

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2006

(Rs. in millions)

Sr. No.	Particulars	AUDITED		AUDITED		AUDITED
		Quarter ended		Nine months ended		Financial year ended
		31.12.06	31.12.05	31.12.06	31.12.05	31.03.06
1.	Net Sales and Operating Income (Net of Discounts & Excise duty)	7059.71	6254.70	20942.66	17546.72	23191.55
2.	Other Income	107.79	82.84	272.13	214.72	359.26
3.	Total Expenditure :					
a)	(Increase)/Decrease in stock in trade	159.46	650.93	(434.37)	14.98	5.12
b)	Consumption of raw and packing materials	4058.40	3038.66	12675.78	10242.32	13512.23
c)	Employees' remuneration (Note: 3)	379.65	316.42	1150.57	990.59	1289.76
d)	Other expenditure	1451.85	1275.67	4398.18	3592.08	4865.24
4.	Interest	22.84	17.46	53.55	31.79	38.31
5.	Depreciation	112.35	111.71	336.63	335.22	455.28
6.	Profit Before Extraordinary item and Tax (1+2-3-4-5)	982.95	926.69	3034.45	2554.46	3384.87
7.	Extraordinary item (EOI)	-	-	-	-	336.00
8.	Profit before tax (6-7)	982.95	926.69	3034.45	2554.46	3048.87
9.	Provision for Current tax	323.63	316.24	1010.47	857.49	1141.00
10.	Provision for Deferred Tax	0.18	(6.39)	(6.07)	(4.73)	(20.70)
11.	Provision for Fringe Benefit Tax	7.80	10.50	21.60	24.50	50.52
12.	Net Profit (8-9-10-11)	651.34	606.34	2008.45	1677.20	1878.05
13.	Prior period items (net)	1.81	3.25	0.47	(12.25)	(10.25)
14.	Net Profit after prior period items	653.15	609.59	2008.92	1664.95	1867.80
15.	Paid-up Equity Share Capital (Face value of share : Rs.10 each)	959.20	959.20	959.20	959.20	959.20
16.	Reserves excluding revaluation reserves (as per balance sheet)					5263.64
17.	Earning Per Share (EPS)					
a.	Basic and diluted EPS (Rs.) before EOI	6.81	6.36	20.94	17.36	22.98
b.	Basic and diluted EPS (Rs.) after EOI	6.81	6.36	20.94	17.36	19.47
18.	Aggregate of Non-promoter / Public Shareholding					
	- Number of Shares			50056816	51054314	50617763
	- Percentage of Shareholding			52.19	53.23	52.77

SEGMENT REPORTING

(Rs. in millions)

Sr. No.	Particulars	AUDITED		AUDITED		AUDITED
		Quarter ended		Nine months ended		Financial year ended
		31.12.06	31.12.05	31.12.06	31.12.05	31.03.06
1.	Segment Revenue					
a.	Paints	6832.49	6078.22	20434.26	17044.39	22548.30
b.	Others	474.56	350.44	1266.96	1069.75	1456.11
	Total	7307.05	6428.66	21701.22	18114.13	24004.41
	Less: Inter-segment revenue	183.36	125.22	614.54	437.89	604.42
	Net sales/income from operations	7123.69	6303.44	21086.68	17676.25	23399.99
2.	Segment Results - Profit/(Loss) before tax and interest from each segment					
a.	Paints	1033.39	987.43	3145.85	2716.71	3560.26
b.	Others	47.32	42.40	174.90	92.92	119.62
	Total	1080.71	1029.83	3320.75	2809.63	3679.88
	Less: Interest	(22.84)	(17.46)	(53.55)	(31.79)	(38.31)
	Unallocated Corporate Expenses net of unallocable income	(74.92)	(85.68)	(232.75)	(223.38)	(592.70)
	Total profit before tax	982.95	926.69	3034.45	2554.46	3048.87
3.	Capital Employed					
a.	Paints	4099.42	3708.35	4099.42	3708.35	4365.89
b.	Others	547.45	591.95	547.45	591.95	499.78
c.	Unallocable Corporate assets less Corporate Liabilities	2969.81	2594.67	2969.81	2594.67	1357.17
	Total capital employed	7616.68	6894.97	7616.68	6894.97	6222.84

Note: Others include Company's business units manufacturing Phthalic Anhydride and Pentaerythritol.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2006

(Rs. in millions)

