



Grasim Industries Limited

Performance Review – Q3 FY06

25th January 2006

Cautionary Statement

Statements in this “Presentation” describing the Company’s objectives, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company’s principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.



Consolidated Financial Performance – Q3FY06

	<u>Rs. Crs.</u>	<u>% Change</u>
TOTAL REVENUE	2,503	7
PBIDT	505	(2)
Interest Charges	53	[27]
PBT	309	2
Total Tax Expenses	96	(2)
PAT (After Minority Share)	195	(6)
EPS (Rs.)	21	(6)

- Consolidated revenue up by 7%
- PBIDT lower by 2%
 - Excellent performance from Grasim's Cement Business
 - UltraTech performed better
 - Encouraging Performance by VSF business
 - Sponge Iron performance significantly impacted
- Tax expenses at Rs.96 Crs., lower by 2%
- PAT lower by 6%



Consolidated Financial Performance – 9MFY06

	<u>Rs. Crs.</u>	<u>% Change</u>
TOTAL REVENUE	7,299	7
PBT	1,027	2
Total Tax Expenses	284	(29)
PAT (After Minority Share)	692	10
EPS (Rs.)	75	10

- Consolidated revenue up by 7%
- PAT up by 10%
 - Excellent performance from Grasim's Cement Business and Chemical Business
 - Better performance from UTCL
 - Subdued performance by VSF business
 - Sponge Iron performance significantly impacted
 - Tax expenses at Rs.284 Crs., lower by 29%

Consolidated Financial Performance

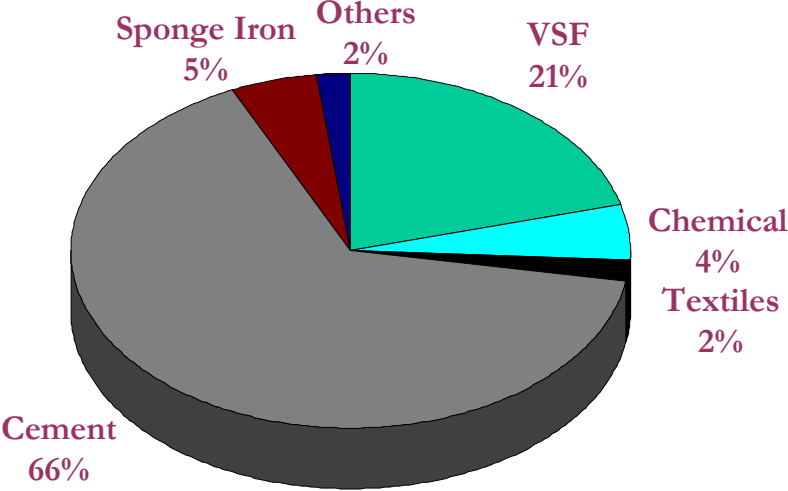
(Rs. Crores)

	Q3FY06	Q3FY05	% Chg.	9MFY06	9MFY05	% Chg.	FY05 (Audited)
Net Turnover & Op. Income	2,503.2	2,338.6	7	7,298.9	6,840.1	7	9,317.3
Other Income	29.6	43.8	(32)	149.8	133.3	12	217.6
PBIDT	504.6	512.7	(2)	1,606.0	1,635.2	(2)	2,272.3
Interest	53.1	72.9	(27)	163.6	212.1	(23)	284.7
Gross Profit	451.5	439.8	3	1,442.4	1,423.1	1	1,987.6
Depreciation	142.2	136.3	4	415.0	419.5	(1)	556.1
Exceptional Items	--	--	--	--	--	--	(128.1)
PBT	309.3	303.5	2	1,027.4	1,003.6	2	1,303.4
Current Tax	105.6	99.1	6	324.4	329.0	(1)	483.3
Deferred Tax	(9.6)	(1.0)	--	(40.0)	74.0	--	\$ (41.2)
Total Tax	96.0	98.1	(2)	284.4	403.0	(29)	
PAT	213.3	205.4	4	743.0	600.6	24	861.3
Minority Share	18.0	+1.8	--	51.2	+30.6	--	+ 19.0
PAT after Minority Share	195.3	207.2	(6)	691.8	631.2	10	880.3
Earning Per Share (Rs.) Basic and Diluted	21.3	22.6	(6)	75.4	68.8	10	96.0

\$ Net of adjustments for prior period deferred tax written back and deferred tax assets written off, aggregating to credit of Rs. 30 Crs.

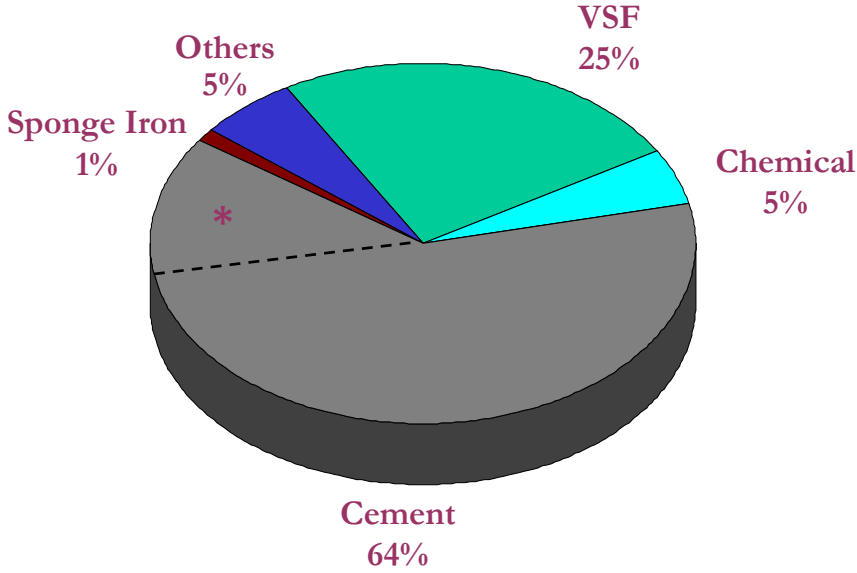
Consolidated Segmental Performance – Q3FY06

Revenue Mix



(Rs.2,503 Crs.)

PBIDT Mix



(Rs.505 Crs.)

- VSF (incl. Chemical) contributed 25% to Revenue and 30% in PBIDT mix
- Cement contributed 66% to Revenue and 64% in PBIDT mix

(* Minority Share 13%)

Standalone Financial Performance – Q3FY06

	<u>Rs. Crs.</u>	<u>% Change</u>
TOTAL REVENUE	1,648	6
PBIDT	334	(22)
Interest Charges	23	[33]
PBT	238	(27)
Total Tax Expenses	76	(29)
PAT	162	(25)
EPS (Rs.)	18	(25)

- Revenue up by 6%
- PBIDT down by 22%
 - Cement PBIDT soar by 61%
 - Encouraging performance by VSF business
 - Sponge Iron business continues to suffer
- Interest cost down by 33%
- Total Tax expenses lower at Rs.76 Crs., decrease of 29%
- Net profit lower by 25%

Standalone Financial Performance – 9MFY06

	<u>Rs. Crs.</u>	<u>%</u> <u>Change</u>
TOTAL REVENUE	4,841	5
PBIDT	1,127	(14)
Interest Charges	74	[30]
PBT	837	(15)
Total Tax Expenses	237	(29)
PAT	600	(8)
EPS (Rs.)	65	(8)

- Revenue up by 5%
- PBIDT down by 14%
 - Cement PBIDT up by 31%
 - Excellent performance by Chemical business
 - Subdued performance by VSF business, particularly in Q1
 - Poor performance by Sponge Iron business
- Interest cost down by 30%
- Total Tax expenses lower at Rs.237 Crs., decrease of 29%
- Net Profit lower by 8%

Standalone Financial Performance

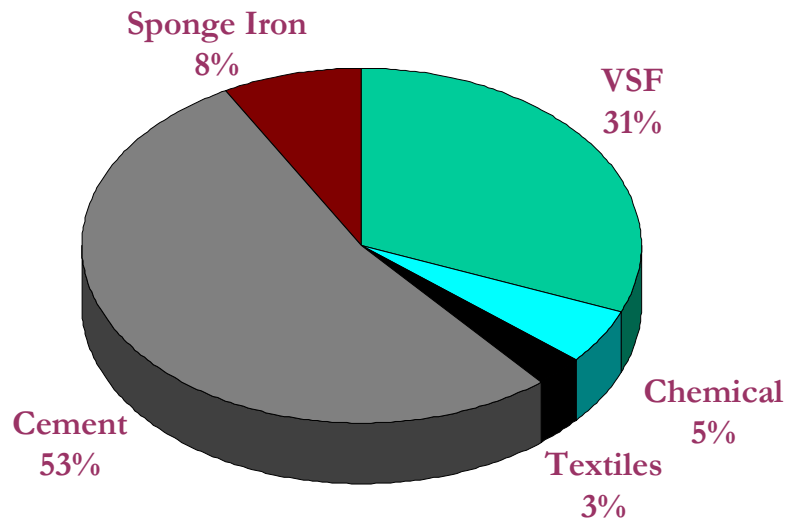
(Rs. Crores)

