



**UNAUDITED FINANCIAL RESULTS
FOR THE THREE MONTHS ENDED 31st DECEMBER, 2001**

Rs in crores

	Three Months Ended 31st December 2001	Three Months Ended 31st December 2000	Nine Months Ended 31st December 2001	Nine Months Ended 31st December 2000	Year ended 31st March 2001 (Audited)
Net Sales / Income from Operations	1,126.82	1,189.03	3,518.16	3,577.06	4,839.74
Other Income	21.62	18.17	55.86	51.65	89.71
Total Expenditure					
- Decrease / (Increase) in Stock	34.46	(34.73)	72.35	(60.95)	(62.65)
- Raw Material Consumed	325.57	401.55	958.41	1,164.93	1,569.77
- Purchases of Finished Goods	33.11	71.90	215.10	251.97	310.49
- Payment to & Provision for Employees	72.78	74.53	239.11	231.32	313.28
- Power & Fuel	184.15	186.53	543.61	554.79	725.04
- Freight , Handling & Other expenses	125.59	113.55	395.36	362.34	480.47
- Other Expenditure	157.77	168.18	476.10	491.39	681.56
Total Expenditure	933.43	981.51	2,900.04	2,995.79	4,017.96
Interest	51.37	59.25	146.74	181.02	238.78
Gross profit	163.64	166.44	527.24	451.90	672.71
Depreciation	63.52	63.41	187.98	188.64	251.90
Profit before Exceptional Items and Tax Expense	100.12	103.03	339.26	263.26	420.81
Profit on Sale of Undertaking					18.44
Excess Provision for Income Tax of earlier years written-back	68.11	-	68.11	-	
Provision for diminution in value of Long Term Investment	(18.11)		(18.11)		
Loss on Closure of Mavoor Units					
- Retrenchment Compensation	(36.87)		(55.30)	-	
- Write Down of Fixed Assets on Retirement from active use	-		(19.01)	-	
Employees separation cost	(3.14)	(2.49)	(20.52)	(10.32)	(11.35)
Profit before Tax Expense	110.11	100.54	294.43	252.94	427.90
Provision for Current Tax	(6.00)	(10.00)	(37.00)	(20.00)	(50.00)
Net Profit before Deferred Tax	104.11	90.54	257.43	232.94	377.90
Provision for Deferred Tax	(14.25)	(7.40)	(33.70)	(18.70)	@
Net Profit	89.86	83.14	223.73	214.24	377.90
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
Basic & Diluted EPS for the period (Rupees)	9.80	9.07	24.40	23.37	41.21
Basic & Diluted EPS for the period (Rupees) - before Exceptional Items	8.71	9.34	29.29	24.49	40.44

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 nine months ended 31st December 2001. No provision for Deferred Tax Liability was required to be made in the corresponding quarter and nine months ended 31st December 2000 as the said AS 22 was then not applicable. However , the figures of corresponding quarter / nine months 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 the balance unprovided amount of Rs. 36.87 Crs. in this quarter. 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.
- 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.
- During the Quarter the Company has made a strategic investment of Rs.766.50 Crores in 2.50 Crores shares of Larsen & Toubro Ltd. at Rs.306.60 per share. This constitutes 10.05% of Larsen & Toubro Ltd.'s paid-up share capital.
- The Board of Directors in its meeting on 31.01.2002 has decided to sell its entire holding in its subsidiary Birla Technologies Limited at Rs. 11.50 per share. The resultant loss of Rs. 18.11 Crores has been provided as diminution in value of Long Term Investment.
- The Company has commenced commercial production at its 1 million ton per annum capacity Cement Split Grinding Plant at Bhatinda, Punjab, in mid-December, 2001.

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7 Segments Reporting:

		Rs. in Crores	
		Three Months Ended 31st December 2001	Nine Months Ended 31st December 2001
1. SEGMENT REVENUE			
a	Fibre & Pulp	374.78	1,101.25
b	Chemicals	58.44	166.17
c	Cement	498.47	1,536.08
d	Sponge Iron	74.21	242.47
e	Textiles	76.28	241.45
f	Others	44.64	230.74
TOTAL		1,126.82	3,518.16
(Less) : Inter Segment Revenue		(76.44)	(242.62)
Net Sales / Income from Operations		1,050.38	3,275.54
2. SEGMENT RESULTS			
a	Fibre & Pulp	89.38	209.99
b	Chemicals	4.90	25.51
c	Cement	55.94	243.86
d	Sponge Iron	6.73	12.24
e	Textiles	(10.21)	(21.24)
f	Others	(2.51)	(3.00)
TOTAL		144.23	467.36
Add / (Less) :			
Interest		(51.37)	(146.74)
Net Unallocable Income / (Expenditure)		7.26	18.64
Profit before Exceptional Items and Tax Expense		100.12	339.26
Excess Provision for Income Tax of earlier years written-back		68.11	68.11
Provision for diminution in value of Long Term Investment		(18.11)	(18.11)
(Loss) on Closure of Mavoor Units			
- Retrenchment Compensation		(36.87)	(55.30)
- Loss on Retirement of Fixed Assets from Active Use		-	(19.01)
Employee Separation Cost		(3.14)	(20.52)
Profit Before Tax Expenses		110.11	294.43
3. CAPITAL EMPLOYED			
a	Fibre & Pulp	834.88	834.88
b	Chemicals	238.23	238.23
c	Cement	1,984.45	1,984.45
d	Sponge Iron	563.04	563.04
e	Textiles	203.44	203.44
f	Others	13.22	13.22
TOTAL		3,837.26	3,837.26
g	Unallocated Corporate Capital Employed	1,010.50	1,010.50
TOTAL CAPITAL EMPLOYED		4,847.76	4,847.76

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 :

	<u>Q3-FY2002</u>	<u>9M-FY2002</u>
Fibre & Pulp	0.89	3.55
Chemical	0.02	0.02
Cement	1.75	14.13
Textiles	0.48	2.82

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 31st January, 2002.

For and on behalf of Board of Directors

Place : Mumbai
 Date : 31st January , 2002

Kumar Mangalam Birla
 Chairman

GRASIM INDUSTRIES LIMITED

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

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