



**AUDITED FINANCIAL RESULTS  
FOR THE YEAR ENDED ON 31st MARCH , 2002**

Rs in crores

	Three Months Ended 31st March 2002	Three Months Ended 31st March 2001	Year ended 31st March 2002 ( Audited )	Year ended 31st March 2001 ( Audited )
<b>Net Sales / Income from Operations</b>	1,111.10	1,156.32	4,386.64	4,471.48
Other Income	58.76	38.06	114.62	89.71
Total Expenditure				
- Decrease / ( Increase ) in Stock	23.07	(6.40)	95.42	(67.36)
- Raw Material Consumed	271.64	324.42	996.15	1,237.05
- Purchases of Finished Goods	30.61	45.28	245.71	297.25
- Payment to & Provision for Employees	83.40	81.83	321.87	312.57
- Power & Fuel	195.67	165.40	739.28	720.19
- Freight , Handling & Other expenses	115.20	118.13	510.56	480.47
- Other Expenditure	187.47	187.15	655.49	669.53
<b>Total Expenditure</b>	<b>907.06</b>	<b>915.81</b>	<b>3,564.48</b>	<b>3,649.70</b>
Interest	43.51	57.76	190.25	238.78
<b>Gross profit</b>	<b>219.29</b>	<b>220.81</b>	<b>746.53</b>	<b>672.71</b>
Depreciation	63.72	63.26	251.70	251.90
<b>Profit before Exceptional Items and Tax Expense</b>	<b>155.57</b>	<b>157.55</b>	<b>494.83</b>	<b>420.81</b>
Profit on Sale of Undertaking		18.44		18.44
Excess Provision for Income Tax of earlier years written-back	-	-	68.11	
Loss on Sale of Subsidiary	-		(18.11)	
Loss on Closure of Mavoor Units				
- Retrenchment Compensation	(0.03)		(55.33)	
- Write Down of Fixed Assets on Retirement from active use	-		(19.01)	
Loss on Sale of Textile Unit	(31.93)		(31.93)	
Employees separation cost	(7.08)	(1.03)	(27.60)	(11.35)
<b>Profit before Tax Expense</b>	<b>116.53</b>	<b>174.96</b>	<b>410.96</b>	<b>427.90</b>
Provision for Current Tax	(19.50)	(30.00)	(56.50)	(50.00)
<b>Net Profit before Deferred Tax</b>	<b>97.03</b>	<b>144.96</b>	<b>354.46</b>	<b>377.90</b>
Deferred Tax	(17.80)	(11.60)	(51.50)	@
<b>Net Profit</b>	<b>79.23</b>	<b>133.36</b>	<b>302.96</b>	<b>377.90</b>
Paid up Equity Share Capital ( Face Value Rs. 10 per share )	91.69	91.69	91.69	91.69
Reserves excluding Revaluation Reserve			2,615.19	2,394.55
<b>Basic &amp; Diluted EPS for the period ( Rupees )</b>	<b>8.64</b>	<b>14.54</b>	<b>33.04</b>	<b>41.21</b>
<b>Basic &amp; Diluted EPS for the period ( Rupees ) - before Exceptional Items &amp; Deferred Tax</b>	<b>14.84</b>	<b>13.91</b>	<b>47.81</b>	<b>40.44</b>
<b>Aggregate of Non-Promoter Shareholding</b>				
- Number of Shares			72951240	
- Percentage of Shareholding			79.58%	

**Notes:**

- @ 1 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 for the current quarter and year ended 31st March, 2002. No provision for Deferred Tax Liability was required to be made in the corresponding quarter and year ended 31st March 2001 as the said AS 22 was then not applicable. However , the figures of corresponding quarter of last year have been recast to give effect to the appropriate Deferred tax and to make the results comparable. Such adjustment has not been reflected in the year ended 31st March, 2001 column , which remains as per audited accounts.  
As per AS 22, cumulative net deferred tax liability upto 31st March 2001 works out to Rs. 589 crs. and the same is met out of the revenue reserves.  
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 balance in foreseeable future.
- 2 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 Crores. The retrenchment compensation is one-time exceptional charge and has been shown separately.  
Consequent to the closure , the saving in "recurring expenditure on employees and other standing charges" is estimated at Rs. 27 Crs. annually.
- 3 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.
- 4 The Company has sold its entire holdings of 97,91,350 equity shares in Birla Technologies Limited, its subsidiary at Rs. 11.50 per equity share. The resultant loss of 18.11 Crores has been charged to Profit& Loss Account.
- 5 The Company has sold, as on the closing 31st March 2002, its textiles manufacturing units/undertakings at Gwalior as a going concern at a consideration for Rs.1 lac, pursuant to the resolution of its shareholders passed by Postal Ballot on 27th April 2002.TheCompany has also agreed to pay Rs.15 Crores to Purchasers for taking over of certain liabilities including the employees' liabilities. The total resultant loss of Rs.31.93Crores has been charged to Profit and Loss Account and shown under exceptional item.
- 6 The Board of Directors have recommended a dividend of Rs. 9.00 per share aggregating to Rs. 82.50 Crores.