	Q3FY06	Q3FY05	% Chg.	9MFY06	9MFY05	% Chg.	FY05
Net Turnover & Op. Income	1,648.2	1,559.7	6	4,840.6	4,610.3	5	6,252.4
Other Income	15.3	37.9	(60)	111.6	84.6	32	167.0
PBIDT	334.3	430.5	(22)	1,126.8	1,306.6	(14)	1,784.7
Interest	23.5	35.2	(33)	73.7	104.8	(30)	138.8
Gross Profit	310.8	395.3	(21)	1,053.1	1,201.8	(12)	1,645.9
Depreciation	73.2	71.7	2	215.7	212.1	2	284.5
Exceptional Items (net)	--	--	--	--	--	--	(57.7)
PBT	237.6	323.6	(27)	837.4	989.7	(15)	1,303.7
Current Tax	84.2	103.0	(18)	260.1	312.0	(17)	451.0
Deferred Tax	(8.5)	3.5	--	(23.2)	21.5	--	*(33.0)
Total Tax	75.7	106.5	(29)	236.9	333.5	(29)	
PAT	161.9	217.1	(25)	600.5	656.2	(8)	885.7
Earning Per Share (Rs.) Basic and Diluted	17.7	23.7	(25)	65.5	71.6	(8)	96.6

* After write back of Rs. 39.1 Crs. out of deferred tax of earlier years

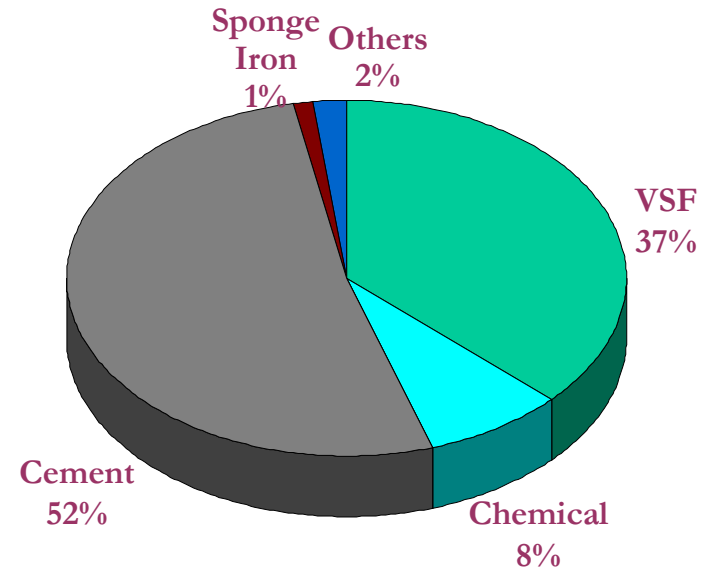
Standalone Segmental Performance– Q3FY06

Revenue Mix



(Rs.1,648 Crs.)

PBIDT Mix



(Rs.334 Crs.)

- VSF (incl. Chemical) contributed 36% (37%) to Revenue and 45% (45%) in PBIDT mix
- Cement contributed 53% (43%) to Revenue and 52% (25%) in PBIDT mix



Business Review – Q3 FY06

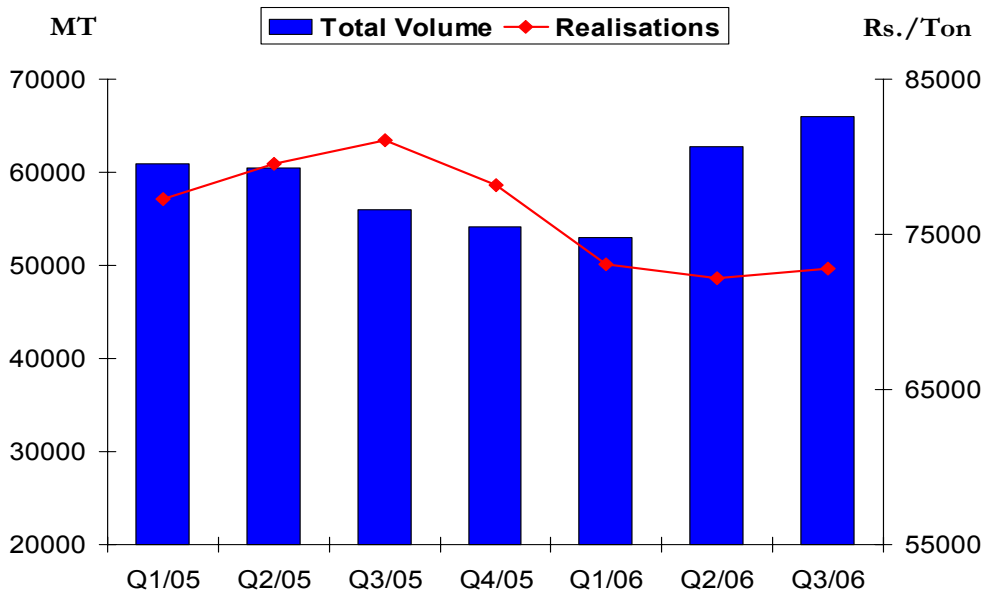
- VSF
- Chemicals
- Cement
- Sponge Iron
- Textiles



Viscose Staple Fibre : Highlights

	Q3FY06	Q3FY05	% Chg.
Capacity (TPA)	257,325	251,850	2
Production (MT)	61,862	63,558	(3)
Sales Volumes (MT)	66,025	55,956	18
Net Turnover (Rs Crs.)	515.2	489.7	5
Realisation (Rs./MT)	72,816	81,066	(10)
PBIDT (Rs. Crs.)	124.2	160.7	(23)
PBIDT Margin (%)	24.1%	32.8%	--
PBIT (Rs. Crs.)	107.6	146.0	(26)

- Capacity utilisation at 96% on enhanced capacity
- Production marginally lower by 3% due to labour unrest at Harihar
- Demand momentum continues
- Highest ever sales volumes; up 18% YoY
 - Increased exports of commodity VSF to South Asian countries and specialty VSF to EU
 - Domestic demand remains firm
- Realisation down 10% YoY in line with international prices
 - Peak levels in Q3FY05
- Operating margins impacted due to lower realisations



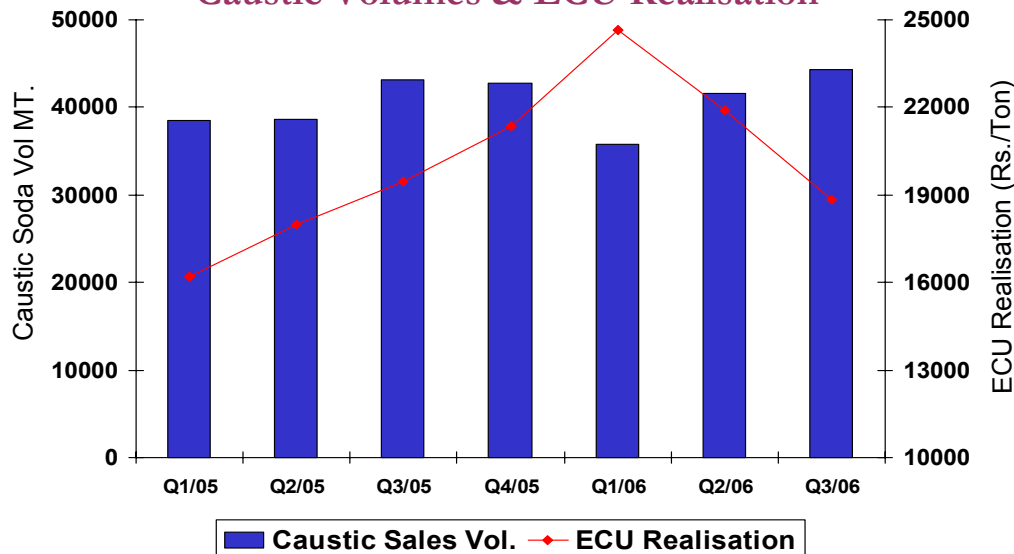
Viscose Staple Fibre : Outlook

- **Volumes prospects remain positive**
 - Strong demand from South Asian countries
 - Domestic demand remains firm
- **Price outlook stable**
 - Selling price raised by Re.1/kg. consecutively for second quarter
 - Cotton prices showing signs of recovery
- **Long term outlook remains positive**
 - Improving prospects for the Indian Textile sector, post MFA era
 - Increased export of Fabrics and Garments to augment VSF consumption
- **Concentrated efforts to increase fibre exports to key regional textile hubs**
- **Rising share of captive pulp to add strength**
- **Pulp cum plantation project at Laos as per plan**

Chemical : Highlights and Outlook

	Q3FY06	Q3FY05	% Chg
Caustic Capacity (TPA)	190,800	190,800	--
Caustic Production (MT)	44,039	42,719	3
Caustic Sales Volumes (MT)	44,283	43,170	3
Net Turnover (Rs. Crs.)	93.0	94.8	(2)
ECU Realisation (Rs./MT)	18,846	19,472	(3)
PBIDT (Rs. Crs.)	* 25.2	33.0	(24)
PBIDT Margin (%)	* 27.0%	34.8%	--
PBIT (Rs. Crs.)	20.8	28.7	(28)

Caustic Volumes & ECU Realisation



- Capacity utilisation at 92%
- Sales volume grew by 3% backed by growth in end use segment
- ECU realisation down by 3% due to lower HCL and Chlorine prices
- Operating margins lower
 - Lower realisations
 - Higher re-membraning and re-coating expenses

Outlook

- Demand outlook positive with continuing growth in end use segments
- Prices expected to stabilise at current levels

(* After VRS expenses of Rs.2.3 Crs.)



