good	5,87.38	2,99.69
Unsecured - Considered good	<u>91,93.79</u>	<u>46,30.51</u>
	<u>99,19.07</u>	<u>50,36.64</u>
7. CASH AND BANK BALANCES		
Cash and cheques in hand	34.16	-
With Scheduled Banks:		
On Current Accounts	22,03.78	15,88.50
On Dividend Accounts	1,77.50	1,20.25
On Fixed Deposit Accounts	10,55,50.00	9,59,00.00
Post Office Savings Bank Account (Lodged as Security Deposits)	-	1.08
	<u>10,79,65.44</u>	<u>9,76,09.83</u>

	As at December 31, 2011 (Rs. Lacs)	As at December 31, 2010 (Rs. Lacs)
8. OTHER CURRENT ASSETS		
(Unsecured, considered good - unless otherwise stated)		
Interest accrued on Fixed Deposit Accounts / Loans	20,04.21	12,77.95
Other Receivables - Considered good	12,69.82	8,89.82
Other Receivables - Considered doubtful	78.34	82.99
Less: Provision for Doubtful receivables	<u>(78.34)</u>	<u>(82.99)</u>
Security Deposits	16,41.61	12,87.89
	<u>49,15.64</u>	<u>34,55.66</u>
9. LOANS AND ADVANCES		
(Unsecured, considered good - unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received*		
- Unsecured	53,53.41	32,69.24
- Secured	<u>3,86.26</u>	<u>3,78.09</u>
Balances with Excise authorities	24.27	23.63
Fringe Benefits Tax	-	30.00
[Net of Provision Previous Year - Rs. 21,44.17 Lacs]		
Advance Tax	14,49.64	13,09.77
[Net of Provision for Tax - Rs. 9,06,61.06 Lacs (Previous Year Rs. 7,08,55.84 Lacs)]	<u>72,13.58</u>	<u>50,10.73</u>
* Includes amount due from Directors/ Officers of the Company		
Maximum amount outstanding during the year	8.06	7.01
10. CURRENT LIABILITIES *		
Sundry Creditors		
- Total outstanding dues of micro and small enterprises	12,84.08	10,23.21
- Total outstanding dues other than micro and small enterprises	4,88,18.40	3,46,69.25
Other Liabilities	1,12,25.51	78,64.61
Advances from Customers	7,40.51	2,72.97
Trade Security Deposits	43,85.75	30,86.44
Unclaimed Dividend	1,77.51	1,20.25
	<u>6,66,31.76</u>	<u>4,70,36.73</u>

* Schedule 16 [Notes 20, 24]

	As at December 31, 2011 (Rs. Lacs)	As at December 31, 2010 (Rs. Lacs)
11. PROVISIONS *		
Fringe Benefits Tax	2,47.93	-
Employee Benefits	33,30.00	33,46.49
Proposed Final Dividend	1,47,19.44	2,10,27.77
Corporate Dividend Tax	23,87.86	34,92.45
Other Provisions	64,39.62	51,36.94
	<u>2,71,24.85</u>	<u>3,30,03.65</u>

* Schedule 16 [Notes 1(f), 1(h), 1(j), 15, 25 (a)]

	Year Ended December 31, 2011 (Rs. Lacs)	Year Ended December 31, 2010 (Rs. Lacs)
12. OTHER INCOME *		
Miscellaneous Sales	5,60.54	5,23.82
Business Auxillary Service Commission	72,53.65	54,41.53
Insurance and other claims	20.98	-
Miscellaneous Income	5,21.65	3,56.22
Release of accruals	6,81.80	7,98.05
Profit on sale of Fixed Assets (net)	2.06	2,68.88
Exchange fluctuations (net)	3,90.17	-
Interest Income (gross)		
[Tax Deducted at Source Rs. 6,93.00 Lacs (Previous Year Rs. 4,42.00 Lacs)]		
- Loans/Deposits	5.33	5.22
- Bank Deposits	70,01.57	43,20.11
- Income tax refunds	22.64	13.16
- Others	14.67	12.29
	<u>70,44.21</u>	<u>43,50.78</u>
	<u>1,64,75.06</u>	<u>1,17,39.28</u>

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

13. EMPLOYEES' COST *		
Salaries, Wages and Bonus	2,08,30.20	1,78,81.06
Contribution to Provident and Other Funds	24,26.29	27,72.50
Welfare Expenses	25,80.07	23,12.75
	<u>2,58,36.56</u>	<u>2,29,66.31</u>

* Schedule 16 [Notes 1(f), 15, 23]

	Year Ended December 31, 2011 (Rs. Lacs)	Year Ended December 31, 2010 (Rs. Lacs)
14. EXPENSES *		
Stores and Spare Parts consumed	1,90.14	1,94.65
Conversion charges to third parties	89,12.70	87,26.05
Repairs & Maintenance		
- Buildings	1,93.50	1,58.09
- Plant & Machinery	9,48.15	8,80.75
- Others	6,22.33	6,45.12
Power and fuel	55,22.68	45,28.50
Rent (including Lease Rent)	23,38.43	18,86.34
Rates and Taxes	23,63.75	17,78.69
Insurance	4,43.57	4,17.64
Travelling	16,57.47	12,22.73
Carriage and Freight	1,32,69.41	1,12,93.43
Discounts - Sales	88.09	52.85
Donations	75.59	59.97
Advertising and Promotions	4,37,34.50	3,70,62.85
Royalty	93,03.65	81,82.55
Exchange fluctuation (net)	-	1,25.56
Scientific Research and Development	7,63.02	3,98.17
Interest Expense - Others	3,46.64	2,60.15
Provision for Doubtful Other Current Assets/ Advances Written Off	32.94	-
Provision for Doubtful Debts/ Bad Debts written off	-	89.78
Loss on Fixed Assets retired from active use / Provision for Capital Work in Progress	81.04	81.27
Provision for Stock Obsolescence/ Stock written off	10,51.62	5,26.28
Excise duty adjustment for movement in Finished Goods Inventory	2,24.42	6,32.53
Other General Expenses	61,28.41	45,38.33
	<u>9,82,92.05</u>	<u>8,37,42.28</u>

