



**AUDITED FINANCIAL RESULTS  
FOR THE YEAR ENDED 31st MARCH 2006**

**I. CONSOLIDATED RESULTS :**

Rs in Crores

	Nine Months ended 31st December 2005	Three Months ended 31st March 2006	Three Months ended 31st March 2005	Full Year ended 31st March 2006 ( Audited )	Full Year ended 31st March 2005 ( Audited )
<b>Net Sales / Income from Operations</b>	<b>7,298.92</b>	<b>2,901.40</b>	<b>2,474.76</b>	<b>10,200.32</b>	<b>9,314.82</b>
Other Income	149.76	66.83	88.76	216.59	222.06
Expenditure :					
- Decrease / ( Increase ) in Stock	(17.28)	21.83	(52.90)	4.55	(122.14)
- Raw Material Consumed	1,630.00	582.44	626.36	2,212.44	2,235.40
- Purchases of Finished Goods	74.06	35.87	13.36	109.93	56.20
- Payment to & Provision for Employees	396.10	146.69	127.82	542.79	509.25
- Power & Fuel	1,558.59	570.74	509.27	2,129.33	2,056.31
- Freight , Handling & Other Expenses	1,077.62	474.51	310.64	1,552.13	1,104.08
- Other Expenditure	1,123.59	411.00	391.77	1,534.59	1,425.41
<b>Total Expenditure</b>	<b>5,842.68</b>	<b>2,243.08</b>	<b>1,926.32</b>	<b>8,085.76</b>	<b>7,264.51</b>
Interest	163.64	48.69	72.45	212.33	284.57
<b>Gross Profit</b>	<b>1,442.36</b>	<b>676.46</b>	<b>564.75</b>	<b>2,118.82</b>	<b>1,987.80</b>
Depreciation	414.98	144.77	136.81	559.75	556.24
<b>Profit before Exceptional Items and Tax Expense</b>	<b>1,027.38</b>	<b>531.69</b>	<b>427.94</b>	<b>1,559.07</b>	<b>1,431.56</b>
Surplus on pre-payment of sales tax loan	-	4.13	34.35	4.13	34.35
Impairment of Goodwill	-	-	(162.45)	-	(162.45)
<b>Profit before Tax Expense</b>	<b>1,027.38</b>	<b>535.82</b>	<b>299.84</b>	<b>1,563.20</b>	<b>1,303.46</b>
Provision for Current Tax	(324.44)	(158.12)	(154.23)	(482.56)	(483.27)
Provision for Deferred Tax	40.02	31.16	115.17	71.18	41.21
<b>Net Profit</b>	<b>742.96</b>	<b>408.86</b>	<b>260.78</b>	<b>1,151.82</b>	<b>861.40</b>
Less : Minority Share	51.12	62.10	11.50	113.22	(15.18)
Less: Pre-acquisition Profit / (Loss)	-	-	-	-	(3.85)
<b>Net Profit ( After Minority's Share )</b>	<b>691.84</b>	<b>346.76</b>	<b>249.28</b>	<b>1,038.60</b>	<b>880.43</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				4,745.00	3,946.75
<b>Basic &amp; Diluted EPS for the period ( Rupees )</b>	<b>75.45</b>	<b>37.82</b>	<b>27.19</b>	<b>113.27</b>	<b>96.02</b>

**II. STANDALONE RESULTS :**

	Nine Months ended 31st December 2005	Three Months Ended 31st March 2006	Three Months Ended 31st March 2005	Full Year ended 31st March 2006 ( Audited )	Full Year ended 31st March 2005 ( Audited )
<b>Net Sales / Income from Operations</b>	<b>4,840.58</b>	<b>1,815.09</b>	<b>1,642.17</b>	<b>6,655.67</b>	<b>6,252.42</b>
Other Income	111.56	57.51	82.48	169.07	167.03
Expenditure :					
- Decrease / ( Increase ) in Stock	51.87	(8.38)	(42.39)	43.49	(100.67)
- Raw Material Consumed	1,345.49	477.19	515.32	1,822.68	1,869.33
- Purchases of Finished Goods	159.50	80.65	13.48	240.15	49.02
- Payment to & Provision for Employees	303.83	103.80	101.35	407.63	382.64
- Power & Fuel	787.62	287.19	256.89	1,074.81	1,031.34
- Freight , Handling & Other Expenses	532.81	217.21	159.92	750.02	586.06
- Other Expenditure	644.19	250.91	242.02	895.10	817.04
<b>Total Expenditure</b>	<b>3,825.31</b>	<b>1,408.57</b>	<b>1,246.59</b>	<b>5,233.88</b>	<b>4,634.76</b>
Interest	73.76	23.56	33.94	97.32	138.76
<b>Gross Profit</b>	<b>1,053.07</b>	<b>440.47</b>	<b>444.12</b>	<b>1,493.54</b>	<b>1,645.93</b>
Depreciation	215.70	75.94	72.45	291.64	284.57
<b>Profit before Exceptional Items and Tax Expense</b>	<b>837.37</b>	<b>364.53</b>	<b>371.67</b>	<b>1,201.90</b>	<b>1,361.36</b>
Surplus on pre-payment of sales tax loan	-	4.13	34.35	4.13	34.35
Provision for diminution in value of investment and loans	-	-	(92.00)	-	(92.00)
<b>Profit before Tax Expense</b>	<b>837.37</b>	<b>368.66</b>	<b>314.02</b>	<b>1,206.03</b>	<b>1,303.71</b>
Provision for Current Tax	(260.10)	(109.72)	(139.00)	(369.82)	(451.00)
Provision for Deferred Tax	23.20	3.80	54.50	27.00	33.00
<b>Net Profit</b>	<b>600.47</b>	<b>262.74</b>	<b>229.52</b>	<b>863.21</b>	<b>885.71</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				4,886.11	4,231.96
<b>Basic &amp; Diluted EPS for the period ( Rupees )</b>	<b>65.49</b>	<b>28.66</b>	<b>25.03</b>	<b>94.14</b>	<b>96.60</b>