Cement : Highlights

	Q3FY06	Q3FY05	% Chg.
<u>Grey Cement</u>			
Capacity (Mn. TPA)	13.12	13.12	--
Production (Mn. MT)	3.49	3.11	12
Sales Volumes (Mn. MT)	* 3.53	3.19	11
Net Turnover (Rs. Crs.)	* @ 730.6	623.8	17
Realisation (Rs./MT)	* @ 1,908	1,775	7
<u>White Cement</u>			
Capacity (TPA)	475,000	400,000	19
Production (MT)	87,377	87,638	--
Sales Volumes (MT)	90,474	86,692	4
Net Turnover (Rs.Crs.)	77.8	63.1	23
Realisation (Rs./MT)	6,097	5,958	2
PBIDT (Rs. Crs.)	174.8	108.7	61
PBIDT Margin (%)	21.6%	15.8%	--
PBIT (Rs. Crs.)	133.9	69.5	93

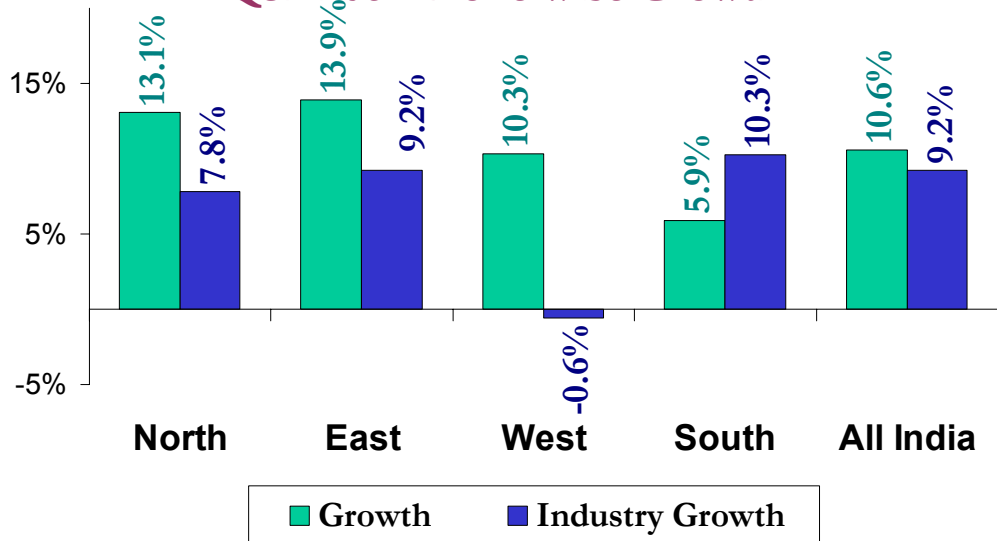
* Excludes 0.22 Mn. MT of traded volumes

@ Adjusted for differential in "Freight Paid Sales" for comparison purpose

- Excellent performance
- Capacity utilisation impressive at 106%
- Robust growth in volumes
 - Up 11% YoY against sector average growth of 9%
 - Outperformed the sector in North, East & West
- Realisations improved by 7% YoY
 - Higher prices in most of the regions
- Revenue grew by 17% YoY on the back of strong realisations and increased volumes
- White Cement
 - Volumes up by 4%
 - Net turnover higher by 23% on higher contribution from value added products

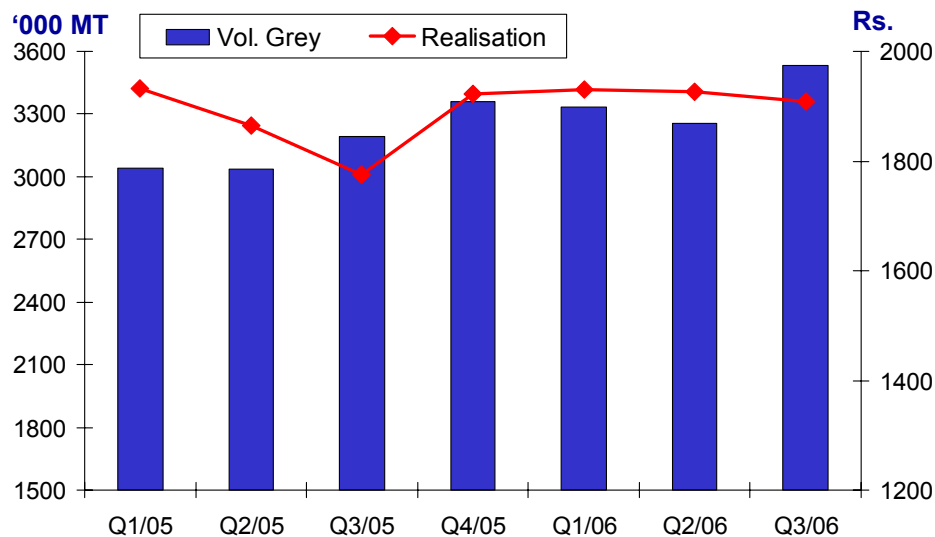
Cement : Highlights contd..

Q3FY06 – Zone wise Growth



- Significant improvement in margins from 16% to 22%
 - Increased realisations
 - Lower fuel cost due to optimum fuel mix
- Operating profit surged by 61% on the back of higher volumes and better realisations

Grey Cement Sales volume and Realisation /Tonne

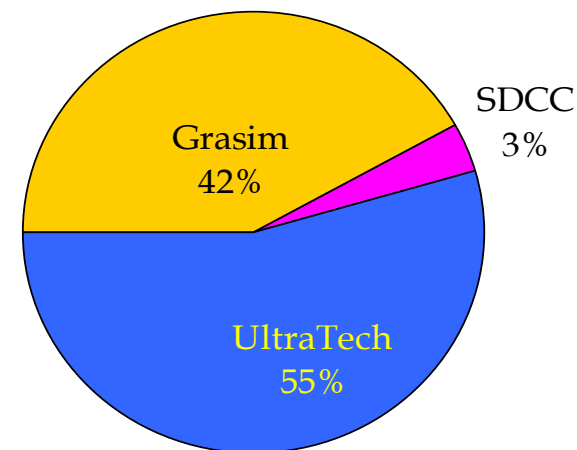


Cement Consolidated : Highlights

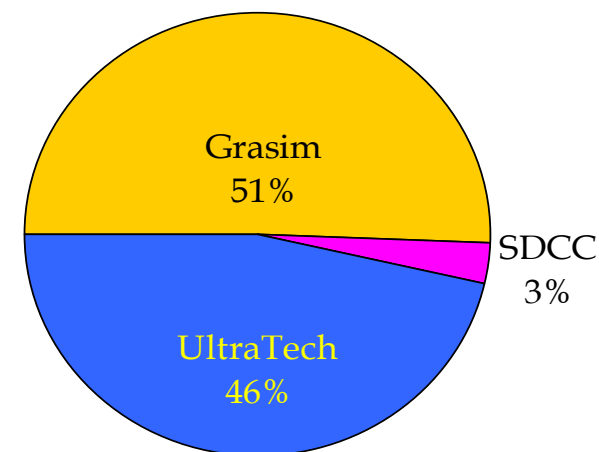
	Q3FY06	Q3FY05	FY05
<u>Cement</u>			
Capacity (Mn. TPA)	31.2	31.2	31.2
Production (Mn. MT)			
Clinker	0.4	0.9	3.1
Cement	7.0	6.7	26.1
	7.4	7.6	29.2
Sales Volumes (Mn. MT)			
Clinker	0.4	0.9	3.1
Cement	7.1	6.8	26.3
	7.5	7.7	29.4
Revenue (Rs. Crs.)			
Clinker	69	132	410
Cement	# 1,426	1,165	4,803
Others	123	109	441
	1,618	1,406	5,654
*PBIDT (Rs. Crs.)	323	172	974
*Capital Employed (Rs. Crs.)	6,813	6,842	6,888

* Including Minority Share

Adjusted for differential in "Freight Paid Sales" for comparison purpose



Cement Capacity - 31.2 Mn. Ton



Revenue (Q3FY06) - Rs.1,618 Crs.

Cement : Outlook

- Demand continues to grow in line with expectations
 - Sector growth of 10% in 9MFY06
 - Impressive growth in South (up 17%) and East (up 14%)
- Demand outlook positive, expected to grow by 8-9% in the long term
 - Growing demand from housing and infrastructure
 - Industrial investment to provide further impetus
- Demand growth higher than incremental supply
 - Capacity growth to be about 4-5% p.a. in current and next year
 - Likely higher capacity additions in FY08 to meet growing demand
- Narrowing of demand supply gap and higher capacity utilisation to result in better pricing environment
- Grasim to increase production by 1.5 Mn. MT over next 2 years
- Expected increase in freight cost, likely to be passed through

Sponge Iron : Highlights

	Q3FY06	Q3FY05	% Chg.
Capacity (TPA)	900,000	900,000	--
Production (MT)	90,972	180,687	(50)
Sales Volumes (MT)	98,440	196,735	(50)
Net Turnover (Rs. Crs.)	132.9	262.7	(49)
Realisation (Rs./MT)	11,694	13,063	(10)
PBIDT (Rs. Crs.)	3.3	99.5	--
PBIDT Margin (%)	2.5%	37.9%	--
PBIT (Rs. Crs.)	(5.2)	90.7	--

- Production impacted as plant being operated at minimum load
 - Use of alternate fuel minimised; uneconomical at current realisation level
 - Annual maintenance shutdown undertaken in the quarter
- Lower sales volume as a result
- Realisation lower by 10% due to global scrap prices
- Operating margins impacted on lower volumes and significant rise in input costs
 - Pellet prices up by 80% YoY
 - Iron Ore prices up by 60% YoY
 - Natural Gas prices up by 125% YoY



Sponge Iron : Outlook

- Capacity utilisation likely to remain low
- Steel sector outlook subdued
- Profitability to remain under pressure in ensuing quarters
 - Lower volumes due to poor gas supply
 - Input cost to remain at higher levels
 - Depressed market conditions
- Business prospects expected to improve in the long term with adequate gas availability; likely by end of year 2007

Textiles : Highlights and Outlook

	Q3 FY06	Q3 FY05	% Chg.
Sales Volumes			
- Fabrics (lac Mtrs.)	26	36	(28)
- Synthetic Yarn (MT)	1,665	1,277	30
Net Turnover (Rs. Crs.)	50.9	59.3	(14)
Fabric Realisation (Rs./Mtr.)	108	103	5
Synth. Yarn Realisation (Rs./Kg)	128	132	(3)
PBIDT (Rs. Crs.)	0.2	1.6	(87)
PBIDT Margin (%)	0.4%	2.7%	--
PBIT (Rs. Crs.)	(1.3)	(1.6)	--

- Fabric volumes lower by 28%
 - Reduced exports due to lower realisations
- Fabric realisations up 5%
- Outlook
 - Growth in RMG exports to increase fabric demand
 - New product launches to improve volumes

Grasim
SUITING
the power of fashion

GRAVIERA
SUITING
ANDAAZ ZARA HAT KE!