* Schedule 16 [Notes 1(c), 1(e), 1(i), 1(j), 5, 8, 9, 19, 24, 25 (a)]

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

Opening Stock			
Finished Goods (including Bulk powder)	1,78,79.23	1,53,18.67	
Goods in Process	19,32.19	19,77.35	
Purchased Finished Goods	18,28.45	12,40.37	
By-Products	90.20	2,13.68	
	<u>2,17,30.07</u>	<u>1,87,50.07</u>	
Less: Closing Stock			
Finished Goods (including Bulk powder)	2,12,98.45	1,78,79.23	
Goods in Process	35,05.38	19,32.19	
Purchased Finished Goods	12,68.69	18,28.45	
By-Products	57.62	90.20	
	<u>2,61,30.14</u>	<u>2,17,30.07</u>	
Net (Increase)/Decrease	<u>(44,00.07)</u>	<u>(29,80.00)</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 upto 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 December 31, 1994	Assets acquired after April 30, 1986 but up to December 31, 1994	Assets acquired after March 31, 1983 but up to April 30, 1986	Assets acquired up to March 31, 1983
Buildings				
- Factory	-	-	3.5	2/3.5/5.5
- Non – factory	2 / 6.67	2	2	2/2.5
- Tubewells	10	10	10	10/100
Plant and Machinery				
- 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	-	-
Information Technology Equipment (including Computer Software acquired for internal use)				
	20/25/33.33	25	25	25
Motor Vehicles	14.28/20	14.28/20	14.28/20	14.28/20/25
Furniture and Fittings	10/20	10/20	10/20	10/20
Office Equipment	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. 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.

e. 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.

f. 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.

g. 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 when the title of the goods is passed to the customer. 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).

h. 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 December 31, 2011 has been determined based on the results for 3 months ended March 31, 2011 (Assessment Year 2011-2012) and for the 9 months ended December 31, 2011 (Assessment Year 2012-2013). The ultimate liability for the Assessment Year 2012-2013, however, will be determined on the total income of the Company for the year ending on March 31, 2012.

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.

i. 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.

j. 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.

	As at December 31, 2011 (Rs. Lacs)	As at December 31, 2010 (Rs. Lacs)
2. Estimated amount of Contracts remaining to be executed on Capital account (net of Capital advances) and not provided for	1,35,29.36	1,88,60.53
	Year ended December 31, 2011 (Rs. Lacs)	Year ended December 31, 2010 (Rs. Lacs)
3. Remuneration to Directors (Amount paid/ payable)		
Salaries, allowances and other payments	13,07.42	6,62.15
Contribution to Provident and other Funds	87.06	75.78
Value of Perquisites	14.84	13.34
Directors' sitting fees	8.80	6.70
Commission / Other payments to Non-Executive Directors	30.00	22.77
	<u>14,48.12</u>	<u>7,80.74</u>

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. Remuneration to directors for the current year includes Rs. 4,01.60 Lacs, being consideration in connection with retirement from office, awaiting approval of the shareholders in the ensuing general meeting.

Computation of Net Profits under Section 198/349 of the Companies Act, 1956 and calculation of Commission payable to Non-Executive Directors -

	Year ended December 31, 2011 (Rs. Lacs)	Year ended December 31, 2010 (Rs. Lacs)
Profit before Tax	5,40,26.13	4,51,80.45
Add: Directors' Remuneration	14,09.32	7,51.27
Directors' sitting fees	8.80	6.70
Commission / other payments to Non Executive Directors	30.00	22.77
Provision for doubtful other current assets/advances /Debts	32.94	89.78
Exgratia	1,36.32	4,27.06
Loss on fixed assets retired from active use	81.04	81.27
(Profit) / Loss on sale of fixed assets (net)	(2.06)	(2,68.88)
Net Profits under section 198/349 on which Commission is payable	<u>5,57,22.49</u>	<u>4,62,90.42</u>
Commission payable to Non-Executive Directors		
Maximum allowed as per the Companies Act, 1956 at 1%	5,57.22	4,62.90
Restricted by the Board of Directors to	30.00	24.00

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, 2011 (Rs. Lacs)	Year ended December 31, 2010 (Rs. Lacs)
4. Payments in respect of Auditors' Remuneration * -		
(i) As auditor	52.39	45.77
(ii) As advisors or in any capacity for services rendered in respect of :		
- Taxation matters	Nil	Nil
- Company law matters	Nil	Nil
- Management services	Nil	Nil
(iii) In any other manner (for tax audit and other certificates)	25.42	23.81
(iv) Out-of-Pocket expenses	7.11	5.79
	<u>84.92</u>	<u>75.37</u>

* includes service tax

5. Expenditure indicated below allocated to other Revenue Accounts :

Consumption of Stores and Spare Parts	44,44.71	35,73.32
Insurance	5,13.08	4,42.33
Scientific Research and Development	23,48.49	18,26.85

	Unit	Year ended December 31, 2011		Year ended December 31, 2010	
		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*	1,99,23,426	26,55,97.07	1,82,80,410	22,83,72.18
(ii) Packaged Foods	DOZS*	1,92,11,809	1,68,61.19	1,75,59,115	1,36,02.74
(iii) Ghee (By Product)	MT	389	7,51.29	571	11,02.26
			<u>28,32,09.55</u>		<u>24,30,77.18</u>

* Converted into uniform pack size.

