



**UNAUDITED FINANCIAL RESULTS  
FOR THE THREE MONTHS ENDED 30TH SEPTEMBER, 2001**

Rs in crores

	Three Months Ended 30th September 2001	Three Months Ended 30th September 2000	Six Months Ended 30th September 2001	Six Months Ended 30th September 2000	Year ended 31st March 2001 ( Audited )
<b>Net Sales / Income from Operations</b>	1,207.17	1,192.15	2,391.34	2,388.03	4,839.74
Other Income	19.70	21.24	34.24	33.48	89.71
Total Expenditure					
- Decrease / ( Increase ) in Stock	79.01	(47.76)	37.89	(26.22)	(62.65)
- Raw Material Consumed	315.39	387.79	632.84	763.38	1,569.77
- Purchases of Finished Goods	57.47	103.13	181.99	180.07	310.49
- Payment to & Provision for Employees	83.67	81.94	166.33	156.79	313.28
- Power & Fuel	181.04	183.99	359.46	368.26	725.04
- Freight , Handling & Other expenses	133.09	114.27	269.77	248.79	480.47
- Other Expenditure	165.93	171.15	318.33	323.21	681.56
<b>Total Expenditure</b>	<b>1,015.60</b>	<b>994.51</b>	<b>1,966.61</b>	<b>2,014.28</b>	<b>4,017.96</b>
Interest	47.85	60.49	95.37	121.77	238.78
<b>Gross profit</b>	<b>163.42</b>	<b>158.39</b>	<b>363.60</b>	<b>285.46</b>	<b>672.71</b>
Depreciation	61.87	62.97	124.46	125.23	251.90
<b>Profit before Extra Ordinary Items and Tax Expense</b>	<b>101.55</b>	<b>95.42</b>	<b>239.14</b>	<b>160.23</b>	<b>420.81</b>
Profit on Sale of Undertaking					18.44
Loss on Closure of Mavoor Units					
- Retrenchment Compensation	(18.43)		(18.43)		
- Write Down of Fixed Assets on Retirement from active use	(19.01)		(19.01)		
Employees separation cost	(15.03)	(6.45)	(17.38)	(7.83)	(11.35)
<b>Profit before Tax Expense</b>	<b>49.08</b>	<b>88.97</b>	<b>184.32</b>	<b>152.40</b>	<b>427.90</b>
Provision for Current Tax	(8.00)	(6.00)	(31.00)	(10.00)	(50.00)
<b>Net Profit before Deferred Tax</b>	<b>41.08</b>	<b>82.97</b>	<b>153.32</b>	<b>142.40</b>	<b>377.90</b>
Provision for Deferred Tax	(9.45)	(6.60)	(19.45)	(11.30)	@
<b>Net Profit</b>	<b>31.63</b>	<b>76.37</b>	<b>133.87</b>	<b>131.10</b>	<b>377.90</b>
Paid up Equity Share Capital ( Face Value Rs. 10 per share )	91.69	91.69	91.69	91.69	91.69
Reserves excluding Revaluation Reserve					2,983.71
<b>Basic &amp; Diluted EPS for the period ( Rupees )</b>	<b>3.45</b>	<b>8.33</b>	<b>14.60</b>	<b>14.30</b>	<b>41.21</b>
<b>Basic &amp; Diluted EPS for the period ( Rupees ) - before EO Items</b>	<b>9.17</b>	<b>9.03</b>	<b>20.58</b>	<b>15.15</b>	<b>40.44</b>
<b>Aggregate of Non-Promoter Shareholding</b>					
- Number of Shares			72984805		
- Percentage of Shareholding			79.62%		

**Notes:**

- As per the Accounting Standard 22 (AS 22) relating to " Accounting for Taxes on Income" which has become mandatory from 1st April 2001, Company has provided Deferred Tax Liability for the current quarter and half year ended 30th September 2001. No provision for Deferred Tax Liability was required to be made in the corresponding quarter and half year ended 30th September 2000 as the said AS 22 was then not applicable. However , the figures of corresponding quarter / half year of last year have been recast to give effect to the appropriate deferred tax liability and to make the results comparable.  
As per AS 22, cumulative net deferred tax liability upto 31st March 2001 works out to Rs. 587 crs. and the same will be met out of the revenue reserves. This adjustment has not been reflected in the year ended 31st March 2001 column , which remains as per audited accounts.  
The Deferred Tax Liability has arisen substantially on account of the timing difference between the Depreciation admissible under Income Tax Laws and Accounting Depreciation. Though, provision is being made in accordance with the AS 22, having regard to the normal capital expenditure which the company is expected to make in the future years, the timing difference is not expected to be reversed and no cash outgo is expected to materialise towards such liability in foreseeable future.
- The Company has entered into a Memorandum of Settlement effective 1st July 2001 with the Workers' and Staff Unions of its Pulp and Fibre Units situated at Mavoor (Kerala) for closure of both these units. Retrenchment Compensation to the employees in terms of the settlement is Rs. 55.30 Crs. Company has charged/provided one-third of this amount i.e. Rs. 18.43 Crs. in this quarter and balance two-third will be charged/provided in next two quarters equally. The retrenchment compensation is one-time extraordinary charge and has been shown separately. As per Accounting Standard 10 , fixed assets of the said Mavoor Units which are retired from active use, are valued at lower of its "Net Book Value and Net Realizable Value". The difference between "Net Book Value" and "Net Realizable Value" , being estimated loss on write down of such fixed assets on such retirement amounts to Rs. 19.01 Crs. and the same has been charged/provided in this quarter. This loss is a one-time extraordinary non-cash item and has been disclosed separately.  
Consequent to the closure , the saving in "recurring expenditure on employees and other standing charges" is estimated at Rs. 27 Crs. annually.
- The Company had filed a Scheme of Arrangement under Section 391/394 of the Companies Act , 1956 in the High Court of Madhya Pradesh in October,2000 inter alia providing for sale/transfer of assets of the Mavoor Units, which is pending for disposal.
- Previous period's figures have been regrouped / rearranged wherever necessary to conform to this period's classification.
- The Auditors of the Company have carried out "Limited Review" of the financial results for six months ended on 30th September 2001 in terms of clause 41 of the Listing Agreement with stock exchanges.
- The above results have been taken on record at the meeting of the Board of Directors held on 31st October, 2001.

For and on behalf of Board of Directors

Place : Mumbai  
Date : 31st October, 2001

**Kumar Mangalam Birla**  
Chairman

**GRASIM INDUSTRIES LIMITED**

Regd. Office: Birlagram, Nagda (M.P.)

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