Capex

Capex under implementation

	Capex plan	Rs. Crores	
		Cash Outflow FY06	FY07
Cement	951	322	570
- Power plants (3 Nos, 77MW)	330	74	200
- Grinding unit in North (1.3 Mn. MT)	115	20	95
- De-bottlenecking/Blending	144	30	114
- Modernization	362	198	161
VSF	533	147	320
- Capacity expansion (49,625 Tons)	374	52	257
- Modernization	159	95	63
Sponge Iron	39	20	19
Chemical	178	99	79
Others	13	11	2
TOTAL	1,714	599	990

- 9M FY06 Capex spent - Rs.260 Crs.
 - Cement Rs.157 Crs., VSF Rs.85 Crs., Others Rs.18 Crs.
- Separate Capex plan of Rs.987 Crs. for UltraTech [incl. Rs.540 Crs. for 92 MW thermal power plant], Spent till date Rs.202 Crs.



Financial Highlights

Profitability Snapshot - Standalone

<i>(Figures in Rs. Crores)</i>	FY99	FY04	FY05	9M FY06
Gross Turnover	4,325	6,130	7,201	5,552
Net Turnover	3,757	5,213	6,229	4,812
PBIDT	674	1,504	1,785	1,127
PBIDT Margin (%)	17.9%	28.9%	28.7%	23.4%
Int. & Fin. Charges	292	154	139	74
PBDT	381	1,350	1,646	1,053
Total Tax Expenses	67	298	# 418	237
PAT	* 105	779	886	600
EPS (Rs.)	* 12.5	85.0	96.6	65.5
CEPS (Rs.)	44.7	115.5	130.3	86.5
DPS (Rs.)	6.8	14.0	16.0	--
ROAvCE (PBIT Basis)(%) \$	10.1	20.9	23.1	17.4
RONW (%) \$	5.3	23.7	23.7	17.3
Interest Cover (x)	2.3	7.9	9.6	11.8

- EPS improved significantly from Rs.13* in FY99 to Rs.97 in FY05
- Over 8 times growth in market cap. Rs.128 Bn. (US\$ 2.8 Bn.)

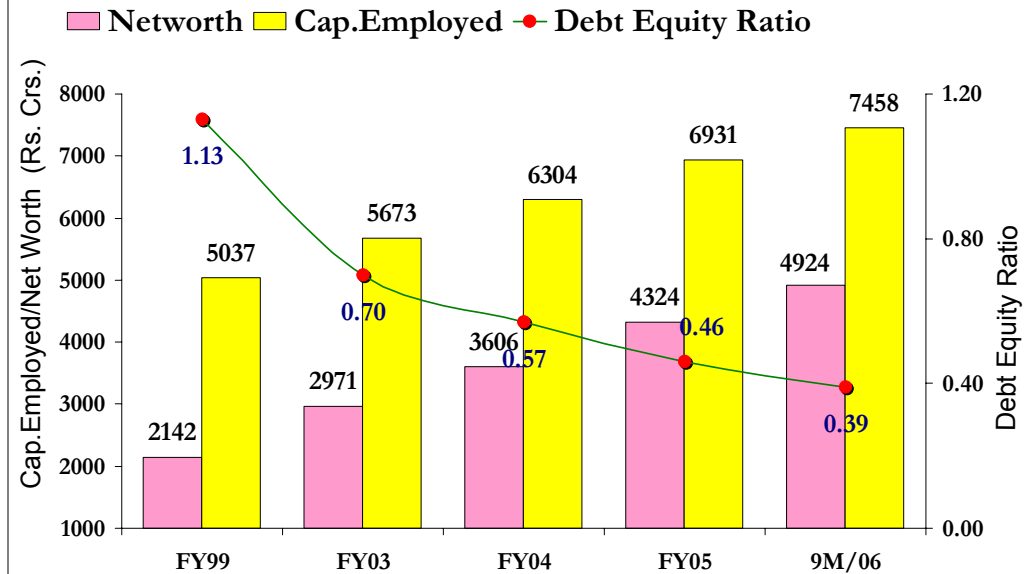
* Adjusted for deferred Tax

Including deferred tax / adjustment of past years

\$ Exceptional items eliminated in calculation of ROAvCE/RONW

Financial Snapshot - Standalone

(Figures in Rs. Crores)	FY99	FY04	FY05
Gross Block	4,937	5,802	6,052
Net Block	3,354	3,213	3,204
Cement Subs. Investments	56	2,333	2,362
Other Investments	624	409	939
Net Current Assets	1,003	349	426
Capital Employed	5,037	6,304	6,931
Net Worth	2,142	3,606	4,324
Debts	2,421	2,065	2,008
Deferred Tax	474	633	599
Debt: Equity (x)	1.13	0.57	0.46
Book Value (Rs.)	234	393	472



- Book Value – from Rs.234 in FY99 to Rs.537 per share in 9MFY06
- # Real standalone return in 9MFY06 excluding investment in cement subsidiaries
 - ROCE (%) 26.2%
 - RONW (%) 35.5%

Consolidated Balance Sheet

<i>(Figures in Rs. Crores)</i>	FY04	FY05
Gross Block	10,702	11,317
Net Block	6,394	6,300
Goodwill	2,037	1,958
Investments	270	769
Net Current Assets	475	674
Capital Employed	9,176	9,701
Net Worth	3,348	4,086
Minority Interest	515	500
Debts	4,108	3,936
Deferred Tax	1,205	1,179
Debt: Equity (x)	1.06	0.86
Book Value (Rs.)	365	446
ROAvCE (PBIT Basis)(%) [#]	15.2	18.5
RONW (%) ^{#*}	23.1	26.1

* Excluding Minority Share

Exceptional items eliminated in calculation of ROAvCE/RONW

- Strong consolidated Balance Sheet as well
- Leveraging in real term even lower, to be viewed in the context of
 - Cash surplus
 - Debts include long term interest free State Sales-tax Loans



UltraTech Cement Limited (Consolidated)

Performance Review – Q3FY06

UltraTech (Consolidated) Financial Performance-Q3FY06

	(Rs. Crores)			
	Q3 FY06	Q3 FY05	% Inc.	FY05
Net Turnover & Other Income	* 734.8	680.3	8	2,700.3
PBIDT	133.3	^ 65.9	102	378.9
PBIDT Margin (%)	18.3%	9.8%	--	14.1%
Interest	23.0	26.9	(14)	109.3
Depreciation	53.4	53.8	(1)	\$ 229.5
Impairment of Goodwill	--	--	--	76.8
PBT	56.9	(14.8)	--	(36.7)
Current Tax	21.1	(3.9)	--	32.5
Deferred Tax	(1.1)	(4.6)	--	#(36.9)
PAT	36.9	(6.3)	--	(32.4)
Minority Share	0.3	0.4	--	2.0
PAT after Minority share	36.6	(6.7)	--	(34.4)

\$ FY05 depreciation includes Rs.18.3 Crs. relating to earlier years

Including write back of old provision of Rs.19.9 Crs.

^ After additional charge of brand promotion expenses of Rs.12.5 Crs.

- *Turnover higher by 8%
- Operating Margins increased from 9.8% to 18.3%
 - Improved realisation
 - Substantial increase in cement exports
 - Improved profitability from Narmada Cement
- Energy cost increased by 6%
- Reduction in interest cost by 14%

* Adjusted for traded volumes and differential in "Freight Paid Sales" for comparison purpose

UltraTech Consolidated: Q3FY06 Highlights

	Q3FY06	Q3FY05	FY05
Capacity (Mn TPA)			
Clinker	15.50	15.50	15.50
Grinding	17.00	17.00	17.00
Production (Mn. MT)			
Clinker	0.40	0.83	2.68
Cement	3.32	3.36	12.92
Sales volumes (Mn. MT)			
Clinker	0.40	0.83	2.68
Cement – Domestic	* 2.93	3.15	11.99
- Exports	0.38	0.21	0.92
	3.71	4.19	15.59
Realisation (Rs./Ton)			
Cement (Domestic)	\$ 1,902	1,612	1,756
Cement (Exports)	2,715	2,362	2,385
Clinker	1,655	1,431	1,324

- Effective capacity utilisation at 88% in Q3FY06 against 99% in Q3FY05
 - Lower despatches from APCW due to disruption in packing plant
- Sales volume at 3.71 Mn. MT *
 - Lower domestic cement volumes
 - Switch over from clinker to cement exports
- Improved realisation in all segments

* Excludes 0.21 Mn. MT of traded goods

\$ Recast for differential in "Freight Paid Sales"