	Unit	Year ended December 31, 2011		Year ended December 31, 2010	
		Quantity	Value (Rs. Lacs)	Quantity	Value (Rs. Lacs)
7. Raw Materials Consumed (Refer Note 9) (Includes goods processed by third parties)					
Milk Powder	MT	8,328	1,46,55.00	7,996	1,16,64.83
Liquid Milk	MT	62,165	1,41,83.97	59,130	1,21,97.45
Malt and Malt Extract	MT	71,418	1,72,00.37	65,041	1,42,09.62
Flour (Wheat)	MT	31,489	51,00.43	29,167	47,43.81
Others			2,02,32.67		1,65,34.49
			<u>7,13,72.44</u>		<u>5,93,50.20</u>

		Year ended December 31, 2011		Year ended December 31, 2010	
		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		2.08	14,87.46	2.44	14,47.98
Indigenous		97.92	6,98,84.98	97.56	5,79,02.22
		<u>100.00</u>	<u>7,13,72.44</u>	<u>100.00</u>	<u>5,93,50.20</u>
(b) Spare Parts and Stores (Refer Note 5):					
Imported		-	0.00	0.00	0.09
Indigenous		100.00	46,34.85	100.00	37,67.88
		<u>100.00</u>	<u>46,34.85</u>	<u>100.00</u>	<u>37,67.97</u>

9. Raw Materials consumed as shown under Notes 7 and 8 (a) above includes Rs. 7,39.20 Lacs (Previous Year Rs. 5,83.40 Lacs) being the cost of materials consumed on samples used for promotional purposes included under Advertising and Promotion expenses (Refer Schedule 14), Rs. 38.09 Lacs (Previous Year Rs. 64.15 Lacs) being the cost of stock breakages recoverable from the Insurance Company and provision for stock obsolescence Rs. 5,33.62 Lacs (Previous Year Rs. 1,81.49 Lacs).

10. Details of Purchased Finished Goods:

Unit	Opening stock				Purchases				Closing Stock*			
	As on January 1, 2011		As on January 1, 2010		Year Ended December 31, 2011		Year Ended December 31, 2010		As on December 31, 2011		As on December 31, 2010	
	Quantity	Value Rs. (Lacs)	Quantity	Value Rs. (Lacs)	Quantity	Value Rs. (Lacs)	Quantity	Value Rs. (Lacs)	Quantity	Value Rs. (Lacs)	Quantity	Value Rs. (Lacs)
Packaged Foods DOZS	25,93,930	18,28.45	18,21,973	12,40.37	2,08,15,817	1,34,32.98	1,84,88,177	1,16,37.05	18,03,706	12,68.69	25,93,930	18,28.45
		<u>18,28.45</u>		<u>12,40.37</u>		<u>1,34,32.98</u>		<u>1,16,37.05</u>		<u>12,68.69</u>		<u>18,28.45</u>

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

	Year ended December 31, 2011 (Rs. Lacs)	Year ended December 31, 2010 (Rs. Lacs)
11. Value of Imports calculated on C.I.F. basis:		
Raw Materials	11,33.43	13,52.05
Capital Goods	7,00.63	16,23.91
	<u>18,34.06</u>	<u>29,75.96</u>

	Year ended December 31, 2011 (Rs. Lacs)	Year ended December 31, 2010 (Rs. Lacs)
12. Expenditure in Foreign Currency (on cash basis)		
Travelling	33.76	36.46
Advertisement & Promotions	13.14	54.20
Consultancy *	85.00	1,57.68
Software	1,45.77	2,40.48
Others	2,15.55	1,21.61
	<u>4,93.22</u>	<u>6,10.43</u>

* Includes Rs. 25.02 Lacs (Previous Year Rs. 67.27 Lacs) included under Capital Work in Progress on Schedule 3

13. (i) 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) Dividend	90,76.12	32,67.40
(ii) Proposed final dividend is not subject to deduction of tax at source		

14. Earnings in Foreign Exchange :		
- Export of goods on F.O.B. basis	1,81,59.21	1,33,31.75
- Miscellaneous Income	1,35.67	1,19.41

15. (a) The Company has classified the various benefits provided to employees as under -

I. Defined Contribution Plan

a. Indian Senior Executive Superannuation Fund

During the year, the Company has recognised the following amounts in the Profit and Loss Account

- Employer's Contribution to Indian Senior Executives Superannuation Fund *	4,05.03	4,46.12
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II. State Plans

a. Employer's Contribution to Employee's State Insurance

b. Employer's Contribution to Employee's Pension Scheme 1995

During the year, the Company has recognised the following amounts in the Profit and Loss Account

- Employer's Contribution to Employee's State Insurance *	32.31	40.43
- Employer's Contribution to Employee's Pension Scheme 1995 *	2,31.33	2,26.55