## 7 Segments Reporting:

		Rs. in Crores	
		Three Months Ended 31st March 2002	Year ended 31st March 2002 ( Audited )
<b>1. SEGMENT REVENUE</b>			
a	Fibre & Pulp	361.59	1,328.83
b	Chemicals	57.13	219.93
c	Cement	538.80	2,074.85
d	Sponge Iron	89.19	331.66
e	Textiles	58.13	276.12
f	Others	39.94	270.68
<b>TOTAL</b>		<b>1,144.78</b>	<b>4,502.07</b>
(Less) : Inter Segment Revenue		(33.68)	(115.43)
<b>Net Sales / Income from Operations</b>		<b>1,111.10</b>	<b>4,386.64</b>
<b>2. SEGMENT RESULTS</b>			
a	Fibre & Pulp	95.90	305.89
b	Chemicals	(14.09)	11.42
c	Cement	94.81	338.67
d	Sponge Iron	(0.38)	11.86
e	Textiles	(16.47)	(37.71)
f	Others	3.22	0.22
<b>TOTAL</b>		<b>162.99</b>	<b>630.35</b>
Add / (Less) :			
<b>Interest</b>		<b>(43.51)</b>	<b>(190.25)</b>
<b>Net Unallocable Income / (Expenditure )</b>		<b>36.09</b>	<b>54.73</b>
<b>Profit before Exceptional Items and Tax Expense</b>		<b>155.57</b>	<b>494.83</b>
Excess Provision for Income Tax of earlier years written-back		-	68.11
Loss on Sale of Subsidiary		-	(18.11)
<b>( Loss ) on Closure of Mavoor Units</b>			
- Retrenchment Compensation		(0.03)	(55.33)
- Loss on Retirement of Fixed Assets from Active Use		-	(19.01)
Loss on Sale of Textile Unit		(31.93)	(31.93)
Employee Separation Cost		(7.08)	(27.60)
<b>Profit Before Tax Expenses</b>		<b>116.53</b>	<b>410.96</b>
<b>3. CAPITAL EMPLOYED</b>			
a	Fibre & Pulp	879.24	879.24
b	Chemicals	227.51	227.51
c	Cement	2,055.10	2,055.10
d	Sponge Iron	570.38	570.38
e	Textiles	133.13	133.13
f	Others	35.15	35.15
<b>TOTAL</b>		<b>3,900.51</b>	<b>3,900.51</b>
g	Unallocated Corporate Capital Employed	1,518.93	1,518.93
<b>TOTAL CAPITAL EMPLOYED</b>		<b>5,419.44</b>	<b>5,419.44</b>

8. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the organisational structure as well as the differential risks and returns of these segments. Details of products included in each of the above segments are as under :

Fibre & Pulp - Viscose Staple Fibre & Rayon Grade Pulp  
 Chemicals - Caustic Soda & Allied Chemicals  
 Cement - Grey & White Cement  
 Sponge Iron - Sponge Iron  
 Textiles - Fabrics & Yarn

9. Segment Results are before provision for Employee Separation Cost as under :

	Rs. in Crores	
	<u>Q4-FY2002</u>	<u>FY2002</u>
Fibre & Pulp	5.47	9.10
Chemical	1.61	1.63
Cement	-	13.49
Textiles	-	3.38

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

11. The above results have been taken on record at the meeting of the Board of Directors held on 2nd May, 2002.

For and on behalf of Board of Directors

Place : Mumbai  
 Date : 2nd May, 2002

**Kumar Mangalam Birla**  
 Chairman

**GRASIM INDUSTRIES LIMITED**

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

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