<b>Aggregate of Non-Promoter Shareholding</b>					
- Number of Shares				68775490	71541071
- Percentage of Shareholding				75.02%	78.04%

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## III. SEGMENT REPORTING - CONSOLIDATED

		Rs. in Crores				
		Nine Months ended 31st December 2005	Three Months ended 31st March 2006	Three Months ended 31st March 2005	Full Year ended 31st March 2006 ( Audited )	Full Year ended 31st March 2005 ( Audited )
<b>1. SEGMENT REVENUE</b>						
a	Fibre & Pulp	1,476.89	513.16	471.26	1,990.05	2,009.25
b	Cement	4,767.36	2,096.40	1,550.37	6,863.76	5,652.33
c	Sponge Iron	523.77	111.01	281.29	634.78	1,021.48
d	Chemicals	296.93	89.42	103.02	386.35	351.76
e	Textiles	179.57	67.57	69.25	247.14	260.25
f	Others	170.09	63.72	53.47	233.81	180.15
<b>TOTAL</b>		<b>7,414.61</b>	<b>2,941.28</b>	<b>2,528.66</b>	<b>10,355.89</b>	<b>9,475.22</b>
(Less) : Inter Segment Revenue		(115.69)	(39.88)	(53.90)	(155.57)	(160.40)
<b>Net Sales / Income from Operations</b>		<b>7,298.92</b>	<b>2,901.40</b>	<b>2,474.76</b>	<b>10,200.32</b>	<b>9,314.82</b>
<b>2. SEGMENT RESULTS</b>						
a	Fibre & Pulp	290.19	135.75	109.00	425.94	554.60
b	Cement	672.73	406.00	187.29	1,078.73	578.67
c	Sponge Iron	47.23	(13.54)	96.46	33.69	355.17
d	Chemicals	84.90	22.61	33.88	107.51	86.98
e	Textiles	0.06	(3.10)	0.49	(3.04)	(0.46)
f	Others	25.43	13.63	9.73	39.06	29.42
<b>TOTAL</b>		<b>1,120.54</b>	<b>561.35</b>	<b>436.85</b>	<b>1,681.89</b>	<b>1,604.38</b>
Add / (Less) :						
Interest		(163.64)	(48.69)	(72.45)	(212.33)	(284.57)
Net Unallocable Income / (Expenditure)		70.48	19.03	63.54	89.51	111.75
<b>Profit before Exceptional Items and Tax Expense</b>		<b>1,027.38</b>	<b>531.69</b>	<b>427.94</b>	<b>1,559.07</b>	<b>1,431.56</b>
Surplus on pre-payment of sales tax loan		-	4.13	34.35	4.13	34.35
Impairment of Goodwill		-	-	(162.45)	-	(162.45)
<b>Profit Before Tax Expense</b>		<b>1,027.38</b>	<b>535.82</b>	<b>299.84</b>	<b>1,563.20</b>	<b>1,303.46</b>
<b>3. CAPITAL EMPLOYED</b>						
a	Fibre & Pulp	930.17			1,025.97	1,054.62
b	Cement	6,812.70			6,911.04	6,885.97
c	Sponge Iron	523.07			530.19	511.68
d	Chemicals	188.59			210.75	212.65
e	Textiles	100.02			92.55	101.37
f	Others	339.49			339.93	365.06
<b>TOTAL</b>		<b>8,894.04</b>			<b>9,110.43</b>	<b>9,131.35</b>
g	Unallocated Corporate Capital Employed	1,333.36			1,189.21	567.98
<b>TOTAL CAPITAL EMPLOYED</b>		<b>10,227.40</b>			<b>10,299.64</b>	<b>9,699.33</b>