* 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 31st, 2011 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. Post- Employment Medical Assistance Scheme

based on the following assumptions –

	Leave Encashment/ Compensated Absences		Employees Gratuity Fund		Senior Staff Gratuity Fund		Provident Fund	
	2011	2010	2011	2010	2011	2010	2011	2010
Discount Rate (per annum)	8.50%	7.50%	8.50%	7.50%	8.50%	7.50%	8.50%	7.50%
Rate of increase in Compensation levels*	8.00% / 10.00% / 12.00%	8.00% 10.00%	8.00% / 10.00% / 12.00%	8.00% 10.00%	8.00% / 10.00% / 12.00%	8.00% 10.00%	8.00% / 10.00% / 12.00%	8.00% 10.00%
Rate of Return on Plan Assets Expected Average remaining working lives of employees (Years)	N.A. 12.65/ 13.71	N.A. 12.27/ 13.14	8.68% 14.36	8.47% 14.04	8.59% 20.20	8.65% 19.90	N.A. N.A.	N.A. N.A.

* 12% and 10% for short term and 8% for the long term

- (i) In calculating the leave encashment liability, 20% of the earned / special leave has been assumed to be availed of during the service before separation.
- (ii) 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.
- (iii) The liability for Gratuity fund for the year 2012 has not been worked out as the same is based on the increase in the basic salary and allowances in April 2013.
- (iv) 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 December 31, 2011 after reducing the amount of amortization of premium for one year.
- (v) 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	
	2011	2010	2011	2010	2011	2010
Present Value of Obligation as at January 1	2,74.57	2,14.33	23,79.65	20,15.32	42,50.49	38,67.87
Interest Cost	23.43	15.00	2,03.06	1,41.07	3,62.67	2,70.75
Past Service Cost	-	-	-	-	-	92.90
Current Service Cost	43.00	35.98	2,36.17	1,96.45	4,37.09	3,91.79
Curtailment Cost / (Credit)	-	-	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-	-	-
Benefits Paid	(9.01)	(8.74)	(2,12.80)	(1,74.83)	(2,74.94)	(6,12.49)
Actuarial (gain) / loss on obligations	(29.65)	18.00	17.63	2,01.64	(1.87)	2,39.67
Present Value of Obligation as at December 31	3,02.34	2,74.57	26,23.71	23,79.65	47,73.44	42,50.49

(B) Changes in the Fair value of Plan Assets

(Rs. Lacs)

	Leave Encashment/ Compensated Absences		Employees Gratuity Fund		Senior Staff Gratuity Fund	
	2011	2010	2011	2010	2011	2010
Fair Value of Plan Assets as at January 1	-	-	22,71.42	18,97.85	40,79.29	37,78.63
Expected Return on Plan Assets	N.A.	N.A.	1,95.11	1,60.75	3,54.09	3,26.85
Actuarial Gains and (Losses)	N.A.	N.A.	3.57	10.67	16.91	8.96
Contributions	-	-	3,26.41	3,77.20	4,32.31	6,03.89
Benefits Paid	-	-	(2,12.80)	(1,74.83)	(2,74.94)	(6,39.04)
Fair Value of Plan Assets as at December 31	-	-	25,83.71	22,71.64	46,07.66	40,79.29
Unpaid Amount	-	-	(0.22)	(0.22)	-	-
Fair Value of Plan Assets as at December 31 (net of unpaid amount)	-	-	25,83.49	22,71.42	46,07.66	40,79.29

(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	(3,02.34)	(2,74.57)	26,23.71	23,79.65	47,73.44	42,50.49
Fair Value of Plan Assets as at the end of the period	-	-	25,83.49	22,71.42	46,07.66	40,79.29
Funded Status	-	-	(40.22)	(1,08.23)	(1,65.78)	(1,71.20)
Present Value of unfunded obligation as at December 31	3,02.34	2,74.57	-	-	-	-
Unrecognized Actuarial (gains) / losses	-	-	-	-	-	-
Unfunded Net Asset / (Liability) recognized in Balance Sheet *	(3,02.34)	(2,74.57)	(40.22)	(1,08.23)	(1,65.78)	(1,71.20)

* 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, 2011	Year Ended December 31, 2010	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2011	Year Ended December 31, 2010
Current Service Cost	43.00	35.98	2,36.17	1,96.45	4,37.09	3,91.79
Past Service Cost	-	-	-	-	-	92.90
Interest cost	23.43	15.00	2,03.06	1,41.07	3,62.67	2,70.75
Expected Return on Plan Assets	N.A.	N.A.	(1,95.11)	(1,60.75)	(3,54.09)	(3,26.85)
Curtailment Cost / (Credit)	-	-	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-	-	-
Net actuarial (gain) / loss recognized in the period	(29.65)	18.00	14.06	1,90.97	(18.78)	2,30.71
Total expenses recognized in the Profit and Loss Account	36.78 ***	68.98 ***	2,58.18 **	3,67.74 **	4,26.89 **	6,59.30 **

** 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, 2011	As at December 31, 2010	As at December 31, 2011	As at December 31, 2010	As at December 31, 2011	As at December 31, 2010
Equity Instruments	N.A.	N.A.	-	-	-	-
Debt Instruments	N.A.	N.A.	24,57.18	21,76.39	44,30.87	41,87.30
Property	N.A.	N.A.	-	-	-	-
Other Assets (Net)	N.A.	N.A.	1,26.31	95.03	1,76.79	(1,08.01)
Total of the Plan Assets	N.A.	N.A.	25,83.49	22,71.42	46,07.66	40,79.29