UltraTech Outlook

- Capex plan of Rs.987 Crs. (including captive power plant of Rs.540 Crs.)
- Cost and efficiency improvement
 - Power cost reduction
 - ⇒ Lignite based TPP at Gujarat plant, by Jan 2008
 - ⇒ Co-Generation plant at APCW
 - Fuel cost reduction
 - ⇒ Bidding for captive coal and lignite mines
 - ⇒ Use of alternate fuel - Petcoke
 - Logistics Cost reduction



**Shree Digvijay Cement Company Limited (SDCC)
Performance Review – Q3FY06**












SDCC Financial Performance - Q3FY06

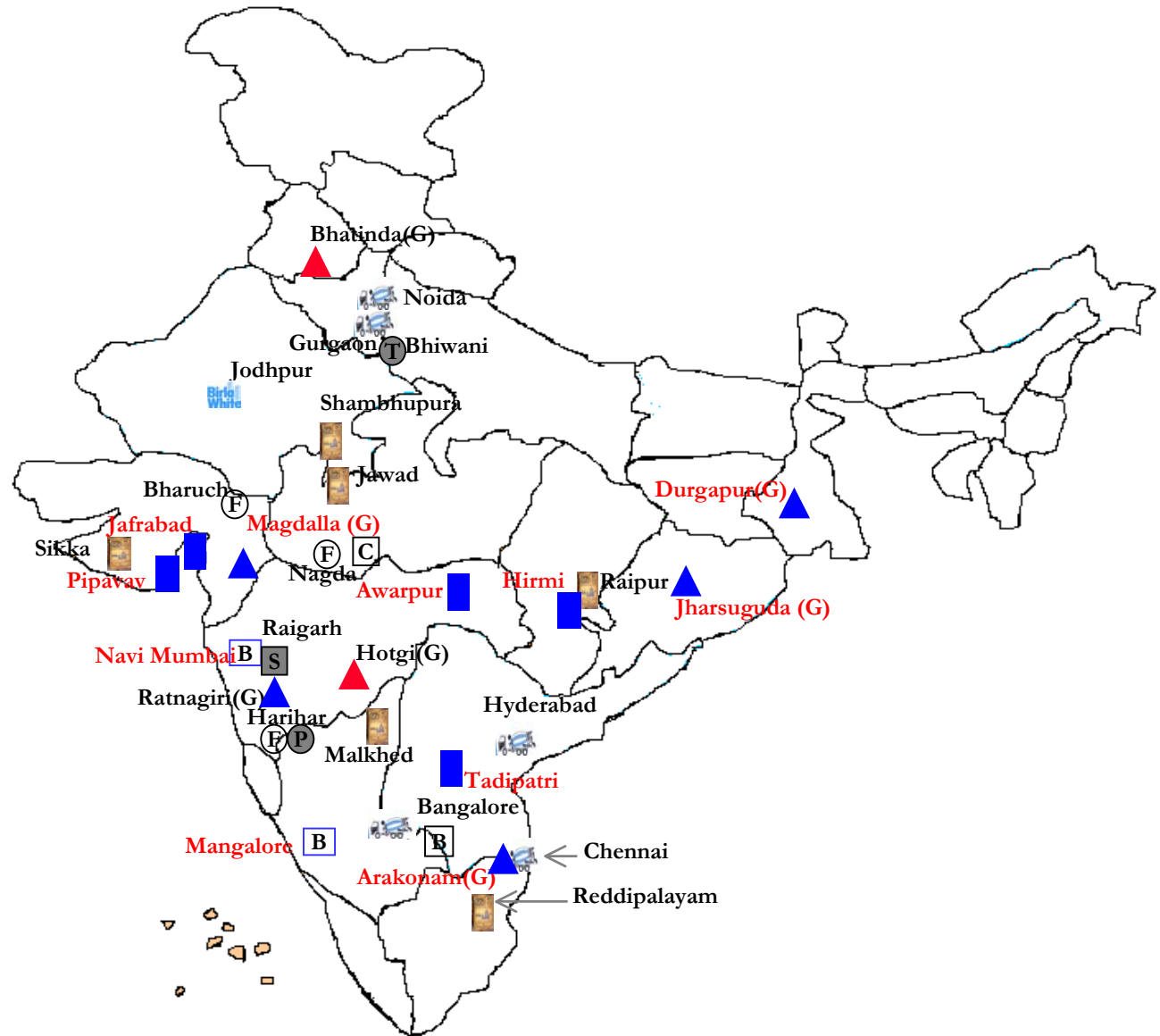
	(Rs. Crores)		
(Lac MT)	Q3 FY06	Q3 FY05	% Chg.
Cement Production	2.42	2.28	} (19)
Clinker Production	--	0.71	
Sales Volumes			
- Cement	2.41	2.30	} (20)
- Clinker	--	0.71	
Realisation (Rs./MT)-Cement	2,141	1,374	56
Net Revenues	51.6	41.2	25
PBIDT	8.3	(3.0)	--
PBIDT Margin	16.2%	--	--
Interest	* 0.4	4.6	--
Depreciation	1.6	1.8	(14)
Profit before EIs	6.4	(9.4)	--

* Interest on certain loans not provided and in certain cases at restructured / reduced rates; thus figures are not comparable

- Capacity utilisation at 90%
- Cement sales volumes up 5%
- Cement realisations surged by 56%
 - Better pricing environment in Gujarat
- Higher operating margins and profits

Plant Locations– Grasim & its subsidiaries

-  Grey cement plants
-  Grinding Units (G)
-  UltraTech Cement Plants
-  UltraTech Grinding Units (G)
-  UltraTech Bulk Cement Terminals
-  Fibre plants
-  Pulp plant
-  Chemical plant
-  Textiles units
-  Grey cement plants / Grinding Units (G)
-  Ready-mix Concrete plants
-  Bulk Cement Terminal
-  Sponge Iron plant



Not to scale



Thank You

Segmental & Business Performance Summary (Q3/9M FY06)

- Consolidated Performance
- Standalone Performance
- Segmental Performance
- VSF Summary
- Chemical Summary
- Cement Summary
- Sponge Iron Summary
- Textiles Summary
- Production Data
- Turnover & Realisations
- UltraTech Performance
- SDCCL Performance

Consolidated Financial Performance

(Rs. Crores)

	Q3FY06	Q3FY05	% Chg.	9MFY06	9MFY05	% Chg.	FY05 (Audited)
Net Turnover & Op. Income	2,503.2	2,338.6	7	7,298.9	6,840.1	7	9,317.3
Other Income	29.6	43.8	(32)	149.8	133.3	12	217.6
PBIDT	504.6	512.7	(2)	1,606.0	1,635.2	(2)	2,272.3
Interest	53.1	72.9	(27)	163.6	212.1	(23)	284.7
Gross Profit	451.5	439.8	3	1,442.4	1,423.1	1	1,987.6
Depreciation	142.2	136.3	4	415.0	419.5	(1)	556.1
Exceptional Items	--	--	--	--	--	--	(128.1)
PBT	309.3	303.5	2	1,027.4	1,003.6	2	1,303.4
Current Tax	105.6	99.1	6	324.4	329.0	(1)	483.3
Deferred Tax	(9.6)	(1.0)	--	(40.0)	74.0	--	\$ (41.2)
Total Tax	96.0	98.1	(2)	284.4	403.0	(29)	
PAT	213.3	205.4	4	743.0	600.6	24	861.3
Minority Share	18.0	+1.8	--	51.2	+30.6	--	+ 19.0
PAT after Minority Share	195.3	207.2	(6)	691.8	631.2	10	880.3
Earning Per Share (Rs.) Basic and Diluted	21.3	22.6	(6)	75.4	68.8	10	96.0

\$ Net of adjustments for prior period deferred tax written back and deferred tax assets written off, aggregating to credit of Rs. 30 Crs.

Standalone Financial Performance

(Rs. Crores)

	Q3FY06	Q3FY05	% Chg.	9MFY06	9MFY05	% Chg.	FY05
Net Turnover & Op. Income	1,648.2	1,559.7	6	4,840.6	4,610.3	5	6,252.4
Other Income	15.3	37.9	(60)	111.6	84.6	32	167.0
PBIDT	334.3	430.5	(22)	1,126.8	1,306.6	(14)	1,784.7
Interest	23.5	35.2	(33)	73.7	104.8	(30)	138.8
Gross Profit	310.8	395.3	(21)	1,053.1	1,201.8	(12)	1,645.9
Depreciation	73.2	71.7	2	215.7	212.1	2	284.5
Exceptional Items (net)	--	--	--	--	--	--	(57.7)
PBT	237.6	323.6	(27)	837.4	989.7	(15)	1,303.7
Current Tax	84.2	103.0	(18)	260.1	312.0	(17)	451.0
Deferred Tax	(8.5)	3.5	--	(23.2)	21.5	--	*(33.0)
Total Tax	75.7	106.5	(29)	236.9	333.5	(29)	
PAT	161.9	217.1	(25)	600.5	656.2	(8)	885.7
Earning Per Share (Rs.) Basic and Diluted	17.7	23.7	(25)	65.5	71.6	(8)	96.6

* After write back of Rs. 39.1 Crs. out of deferred tax of earlier years

Segmental Performance-Q3FY06

Standalone

(Rs. Crores)