Sr. No.	Particulars	UNAUDITED		UNAUDITED		AUDITED
		Quarter ended		Nine months ended		Financial year ended
		31.12.06	31.12.05	31.12.06	31.12.05	31.03.06
1.	Net sales and Operating Income (Net of discounts and excise duty)	9356.43	8023.32	27110.25	22556.24	30210.35
2.	Other income	76.34	80.07	236.42	202.97	320.25
3.	Total expenditure :					
a)	(Increase)/Decrease in stock in trade	(246.33)	(49.48)	(575.48)	(907.42)	(112.64)
b)	Consumption of raw and packing materials	5932.10	4832.84	16742.46	14308.58	18033.65
c)	Employees' remuneration	652.24	571.55	1947.91	1713.18	2233.25
d)	Other expenditure	1783.96	1574.89	5384.23	4446.03	6139.21
4.	Interest	56.54	38.25	146.52	91.60	114.28
5.	Depreciation	146.67	143.24	438.26	431.31	606.16
6.	Profit/(Loss) from associate company	(0.07)	(0.44)	(4.03)	(5.21)	(9.31)
7.	Profit Before Tax and amortisation of Goodwill (1+2-3-4-5+6)	1107.52	991.66	3258.74	2670.72	3507.38
8.	Amortisation / Impairment of Goodwill	-	15.28	-	47.48	76.00
9.	Profit Before Tax after amortisation of Goodwill (7-8)	1107.52	976.38	3258.74	2623.24	3431.38
10.	Provision for current tax, deferred tax and fringe benefit tax	357.32	349.72	1067.52	969.53	1322.86
11.	Net Profit (9-10)	750.20	626.66	2191.23	1653.71	2108.52
12.	Prior period items (net)	1.80	3.25	0.47	(12.25)	(10.29)
13.	Net Profit after tax and prior period items	752.00	629.91	2191.70	1641.46	2098.23
14.	Minority interest	38.07	3.59	47.46	(14.25)	(23.25)
15.	Net Profit attributable to shareholders	713.93	626.32	2144.24	1655.71	2121.48
16.	Paid-up equity share capital (Face value of share : Rs.10 each)	959.20	959.20	959.20	959.20	959.20
17.	Reserves excluding revaluation reserves (as per balance sheet)					5503.31
18.	Basic and diluted EPS (Rs.)	7.44	6.53	22.35	17.26	22.12

Notes:

- For the parent company, Indian subsidiaries and Joint Venture, the period considered in the above consolidated results for nine months ended 31st December, 2006 is April 2006 to December 2006. In respect of the overseas subsidiaries and associate company, the period considered in the above consolidated results is January 2006-September 2006 except Nepal subsidiary. The period considered for Nepal Subsidiary is 15th January, 2006 to 14th October, 2006.
- The disposal of the Dutch Boy Philippines, Inc., an associate company of Berger International Limited (BIL) has been completed in the month of November 2006. BIL has also disposed of its entire stake in its subsidiary, Berger Paints Manufacturing Limited, Myanmar in the month of December 2006. The net loss of Rs. 91.3 million arising out of the above disposals (before minority interest and including exchange loss) would be accounted for in the financials for the quarter ending 31st March, 2007.
- From the financial year ended 31st March, 2006, the carrying value of Goodwill is tested for impairment as at the balance sheet date. Accordingly, no amortisation of Goodwill has been carried out for the quarter and nine months ended 31st December, 2006.

FOR AND ON BEHALF OF THE BOARD

Sd/-

**ASHWIN CHOKSI
CHAIRMAN**

Date: 29th January, 2007

Place: Mumbai

Notes:

- Net sales and operating income includes income arising out of processing charges for products manufactured for the Joint Venture unit, Asian PPG Industries Ltd., and wholly owned subsidiary, Asian Paints Industrial Coatings Ltd., lease rentals towards leasing of tinting machines to dealers and revenue from Home Solutions operations.
- With effect from the financial year ended 31st March, 2006, the Company has discontinued the method of reporting Sales net of excise duty expense incurred on production of finished goods pursuant to Accounting Standard Interpretation (ASI) 14 (Revised) "Disclosure of Revenue from Sales Transactions" issued by the Institute of Chartered Accountants of India. The excise duty expense has since been bifurcated into two components: excise duty expense relating to sales is reduced from Gross Sales and the balance amount relating to the difference between the closing stock and opening stock is recognized in the '(increase)/decrease in stock in trade'. The figures of the previous periods have been regrouped accordingly. The same has no impact on the profits of the Company.
- The Company has announced a voluntary retirement scheme (VRS) in Bhandup plant. The Company has paid Rs.31.68 million under the VRS upto 31st December, 2006, out of which Rs. 30.82 million has been charged to the Profit and Loss Account in the quarter ended 30th September, 2006.
- During the quarter ended 31st December, 2006, a total of 11 investor complaints were received and resolved. No investor complaints were pending at the beginning of the said quarter and no complaints were lying unresolved at the end of the quarter.
- The above results were reviewed by the Audit Committee on 25th January, 2007 and approved by the Board of Directors at their meeting held on 29th January, 2007.
- The previous period figures have been regrouped wherever required.