(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. 1,44.85 Lacs (Previous Year Rs. 2,37.52 Lacs) [Refer Schedule 11] determined on the basis of an actuarial valuation carried out as at December 31, 2011 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. 26,79.62 Lacs (Previous Year Rs. 25,54.98 Lacs) [Refer Schedule 11] determined on the basis of an actuarial valuation carried out as at December 31, 2011. 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, 2011	January 1, 2010	Year ended December 31, 2011	Year ended December 31, 2010	December 31, 2011	December 31, 2010
Depreciation/Amortization	11,53.30	12,83.01	(3,63.49)	(1,29.71)	7,89.81	11,53.30
Section 43B Disallowances	(22,85.22)	(16,96.72)	(6,81.73)	(5,88.50)	(29,66.95)	(22,85.22)
VRS	(1,51.26)	(2,56.14)	70.88	1,04.88	(80.38)	(1,51.26)
Provision for Doubtful Debts	(85.82)	(69.74)	6.17	(16.08)	(79.65)	(85.82)
Other Disallowances	(13,04.46)	(3,61.57)	(3,47.34)	(9,42.89)	(16,51.80)	(13,04.46)
Deferred Tax Liability (net)	(26,73.46)	(11,01.16)	(13,15.51)	(15,72.30)	(39,88.97)	(26,73.46)

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'.

		Year ended December 31, 2011	Year ended December 31, 2010
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)	3,55,20,70,384	2,99,85,23,633
- Basic/ Weighted average number of Equity Shares outstanding during the year	(B)	4,20,55,538	4,20,55,538
- Nominal value of Equity Shares (Rs.)		10.00	10.00
- Basic/ Diluted Earnings per Share (Rs.)	(A) / (B)	84.46	71.30

19. In accordance with the requirements of Accounting Standard (AS) - 19 'Leases', the Company has entered into 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. 8,80.48 Lacs (Previous Year Rs. 4,98.82 Lacs). Total of future Minimum Lease Payments under non-cancellable leases in case of the premise on lease:

- Not later than 1 year	Rs. 7,67.10 Lacs
- Later than 1 and not later than 5 years	Rs. 2,47.42 Lacs
- Later than five years	Nil

20. The amounts due to Micro & Small Enterprises as at December 31, 2011 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 is payable under the terms of the MSMED Act, 2006.

21. Details of Class of Goods –

	Annual Capacity				Actual Production*		Stock of Goods Produced							
	Licensed		Installed		Year Ended	Year Ended	Opening			Closing				
	31.12.11	31.12.10	31.12.11	31.12.10	31.12.11	31.12.10	As on 01.01.11		As on 01.01.10		As on 31.12.11		As on 31.12.10	
	Qty MT	Qty MT	Qty MT	Qty MT	Qty MT	Qty MT	Qty MT	Rs. Lacs	Qty MT	Value Rs. Lacs	Qty MT	Value Rs. Lacs	Qty MT	Value Rs. Lacs
1. Malt Based Foods	1,05,000	98,100	} 1,14,400	1,09,200	37,689	35,895	6,107	66,52.32	5,427	57,24.18	6,543	79,58.40	6,107	66,52.32
2. Cereal Based Beverage	2,000	2,000		3,414	2,165	383	6,01.88	528	6,86.59	586	9,53.96	383	6,01.88	
3. Powdered Milk	3,000	3,000	} 1,200	2,200	-	-	-	-	-	-	-	-	-	-
4. Protein Rich Foods	3,000	3,000		960	1,133	199	4,75.40	231	4,83.93	28	1,01.53	199	4,75.40	
5. Nutritional Food Powder	1,200	1,200		56	50	12	40.97	8	30.32	6	22.11	12	40.97	
6. Malt Based Foods	-	-	-	-	78,982	73,212	9,862	1,00,56.83	8,443	81,45.64	10,182	1,11,04.07	9,862	1,00,56.83
7. Protein Rich Foods	-	-	-	-	516	-	-	-	28	59.68	248	5,56.28	-	-
8. Cereal Based Beverage	-	-	-	-	342	-	-	-	-	-	256	4,46.87	-	-
Total (1+2+3+4+5+6+7+8)	1,14,200	1,07,300	1,15,600	1,11,400	1,21,959	1,12,455	16,563	1,78,27.40	14,665	1,51,30.34	17,849	2,11,43.22	16,563	1,78,27.40
9. Ghee	6,000	6,000	4,000	4,000	371	513	47	90.20	108	2,13.68	24	57.62	47	90.20
10. Packaged Foods	-	-	-	-	638	603	34	51.83	59	1,88.33	131	1,55.23	34	51.83
							<u>1,79,69.43</u>		<u>1,55,32.35</u>		<u>2,13,56.07</u>		<u>1,79,69.43</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 48,280 MT (Previous Year 43,081 MT) for captive consumption. This intermediate product is further processed at 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 5,586 MT amounting to Rs. 60,01.19 Lacs (Previous year 5,100 MT amounting to Rs. 51,18.83 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, 4, 5 & 9 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 July 25, 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, 8 & 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 which are under Common Control -