Business	Revenue		PBIDT		PBIDT Margin (%)		PBIT		Capital Employed		ROAvCE (%) (PBIT basis)	
	Q3FY06	Q3FY05	Q3FY06	Q3FY05	Q3FY06	Q3FY05	Q3FY06	Q3FY05	Q3FY06	Q3FY05	Q3FY06	Q3FY05
VSF	515.8	489.6	124.2	160.7	24.1	32.8	107.6	146.0	903	963	47.9	67.9
Chemical	93.4	94.9	25.2	33.0	27.0	34.8	20.8	28.7	189	188	43.2	60.1
Cement	894.9	688.5	174.8	108.7	21.6	15.8	133.9	69.5	2,055	2,043	26.8	14.0
Sponge Iron	132.9	262.7	3.3	99.5	2.5	37.9	(5.2)	90.7	523	473	(4.1)	76.7
Textile	53.1	60.9	0.2	1.6	0.4	2.7	(1.3)	(1.6)	100	107	(5.1)	(6.0)
Direct Operations			327.7	403.5			255.8	333.3	3,770	3,774	27.6	36.9
Cement subsidiaries									2,232	2,270		
Company as a whole	@ 1,648.2	@ 1,559.7	334.3	430.5	20.3	27.7	261.1	358.8	7,458	7,248	14.9	21.5

Consolidated

VSF	529.6	502.5	124.6	162.0	23.5	32.2	107.7	147.0	930.2	987.9	46.7	66.7
Cement \$	1,675.2	1,405.6	323.0	171.7	19.3	12.2	227.2	76.8	6,812.7	6,842.3	13.6	4.5
Company as a whole\$	@ 2,503.2	@ 2,338.6	504.6	512.7	20.2	21.9	362.4	376.5	10,227.4	9,993.2	15.0	16.0

@ Net of Inter and Intra segment sales

\$ including minority share

Segmental Performance-9MFY06

Standalone

(Rs. Crores)

Business	Revenue		PBIDT		PBIDT Margin (%)		PBIT		Capital Employed		ROAvCE (%) (PBIT basis)	
	9MFY06	9MFY05	9MFY06	9MFY05	9MFY06	9MFY05	9MFY06	9MFY05	9MFY06	9MFY05	9MFY06	9MFY05
VSF	1,433.9	1,500.8	339.3	486.8	23.9	32.6	291.6	444.5	903	963	43.3	68.9
Chemical	296.9	248.7	98.0	65.8	33.1	26.5	84.9	53.1	189	188	58.8	37.0
Cement	2,522.1	2,036.1	534.5	408.1	23.1	20.1	413.5	291.0	2,055	2,043	27.6	19.6
Sponge Iron	523.8	740.2	72.9	284.8	13.9	38.5	47.2	258.7	523	473	12.2	72.9
Textile	179.6	191.0	4.5	8.8	2.6	4.8	0.1	(0.9)	100	107	0.1	(1.2)
Direct Operations			1,049.2	1,254.3			837.3	1,046.4	3,770	3,774	30.1	38.6
Cement subsidiaries									2,232	2,270		
Company as a whole	@4,840.6	@ 4,610.3	1,126.8	1,306.6	23.4	28.5	911.1	1,094.5	7,458	7,248	17.4	21.9

Consolidated

VSF	1,476.9	1,538.0	339.0	488.8	23.0	31.8	290.2	445.6	930.2	987.9	41.9	67.4
Cement \$	4,767.4	4,102.0	959.5	690.8	20.1	16.8	672.7	391.4	6,812.7	6,842.3	13.5	7.6
Company as a whole\$	@7,298.9	@ 6,840.1	1,606.0	1,635.2	22.0	23.9	1,191.0	1,215.7	10,227.4	9,993.2	16.4	17.2

@ Net of Inter and Intra segment sales
\$ including minority share

Viscose Staple Fibre : Summary

		Q3 FY06	Q3 FY05	% Chg.	9M FY06	9M FY05	% Chg.	FY05
Capacity	TPA	# 257,325	251,850	2	257,325	251,850	2	@ 253,675
Production	MT	61,862	63,558	(3)	164,376	184,648	(11)	247,952
Sales Volumes	MT	66,025	55,957	18	181,757	177,350	2	231,533
Net Turnover	Rs. Crs.	515.2	489.7	5	1,418.1	1,494.8	(5)	1,956.4
Avg. Realisation	Rs./MT	72,816	81,066	(10)	72,670	79,261	(8)	79,008
PBIDT	Rs. Crs.	124.2	160.7	(23)	339.3	486.8	(30)	610.8
PBIDT Margin	%	24.1%	32.8%	--	23.9%	32.6%	--	31.2%
PBIT	Rs. Crs.	107.6	146.0	(26)	291.6	444.5	(34)	553.6
Capital Employed	Rs. Crs.	903	963	(6)	903	963	(6)	1,027
ROAvCE(PBIT basis)	%	47.9%	67.9%	--	43.3%	68.9%	--	63.3%

@ Capacity increased during Q4FY05

Capacity increased during Q3FY06

Chemical : Summary

		Q3 FY06	Q3 FY05	% Chg.	9M FY06	9M FY05	% Chg.	FY05
Capacity (Caustic)	MT	190,800	190,800	--	190,800	190,800	--	190,800
Production (Caustic)	MT	44,039	42,719	3	122,822	119,802	3	161,966
Sales Volume(Caustic)	MT	44,283	43,170	3	121,717	120,318	1	163,111
Net Turnover	Rs. Crs.	93.0	94.8	(2)	296.3	248.3	19	350.9
Avg. ECU Realisation	Rs./MT	18,846	19,472	(3)	21,587	17,937	20	18,836
PBIDT	Rs. Crs.	25.2	33.0	(24)	98.0	65.8	49	104.0
PBIDT Margin	%	27.0%	34.8%	--	33.1%	26.5%	--	29.6%
PBIT	Rs. Crs.	20.8	28.7	(28)	84.9	53.1	60	87.0
Capital Employed	Rs. Crs.	189	188	--	189	188	--	213
ROAvCE (PBIT basis)	%	43.2%	60.1%	--	58.8%	37.0%	--	42.5%

Cement : Summary

		Q3 FY06	Q3 FY05	% Chg.	9M FY06	9M FY05	% Chg.	FY05
<u>Grey Cement</u>								
Capacity	Mn. MT	13.12	13.12	--	13.12	13.12	--	13.12
Production	Mn. MT	3.49	3.11	12	10.05	9.14	10	12.44
Sales Volumes	Mn. MT	* 3.53	3.19	11	* 10.12	9.27	9	12.63
Net Turnover	Rs. Crs.	* @730.6	623.8	17	* @2,111.1	1,878.4	12	2,577.8
Avg. Realisation	Rs./MT	* @1,908	1,775	7	* @1,924	1,856	4	1,874
<u>White Cement</u>								
Capacity	TPA	475,000	400,000	19	475,000	400,000	19	#475,000
Production	MT	87,377	87,638	--	253,914	230,372	10	315,368
Sales Volumes	MT	90,474	86,692	4	251,902	226,594	11	311,454
Net Turnover	Rs. Crs.	77.8	63.1	23	206.0	153.3	34	220.2
Avg. Realisation	Rs./MT	6,097	5,958	2	5,933	5,536	7	5,612
PBIDT	Rs. Crs.	174.8	108.7	61	534.5	408.1	31	551.4
PBIDT Margin	%	21.6%	15.8%	--	23.1%	20.1%	--	19.7%
PBIT	Rs. Crs.	133.9	69.5	93	413.5	291.0	42	393.1
Capital Employed	Rs. Crs.	2,055	2,043	1	2,055	2,043	1	2,132
ROAvCE (PBIT basis)	%	26.8%	14.0%	--	27.6%	19.6%	--	19.2%

* Excludes traded volumes of 0.22 Mn. MT in Q3FY06 and 0.47 Mn. MT in 9MFY06

@ Adjusted for differential in "Freight Paid Sales" for comparison purpose

Capacity increased during Q4FY05



Sponge Iron : Summary

		Q3 FY06	Q3 FY05	% Chg.	9M FY06	9M FY05	% Chg.	FY05
Capacity	TPA	900,000	900,000	--	900,000	900,000	--	900,000
Production	MT	90,972	180,687	(50)	396,732	560,595	(29)	780,341
Sales Volumes	MT	98,440	196,735	(50)	382,342	570,154	(33)	772,799
Net Turnover	Rs. Crs.	132.9	262.7	(49)	523.7	740.2	(29)	1,021.4
Avg. Realisation	Rs./MT	11,694	13,063	(10)	12,684	12,472	2	12,774
PBIDT	Rs. Crs.	3.3	99.5	--	72.9	284.8	(74)	389.7
PBIDT Margin	%	2.5%	37.9%	--	13.9%	38.5%	--	38.2%
PBIT	Rs. Crs.	(5.2)	90.7	--	47.2	258.7	(82)	355.2
Capital Employed	Rs. Crs.	523	473	11	523	473	11	512
ROAvCE (PBIT basis)	%	(4.1)%	76.7%	--	12.2%	72.9%	--	71.2%



Textiles : Summary

		Q3 FY06	Q3 FY05	% Chg.	9M FY06	9M FY05	% Chg.	FY05
Net Turnover	Rs. Crs.	50.9	59.3	(14)	172.1	184.0	(6)	249.9
PBIDT	Rs. Crs.	0.2	1.6	(87)	4.5	8.8	(49)	11.9
PBIDT Margin	%	0.4%	2.7%	--	2.6%	4.8%	--	4.8%
PBIT	Rs. Crs.	(1.3)	(1.6)	--	0.1	(0.9)	--	(0.5)
Capital Employed	Rs. Crs.	100	107	(7)	100	107	(7)	101
ROAvCE (PBIT basis)	%	(5.1)%	(6.0)%	--	0.1%	(1.2)%		(0.4)%

Production Data (MT)