## IV. SEGMENT REPORTING - STANDALONE

		Nine Months ended 31st December 2005	Three Months ended 31st March 2006	Three Months ended 31st March 2005	Full Year ended 31st March 2006 ( Audited )	Full Year ended 31st March 2005 ( Audited )
<b>1. SEGMENT REVENUE</b>						
a	Fibre & Pulp	1,433.88	501.49	461.95	1,935.37	1,962.70
b	Cement	2,522.12	1,085.48	767.85	3,607.60	2,803.92
c	Sponge Iron	523.77	111.01	281.29	634.78	1,021.48
d	Chemicals	296.93	89.42	103.02	386.35	351.76
e	Textiles	179.57	67.57	69.25	247.14	260.25
<b>TOTAL</b>		<b>4,956.27</b>	<b>1,854.97</b>	<b>1,683.36</b>	<b>6,811.24</b>	<b>6,400.11</b>
(Less) : Inter Segment Revenue		(115.69)	(39.88)	(41.19)	(155.57)	(147.69)
<b>Net Sales / Income from Operations</b>		<b>4,840.58</b>	<b>1,815.09</b>	<b>1,642.17</b>	<b>6,655.67</b>	<b>6,252.42</b>
<b>2. SEGMENT RESULTS</b>						
a	Fibre & Pulp	291.57	138.05	109.09	429.62	553.58
b	Cement	413.47	222.93	102.10	636.40	393.09
c	Sponge Iron	47.23	(13.54)	96.46	33.69	355.17
d	Chemicals	84.90	22.61	33.88	107.51	86.98
e	Textiles	0.06	(3.10)	0.49	(3.04)	(0.46)
f	Others	(1.35)	(0.04)	0.05	(1.39)	0.01
<b>TOTAL</b>		<b>835.88</b>	<b>366.91</b>	<b>342.07</b>	<b>1,202.79</b>	<b>1,388.37</b>
Add / (Less) :						
Interest		(73.76)	(23.56)	(33.94)	(97.32)	(138.76)
Net Unallocable Income / (Expenditure)		75.25	21.18	63.54	96.43	111.75
<b>Profit before Exceptional Items and Tax Expense</b>		<b>837.37</b>	<b>364.53</b>	<b>371.67</b>	<b>1,201.90</b>	<b>1,361.36</b>
Surplus on pre-payment of sales tax loan		-	4.13	34.35	4.13	34.35
Provision for diminution in value of investment and loans		-	-	(92.00)	-	(92.00)
<b>Profit Before Tax Expense</b>		<b>837.37</b>	<b>368.66</b>	<b>314.02</b>	<b>1,206.03</b>	<b>1,303.71</b>
<b>3. CAPITAL EMPLOYED</b>						
a	Fibre & Pulp	902.63			999.03	1,026.77
b	Cement	2,055.31			2,079.08	2,132.02
c	Sponge Iron	523.07			530.19	511.69
d	Chemicals	188.59			210.75	212.65
e	Textiles	100.02			92.55	101.37
f	Others	1.49			1.12	3.14
<b>TOTAL</b>		<b>3,771.11</b>			<b>3,912.72</b>	<b>3,987.64</b>
g	Unallocated Corporate Capital Employed	3,691.08			3,633.40	2,948.55
<b>TOTAL CAPITAL EMPLOYED</b>		<b>7,462.19</b>			<b>7,546.12</b>	<b>6,936.19</b>

**V. NOTES**

- 1 Consolidated Results have been prepared in accordance with Accounting Standard on Consolidated Financial Statement: (AS-21), Accounting Standard on Accounting for Investments in Associates in Consolidated Financial Statements (AS-23) and Accounting Standard on Financial Reporting of Interest in Joint Ventures (AS-27) issued by the Institute of Chartered Accountants of India.
- 2 Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organisational structure as well as differential risks and return of these segments. Details of products included in each of the above segments are as under:  
Fibre & Pulp - Viscose Staple Fibre & Rayon Grade Pulp  
Cement - Grey & White Cement  
Sponge Iron - Sponge Iron  
Chemicals - Caustic Soda & Allied Chemicals  
Textiles - Fabric & Yarn  
Others - Mainly Telecom (in consolidated results)
- 3 No investor complaints were pending at the beginning of the quarter. During the quarter, total nine complaints were received, out of which eight complaints have been attended by the Company and one complaint was pending at the end of the quarter
- 4 Previous period's figures have been regrouped / rearranged wherever necessary to conform to the current period's classification
- 5 The Board of Directors has recommended a dividend of Rs. 20 per share aggregating to Rs. 209.06 Crores (including Dividend Tax)
- 6 The above audited results for the year ended 31st March 2006 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 27th April, 2006

For and on behalf of Board of Directors

Place : Mumbai  
Date : 27<sup>th</sup> April, 2006

**D. D. Rathi**  
Whole-time Director

**GRASIM INDUSTRIES LIMITED**

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

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