- (a) Glaxo Operations UK Area
- (b) Glaxo SmithKline Bangladesh Ltd.
- (c) Glaxo SmithKline Exports Ltd.
- (d) Glaxo Wellcome Indonesia
- (e) GlaxoSmithKline Asia Pvt. Ltd.
- (f) GlaxoSmithKline Australia Pty
- (g) GlaxoSmithKline Consumer Healthcare GmbH
- (h) GlaxoSmithKline Consumer Healthcare Kenya
- (i) GlaxoSmithKline Consumer Healthcare SDN BHD Malaysia
- (j) GlaxoSmithKline Pharmaceuticals Ltd.
- (k) GlaxoSmithKline Philippines Inc.
- (l) GlaxoSmithKline Pte. Ltd.
- (m) GlaxoSmithKline Services Unlimited (U.K.)
- (n) GlaxoSmithKline Trading Services Limited
- (o) GSK Nigeria
- (p) GSK Plc, UK
- (q) GSK Services Limited
- (r) SB Bangladesh
- (s) PT Sterling Products Indonesia
- (t) SB Corp CB (USA)
- (u) SB Pharmaceutical Services
- (v) SB Research Ltd.
- (w) SB Corporate Centre
- (x) SmithKline Beecham (Pvt) Ltd., Sri Lanka
- (y) SmithKline Beecham Corporation
- (z) Sterling Drugs (M) Sdn Bhd
- (aa) Tianjin SmithKline & French Labs Ltd., China
- (bb) GSK China Investment Co. Ltd.
- (cc) Glaxo Wellcome Manufacturing Pte. Ltd.
- (dd) GSK South Africa Pty
- (ee) Glaxo Saudi Arabia Ltd.

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. R. Subramanian, Director - Finance

(Rs. Lacs)

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

Particulars	Year ended December 31, 2011					Year ended December 31, 2010				
	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
Sale of goods (Exports)	-	1,35,77.08	-	-	1,35,77.08	-	1,01,27.48	-	-	1,01,27.48
SmithKline Beecham (Pvt) Ltd., Sri Lanka	-	56,68.82	-	-	56,68.82	-	45,90.88	-	-	45,90.88
GlaxoSmithKline Bangladesh Ltd.	-	74,02.13	-	-	74,02.13	-	43,84.00	-	-	43,84.00
Others	-	5,06.13	-	-	5,06.13	-	11,52.60	-	-	11,52.60
Sale of Raw Materials	-	1,83.66	-	-	1,83.66	-	1,21.18	-	-	1,21.18
GlaxoSmithKline Bangladesh Ltd.	-	1,83.66	-	-	1,83.66	-	1,21.18	-	-	1,21.18
Consignment Sales (Gross)	-	4,78,07.86	-	-	4,78,07.86	-	3,73,42.48	-	-	3,73,42.48
GlaxoSmithKline Asia Pvt. Ltd.	-	3,81,47.63	-	-	3,81,47.63	-	2,85,20.39	-	-	2,85,20.39
GlaxoSmithKline Pharmaceuticals Ltd.	-	96,60.23	-	-	96,60.23	-	88,22.09	-	-	88,22.09
Services received (Paid / Payable)	-	1,61.56	-	-	1,61.56	-	75.48	-	-	75.48
Glaxo Operations UK Area ^	-	1,25.20	-	-	1,25.20	-	52.05	-	-	52.05
GlaxoSmithKline Australia Pty	-	36.36	-	-	36.36	-	23.43	-	-	23.43
Payment on Behalf of Fellow Subsidiaries (Received / Receivable) **	-	64,54.95	-	-	64,54.95	-	45,55.40	-	-	45,55.40
GlaxoSmithKline Asia Pvt. Ltd.	-	34,81.17	-	-	34,81.17	-	18,17.54	-	-	18,17.54
GlaxoSmithKline Pharmaceuticals Ltd.	-	8,19.62	-	-	8,19.62	-	7,77.37	-	-	7,77.37
Glaxo SmithKline Exports Ltd.	-	5,57.32	-	-	5,57.32	-	4,64.83	-	-	4,64.83
Others	-	15,96.84	-	-	15,96.84	-	14,95.66	-	-	14,95.66
Reimbursements of Expenses (Paid / Payable) **	-	2,69.40	-	-	2,69.40	-	2,87.50	-	-	2,87.50
GlaxoSmithKline Services Unlimited (U.K.)	-	55.96	-	-	55.96	-	1,14.70	-	-	1,14.70
GlaxoSmithKline Pte. Ltd.	-	20.21	-	-	20.21	-	1,07.21	-	-	1,07.21
Glaxo SmithKline Exports Ltd.	-	80.43	-	-	80.43	-	1.03	-	-	1.03
Others	-	1,12.80	-	-	1,12.80	-	64.56	-	-	64.56
Business Auxiliary Service Commission *	-	80,00.77	-	-	80,00.77	-	60,02.05	-	-	60,02.05
GlaxoSmithKline Asia Pvt. Ltd.	-	68,93.00	-	-	68,93.00	-	50,14.94	-	-	50,14.94
GlaxoSmithKline Pharmaceuticals Ltd.	-	11,07.77	-	-	11,07.77	-	9.87.11	-	-	9.87.11
Rent paid *	-	2,12.76	-	-	2,12.76	-	1,82.06	-	-	1,82.06
GlaxoSmithKline Asia Pvt. Ltd.	-	2,12.76	-	-	2,12.76	-	1,82.06	-	-	1,82.06
Rent received *	-	0.79	-	-	0.79	-	0.79	-	-	0.79
GlaxoSmithKline Asia Pvt. Ltd.	-	0.79	-	-	0.79	-	0.79	-	-	0.79
Licence agreement (Royalty Paid / Payable) *	-	96,02.29	-	-	96,02.29	-	84,24.44	-	-	84,24.44
GlaxoSmithKline Asia Pvt. Ltd.	-	96,02.29	-	-	96,02.29	-	84,24.44	-	-	84,24.44
Dividend Paid	90,76.12	-	-	-	90,76.12	32,67.40	-	-	-	32,67.40
Horlicks Limited	90,76.12	-	-	-	90,76.12	32,67.40	-	-	-	32,67.40
Remuneration paid ***	-	-	14,09.32	-	14,09.32	-	-	7,51.27	-	7,51.27
Praveen Kumar Gupta	-	-	6,33.54	-	6,33.54	-	-	1,45.15	-	1,45.15
Zubair Ahmed	-	-	5,70.22	-	5,70.22	-	-	4,31.04	-	4,31.04
R. Subramanian	-	-	2,05.56	-	2,05.56	-	-	1,75.08	-	1,75.08