	Q3FY06			Q3FY05			FY05		
	Capacity TPA	Production	%	Capacity TPA	Production	%	Capacity TPA	Production	%
VSF	# 257,325	61,862	96	251,850	63,558	101	@ 253,675	247,952	98
Caustic Soda	190,800	44,039	92	190,800	42,719	90	190,800	161,966	85
Grey Cement *	13.12	3.49	106	13.12	3.11	95	13.12	12.44	95
White Cement	475,000	87,377	74	400,000	87,638	88	@ 475,000	315,368	75
Sponge Iron	900,000	90,972	40	900,000	180,687	80	900,000	780,341	87

@ Capacity increased during Q4FY05

Capacity increased during Q3FY06

* Grey Cement numbers are in Mn. MT

Divisional Turnover (Qty.) & Realisation

Product	Quantity (MT)			Realisation (Rs. /MT)		
	Q3FY06	Q3FY05	FY05	Q3FY06	Q3FY05	FY05
VSF	66,025	55,956	231,533	72,816	81,066	79,008
Caustic Soda *	44,283	43,170	163,111	18,846	19,472	18,836
Grey Cement * *	3.53	3.19	12.63	1,908	1,775	1,874
White Cement	90,474	86,692	311,454	6,097	5,958	5,612
Sponge Iron	98,440	196,735	772,799	11,694	13,063	12,774

* ECU Realisation

** Numbers are in Mn. MT.

UltraTech (Consolidated): Financial Performance

(Rs. Crores)

	Q3 FY06	Q3 FY05	% Inc.	9M FY06	9M FY05	% Inc.	FY05
Net Turnover & Other Income	* 734.8	680.3	8	* 2,090.3	1,959.3	7	2,700.3
PBIDT	133.3	65.9	102	380.8	246.6	54	378.9
PBIDT Margin (%)	18.3%	9.8%	--	18.4%	12.7%	--	14.1%
Interest	23.0	26.9	(14)	67.8	82.4	(18)	109.3
Depreciation	53.4	53.8	(1)	160.3	176.7	(9)	\$ 229.5
Impairment of Goodwill	--	--	--	--	--	--	76.8
PBT	56.9	(14.8)	--	152.7	(12.5)	--	(36.7)
Current Tax	21.1	(3.9)	--	63.9	17.2	--	32.5
Deferred Tax	(1.1)	(4.6)	--	(16.9)	^ 23.3	--	#(36.9)
PAT	36.9	(6.3)	--	105.7	(53.0)	--	(32.4)
Minority Share	0.3	0.4	--	1.2	1.5	--	2.0
PAT after Minority share	36.6	(6.7)	--	104.5	(54.5)	--	(34.4)
Earning Per Share (Rs.) Basic and Diluted	2.9	(0.5)	--	8.4	(4.4)	--	(2.8)

* Adjusted for traded volumes and differential in "Freight Paid Sales" for comparison purpose

^ Net of deferred tax asset write off NCCL – Rs.31.1 Crs

\$ FY05 depreciation includes Rs.18.3 Crs. relating to earlier years

Including write back of old provision of Rs.19.9 Crs.

SDCC : Financial Performance

(Rs. Crores)

	Q3 FY06	Q3 FY05	% Chg.	9M FY06	9M FY05	% Chg.	FY05
Net Turnover & Op. Income	51.6	41.2	25	149.6	121.5	23	168.9
Other Income	0.5	0.6	(5)	3.3	4.1	(20)	5.5
PBIDT	8.3	(3.0)	--	30.1	8.2	266	18.1
PBIDT Margin	16.2%	--	--	20.1%	6.8%	--	10.7%
Interest	* 0.4	4.6	--	* 2.8	6.5	--	12.8
Depreciation	1.6	1.8	(14)	5.9	5.4	10	7.1
Profit before EIs	6.4	(9.4)	--	21.4	(3.7)	--	(1.8)

* Interest on certain loans not provided and in certain cases at restructured / reduced rates; thus figures are not comparable



GRASIM, THE ADITYA BIRLA GROUP'S FLAGSHIP COMPANY
RESULTS FOR Q3 FY 2006

Consolidated Financial Performance:

	Rs. Crores					
	Q3 FY06	Q3 FY05	% Change	9 Months FY06	9 Months FY05	% Change
Net Revenue	2,503.2	2,338.6	7.0	7,298.9	6,840.1	6.7
Gross Profit	451.5	439.8	2.7	1,442.3	1,423.0	1.4
Depreciation	142.2	136.3	4.4	415.0	419.4	(1.1)
Total Tax Expenses	96.0	98.1	(2.1)	284.4	403.0	(29.4)
Profit after Taxes	213.3	205.4	3.9	742.9	600.6	23.7
Less: Minority Share	18.0	(1.8)		51.1	(30.5)	
Net Profit	195.3	207.2	(5.7)	691.8	631.1	9.6
EPS (Rs.)	21.3	22.6	(5.7)	75.5	68.8	9.6

Grasim, the flagship Company of the Aditya Birla Group, has reported a consolidated turnover of Rs.2,503 crores (Rs.2,339 crores) for the quarter ended December, 2005. Net Profit for the period was Rs.195 crores (Rs. 207 crores).

The results have to be viewed in the backdrop of the subdued performance by the Company's Sponge Iron business, which continued to be affected by the non-availability of natural gas and high input cost. However, an excellent performance by the Cement business helped mitigate the impact partially.

The performance during the first nine months of the current financial year showed an improvement over the corresponding period of the previous year. Revenues at Rs.7,299 crores (Rs.6,840 crores) were higher by 7%, while Net Profit at Rs.692 crores showed an increase of 10%.

Grasim's stand-alone financial performance:

Notwithstanding the downturn faced by two of its major businesses, viz., Viscose Staple Fibre and Sponge Iron, the Company's results on a stand-alone basis for the nine months have been satisfactory. Turnover at Rs.4,841 crores (Rs.4,610 crores) was higher by 5%, while Net Profit was at Rs.600 crores (Rs.656 crores).

Highlights of Grasim's operations:

		Q3FY06	Q3FY05	% Change	FY 2005
Production -					
Viscose Staple Fibre	M.T.	61,862	63,558	-3%	2,47,952
Cement	Mn. M.T.	3.49	3.11	12%	12.44
White Cement	M.T.	87,377	87,638	-	3,15,368
Sponge Iron	M.T.	90,972	1,80,687	-50%	7,80,341
Caustic Soda	M.T.	44,039	42,719	3%	1,61,966
Sales Volumes -					
Viscose Staple Fibre	M.T.	66,025	55,956	18%	2,31,533
Cement	Mn. M.T.	3.53	3.19	11%	12.63
White Cement	M.T.	90,474	86,692	4%	3,11,454
Sponge Iron	M.T.	98,440	1,96,735	-50%	7,72,799
Caustic Soda	M.T.	44,283	43,170	3%	1,63,111
Net Realisation -					
Viscose Staple Fibre	Rs./M.T.	72,816	81,066	-10%	79,008
Cement	Rs./M.T.	1,908	1,775	7%	1,874
White Cement	Rs./M.T.	6,097	5,958	2%	5,612
Sponge Iron	Rs./M.T.	11,694	13,063	-10%	12,774
Chemical Products	Rs./M.T.	18,846	19,472	-3%	18,836

(Cement numbers are excluding traded goods)

VSF Business

The installed capacity of VSF was increased by 3,650 tons to 2,57,325 tons per annum during the quarter through de-bottlenecking. Capacity utilisation during the quarter was marginally lower at 96% (101%). The sales volumes rose by 18%. The buoyancy in exports to South Asian countries and firm domestic demand aided the improved volumes. Realisations were down by 10% in line with international prices. Total exports, direct and indirect, were up by 27% over the corresponding quarter.

The Company will continue its thrust on value added new products and application development. The Company's Research & Application Centre at Kharach (Gujarat) will foster the development of new applications and value added products, which is expected to translate into increased demand for VSF.

A total capital outlay of over Rs.533 crores has been planned towards capacity expansion and modernization at its VSF plants. This will increase VSF capacity to 3,06,950 tons per annum from its current level of 2,57,325 tons.

The Company's plan in setting up an integrated plantation-cum-pulp plant at Laos is progressing well. Upon completion, this would enable the Company to source its requirement of quality pulp in adequate quantities.

The outlook for the VSF business remains positive, with improved prospect for the Indian Textile Sector, post MFA era.

Cement Business

Grasim's Cement Business has posted an excellent performance during the quarter. Capacity utilisation was higher at 106% as compared to 95% in the corresponding quarter. Sales volumes were up by 11% at 3.53 Mn. tons. Realizations too were higher by 7% at Rs.1,908 per ton.

The Company has envisaged a total capital outlay of around Rs.951 crores spread over a period of next 2 years towards modernization, capacity expansion, de-bottlenecking and an increased power plant capacity.

Cement Subsidiaries:

UltraTech Cement Limited's performance during the quarter was impressive. It achieved a cement sale of 3.3 Mn. tons and clinker sale of 0.4 Mn. tons, of the aggregate amount of Rs. 728 crores. Domestic Cement realizations were up by 18% at Rs.1,902 per ton. The change in product mix from clinker to cement for the export market resulted in cement exports rising from 2.1 lac tons to 3.8 lac tons. A capex of Rs.987 crores, largely towards setting up of a new power plant, de-bottlenecking and modernization, has been planned. The amount will be spent over a period of next 2 years.

Shree Digvijay Cement Company Limited, another subsidiary, has reported improved performance. Production, Sales volumes and Realisations were higher over the corresponding period.