(Rs. Lacs)

Particulars	Year ended December 31, 2011					Year ended December 31, 2010				
	Promoter Company	Companies under Common Control	Key Management Personnel	Trusts under the control of Trustees	Total	Promoter Company	Companies under Common Control	Key Management Personnel	Trusts under the control of Trustees	Total
Annual Contributions made by the Company										
Provident Fund Trust	-	-	-	54,31.38	54,31.38	-	-	-	56,02.22	56,02.22
Senior Staff Gratuity Fund	-	-	-	41,62.37	41,62.37	-	-	-	36,01.32	36,01.32
Employees Gratuity Fund	-	-	-	4,26.90	4,26.90	-	-	-	6,60.06	6,60.06
Indian Senior Executives Superannuation Scheme	-	-	-	2,58.39	2,58.39	-	-	-	3,67.74	3,67.74
	-	-	-	5,83.72	5,83.72	-	-	-	9,73.10	9,73.10
Payments made by the Company to the employees on behalf of Trust towards their settlement										
Provident Fund Trust	-	-	-	36,02.43	36,02.43	-	-	-	32,07.97	32,07.97
Senior Staff Gratuity Fund	-	-	-	28,41.41	28,41.41	-	-	-	20,32.99	20,32.99
Employees Gratuity Fund	-	-	-	2,75.77	2,75.77	-	-	-	6,43.20	6,43.20
Indian Senior Executives Superannuation Scheme	-	-	-	2,13.27	2,13.27	-	-	-	1,78.81	1,78.81
	-	-	-	2,71.98	2,71.98	-	-	-	3,52.97	3,52.97
Recoveries made from Trusts on account of settlement and Investments										
Provident Fund Trust	-	-	-	37,67.54	37,67.54	-	-	-	29,37.53	29,37.53
Senior Staff Gratuity Fund	-	-	-	27,23.44	27,23.44	-	-	-	19,58.37	19,58.37
Employees Gratuity Fund	-	-	-	6,10.49	6,10.49	-	-	-	4,44.88	4,44.88
Indian Senior Executives Superannuation Scheme	-	-	-	2,20.96	2,20.96	-	-	-	1,81.31	1,81.31
	-	-	-	2,12.65	2,12.65	-	-	-	3,52.97	3,52.97
Interest Shortfall on Provident Fund Trust										
Provident Fund Trust	-	-	-	1,76.84	1,76.84	-	-	-	2,79.07	2,79.07
	-	-	-	1,76.84	1,76.84	-	-	-	2,79.07	2,79.07
Balances as at year end - Receivables										
SB Corporate Centre	-	33,13.36	-	2,76.32	35,89.68	-	11,81.15	-	4,41.43	16,22.58
SmithKline Beecham (Pvt.) Ltd., Sri Lanka	-	-	-	-	-	-	1,89.06	-	-	1,89.06
Glaxo SmithKline Bangladesh Ltd.	-	7,81.09	-	-	7,81.09	-	3,43.24	-	-	3,43.24
Provident Fund Trust	-	19,19.61	-	-	19,19.61	-	4,46.37	-	-	4,46.37
Senior Staff Gratuity Fund	-	-	-	1,85.59	1,85.59	-	-	-	67.62	67.62
Employees Gratuity Fund	-	-	-	23.16	23.16	-	-	-	3,57.88	3,57.88
Indian Senior Executives Superannuation Scheme	-	-	-	8.24	8.24	-	-	-	15.93	15.93
Others	-	6,12.66	-	59.33	6,12.66	-	2,02.48	-	-	2,02.48
	-	31,16.72	-	7,57.87	38,74.59	-	22,23.42	-	8,81.39	31,04.81
Balances as at year end - Payables										
GlaxoSmithKline Services Unlimited (U.K.)	-	(31,16.72)	-	(7,57.87)	(38,74.59)	-	(22,23.42)	-	(8,81.39)	(31,04.81)
GlaxoSmithKline Asia Pvt. Ltd.	-	(20,18.11)	-	-	(20,18.11)	-	(2,77.07)	-	-	(2,77.07)
GlaxoSmithKline Pharmaceuticals Ltd.	-	(8,64.38)	-	-	(8,64.38)	-	(11,31.00)	-	-	(11,31.00)
Provident Fund Trust	-	-	-	(5,03.40)	(5,03.40)	-	(6,71.58)	-	-	(6,71.58)
Senior Staff Gratuity Fund	-	-	-	(1,65.78)	(1,65.78)	-	-	-	(5,54.49)	(5,54.49)
Employees Gratuity Fund	-	-	-	(40.22)	(40.22)	-	-	-	(1,71.19)	(1,71.19)
Indian Senior Executives Superannuation Scheme	-	-	-	(48.47)	(48.47)	-	-	-	(1,08.23)	(1,08.23)
Others	-	(2,34.23)	-	-	(2,34.23)	-	(1,43.77)	-	(47.48)	(47.48)
	-	(31,16.72)	-	(7,57.87)	(38,74.59)	-	(22,23.42)	-	(8,81.39)	(31,04.81)

* 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.

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

- (c) The Company recovers Business Auxiliary 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 which was accepted under an agreement by the parties. Further, the Company also recovers the employee benefit cost in respect of employees seconded by it to Group companies.
23. Certain employees of the Company are entitled to receive cash settled stock based awards ('awards') pursuant to employee share schemes ('scheme') administered by GlaxoSmithKline Plc. ('Plc'). The cost related to these awards is accounted for in the books of the Company. The following types of awards are granted to the Indian employees:
- a) Restricted Share Awards (RSAs) - Under this plan, certain employees are granted cash settled RSAs, which entitle them to receive cash equivalent to the stock price of the Plc's shares listed at London stock exchange after a three year vesting period during which the employee has to remain in continuous employment with the Company. These RSA's do not give any voting rights or the right to accrue dividends. During the current year, the Plc Company granted 92,304 RSA's to the employees of the Company.
- (b) Share Appreciation Rights (SARs) - Under this plan, certain employees are granted cash settled SARs which entitle the holder to receive cash, equivalent to the difference between the Plc Company's ordinary stock price posted on the London Stock Exchange on the exercise date and the grant date stock price. These instruments vest over a period of three years from the grant date based on continued employment of the employee with the Company. Once vested, an employee can decide to exercise the vested SARs anytime during the next 7 years, thus these instruments have a total contractual life of 10 years. No new SAR's were issued during the current year due to change in Plc's share value plan.
- The Company has used intrinsic value method to account for the compensation cost of these awards issued to certain employees of the Company. The Company recognizes expense relating to the awards received by the employees under the scheme as the employees render service, which generally is equivalent to the vesting period of these awards. Once these awards vest, Company re-measures these awards at each reporting period and immediately recognizes compensation cost for any changes in the intrinsic value of these awards.
- Had the Company used an option pricing model to fair value the SARs, the impact on the compensation cost for the year and the impact on Company's net profit and earnings per share would not have been material.
- Accordingly, a sum of Rs. 8,34.37 Lacs (Previous year Rs. 1,92.53 Lacs) has been accounted in the financial statements as Salaries, Wages and Bonus under 'Employees cost' (Refer Schedule 13) and the total carrying amount at the end of the period is Rs. 16,46.74 Lacs (Previous year Rs. 9,22.56 Lacs).
24. The Company has various direct and indirect tax disputes as at the year end and adequate liability/provision has been provided for/made aggregating Rs. 71,57.63 Lacs (Previous year Rs. 46,58.59 Lacs) wherever considered necessary by the Management, based on legal advice obtained by the Company and merits of the case (Refer Schedule 10).
25. (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, 2011	Additions	Utilizations	Reversals/Adjustments	December 31, 2011
(i) Indirect Taxes	18,80.01	5,60.94	-	-	24,40.95
(ii) Other Matters / Estimated Sales Returns	32,56.93	16,51.95	5,84.47	3,25.76	39,98.65
Total	51,36.94	22,12.89	5,84.47	3,25.76	64,39.60

- (i) Indirect Tax matters - Includes provisions made mainly for probable claims arising out of certain tax matters under various statutes. The probability and the timing of the outflow, and expected reimbursements if any, with regard to these matters depends on the ultimate settlement /conclusion of these matters with the relevant authorities.
- (ii) Other Matters/Estimated sales returns - Includes primarily provision for estimated sales returns made for products sold by the Company basis the best estimates of management. The timing and probability of outflow and expected reimbursements, if any, with regard to these matters will depend on the market scenario and the consequent decision /conclusion by the Management.

- (b) Contingent Liabilities not provided for:

	As at December 31, 2011 (Rs. Lacs)	As at December 31, 2010 (Rs. Lacs)
Cheques under Cash Management System Claims made against the Company not acknowledged as debts (to the extent ascertainable)	29.36	95.31
a) Direct Tax	1,59,92.33	1,43,04.66
b) Indirect Taxes - net of tax Rs. 36.93 Lacs (Previous Year Rs. 1,70.76 Lacs)	76.90	3,43.31

The amounts shown above represent the best possible estimates of pending litigations/disputes arrived at on the basis of available information. The above do not include potential risks/demands, if any for ongoing issues, where no claims have been made against the company. The uncertainties and possible reimbursements if any are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

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

For Price Waterhouse

Firm Registration Number :301112E

Chartered Accountants

Usha Rajeev

Partner

Membership No.: F 087191

Place : Gurgaon

Dated : February 6, 2012

S.J. Scarff

Chairman

Zubair Ahmed

Managing Director

Ramakrishnan Subramanian

Kunal Kashyap

Directors

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