The growing demand from housing and infrastructure sectors along with the increased industrial investment should provide further impetus to the cement business. The outlook for the cement business, thus, continues to be encouraging.

Sponge Iron Business

The performance of the Sponge Iron business was severely hampered due to the shortage in supply of natural gas and steep rise in input costs. This resulted in Production being curtailed to 50% at 90,972 tons. Consequently, sales volumes were down by 50% at 98,440 tons. Operating margins were further squeezed as realizations fell by 10% at Rs.11,694 per ton.

The availability of natural gas will continue to remain an area of concern in the short-term to medium term. As a part of the strategy to improve its performance, the Company's thrust will be on optimum utilisation of plant capacity and enhance volumes.

Chemical Business

The Chemical business put up a satisfactory performance. Production and Sales volumes were up by 3% each. Realizations were down by 3% over the corresponding quarter due to lower chlorine and HCL prices. Consequently, operating margins declined.

The Company plans to convert the balance mercury cell based capacity into membrane cell involving a total capital outlay of Rs.148 crores. The project is expected to be completed by Q3FY07.

The outlook for the Business is positive due to the continuing growth in end use segments and stabilisation of prices at current levels.

Outlook

Grasim is poised for a significant growth in the years ahead. The optimism stems from the Company's expanded capacities, leadership status in its key business segments, cost optimization measures, strategic planning and prudent financial management.

Grasim Industries Limited

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**UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 31ST DECEMBER 2005**

I. CONSOLIDATED RESULTS :

Rs in Crores

	Three Months ended 31st December 2005	Three Months ended 31st December 2004	Nine Months ended 31st December 2005	Nine Months ended 31st December 2004	Full Year ended 31st March 2005 (Audited)
Net Sales / Income from Operations	2,503.16	2,338.61	7,298.92	6,840.06	9,317.27
Other Income	29.57	43.80	149.76	133.30	217.64
Expenditure :					
- Decrease / (Increase) in Stock	(2.02)	9.93	(17.28)	(69.24)	(122.14)
- Raw Material Consumed	532.04	560.93	1,630.00	1,609.04	2,235.35
- Purchases of Finished Goods	28.35	13.92	74.06	42.84	56.20
- Payment to & Provision for Employees	138.15	121.11	396.10	381.43	550.41
- Power & Fuel	561.06	538.89	1,558.59	1,547.04	2,014.79
- Freight , Handling & Other Expenses	390.44	276.48	1,077.62	793.44	1,104.04
- Other Expenditure	380.12	348.43	1,123.59	1,033.64	1,423.97
Total Expenditure	2,028.14	1,869.69	5,842.68	5,338.19	7,262.62
Interest	53.04	72.91	163.64	212.12	284.67
Gross Profit	451.55	439.81	1,442.36	1,423.05	1,987.62
Depreciation	142.22	136.27	414.98	419.43	556.13
Profit before Exceptional Items and Tax Expense	309.33	303.54	1,027.38	1,003.62	1,431.49
Surplus on pre-payment of sales tax loan	-	-	-	-	34.35
Impairment of Goodwill	-	-	-	-	(162.45)
Profit before Tax Expense	309.33	303.54	1,027.38	1,003.62	1,303.39
Provision for Current Tax	(105.59)	(99.15)	(324.44)	(329.04)	(483.27)
Provision for Deferred Tax	9.61	1.01	40.02	(73.96)	41.18
Net Profit	213.35	205.40	742.96	600.62	861.30
Less : Minority Share	18.01	(1.77)	51.12	(26.68)	(15.18)
Less: Pre-acquisition Profit / (Loss)	-	-	-	(3.85)	(3.85)
Net Profit (After Minority's Share)	195.34	207.17	691.84	631.15	880.33
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					3,946.56
Basic & Diluted EPS for the period (Rupees)	21.30	22.59	75.45	68.84	96.01

II. STANDALONE RESULTS :

	Three Months ended 31st December 2005	Three Months ended 31st December 2004	Nine Months ended 31st December 2005	Nine Months ended 31st December 2004	Full Year ended 31st March 2005 (Audited)
Net Sales / Income from Operations	1,648.20	1,559.67	4,840.58	4,610.25	6,252.42
Other Income	15.24	37.85	111.56	84.55	167.03
Expenditure :					
- Decrease / (Increase) in Stock	26.32	(35.78)	51.87	(58.28)	(100.67)
- Raw Material Consumed	433.70	473.82	1,345.49	1,354.01	1,869.33
- Purchases of Finished Goods	68.35	13.02	159.50	35.54	49.02
- Payment to & Provision for Employees	103.24	95.98	303.83	281.29	382.64
- Power & Fuel	277.95	274.30	787.62	774.45	1,031.34
- Freight , Handling & Other Expenses	183.10	146.10	532.81	426.14	586.06
- Other Expenditure	236.46	199.56	644.19	575.02	817.04
Total Expenditure	1,329.12	1,167.00	3,825.31	3,388.17	4,634.76
Interest	23.49	35.23	73.76	104.82	138.76
Gross Profit	310.83	395.29	1,053.07	1,201.81	1,645.93
Depreciation	73.26	71.71	215.70	212.12	284.57
Profit before Exceptional Items and Tax Expense	237.57	323.58	837.37	989.69	1,361.36
Surplus on pre-payment of sales tax loan	-	-	-	-	34.35
Provision for diminution in value of investment and loans	-	-	-	-	(92.00)
Profit before Tax Expense	237.57	323.58	837.37	989.69	1,303.71
Provision for Current Tax	(84.20)	(103.00)	(260.10)	(312.00)	(451.00)
Provision for Deferred Tax	8.50	(3.50)	23.20	(21.50)	33.00
Net Profit	161.87	217.08	600.47	656.19	885.71
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					4,231.96
Basic & Diluted EPS for the period (Rupees)	17.65	23.68	65.49	71.57	96.60

III. SEGMENT REPORTING - CONSOLIDATED

Rs. in Crores

	Three Months ended 31st December 2005	Three Months ended 31st December 2004	Nine Months ended 31st December 2005	Nine Months ended 31st December 2004	Full Year ended 31st March 2005 (Audited)
1. SEGMENT REVENUE					
a Fibre & Pulp	529.63	502.53	1,476.89	1,537.99	2,009.25
b Cement	1,675.20	1,405.59	4,767.36	4,101.96	5,654.12
c Sponge Iron	132.93	262.73	523.77	740.19	1,021.48
d Chemicals	93.37	94.91	296.93	248.74	351.76
e Textiles	53.13	60.90	179.57	191.00	260.25
f Others	60.75	48.96	170.09	126.68	180.81
TOTAL	2,545.01	2,375.62	7,414.61	6,946.56	9,477.67
(Less) : Inter Segment Revenue	(41.85)	(37.01)	(115.69)	(106.50)	(160.40)
Net Sales / Income from Operations	2,503.16	2,338.61	7,298.92	6,840.06	9,317.27
2. SEGMENT RESULTS					
a Fibre & Pulp	107.67	146.97	290.19	445.60	554.60
b Cement	227.21	76.80	672.73	391.38	578.67
c Sponge Iron	-5.23	90.74	47.23	258.71	355.17
d Chemicals	20.77	28.72	84.90	53.10	86.98
e Textiles	(1.27)	(1.62)	0.06	(0.95)	(0.46)
f Others	7.93	9.60	25.43	19.69	29.45
TOTAL	357.08	351.21	1,120.54	1,167.53	1,604.41
Add / (Less) :					
Interest	(53.04)	(72.91)	(163.64)	(212.12)	(284.67)
Net Unallocable Income / (Expenditure)	5.29	25.24	70.48	48.21	111.75
Profit before Exceptional Items and Tax Expense	309.33	303.54	1,027.38	1,003.62	1,431.49
Surplus on pre-payment of sales tax loan	-	-	-	-	34.35
Impairment of Goodwill	-	-	-	-	(162.45)
Profit Before Tax Expense	309.33	303.54	1,027.38	1,003.62	1,303.39
3. CAPITAL EMPLOYED					
a Fibre & Pulp			930.17	987.86	1,054.62
b Cement			6,812.70	6,842.34	6,887.92
c Sponge Iron			523.07	472.77	511.68
d Chemicals			188.59	187.72	212.65
e Textiles			100.02	107.20	101.37
f Others			339.49	353.44	364.86
TOTAL			8,894.04	8,951.33	9,133.10
g Unallocated Corporate Capital Employed			1,333.36	1,041.87	567.98
TOTAL CAPITAL EMPLOYED			10,227.40	9,993.20	9,701.08

IV. SEGMENT REPORTING - STANDALONE

	Three Months ended 31st December 2005	Three Months ended 31st December 2004	Nine Months ended 31st December 2005	Nine Months ended 31st December 2004	Full Year ended 31st March 2005 (Audited)
1. SEGMENT REVENUE					
a Fibre & Pulp	515.76	489.62	1,433.88	1,500.75	1,962.70
b Cement	894.86	688.52	2,522.12	2,036.07	2,803.92
c Sponge Iron	132.93	262.73	523.77	740.19	1,021.48
d Chemicals	93.37	94.91	296.93	248.74	351.76
e Textiles	53.13	60.90	179.57	191.00	260.25
TOTAL	1,690.05	1,596.68	4,956.27	4,716.75	6,400.11
(Less) : Inter Segment Revenue	(41.85)	(37.01)	(115.69)	(106.50)	(147.69)
Net Sales / Income from Operations	1,648.20	1,559.67	4,840.58	4,610.25	6,252.42
2. SEGMENT RESULTS					
a Fibre & Pulp	107.59	145.98	291.57	444.49	553.58
b Cement	133.91	69.50	413.47	290.99	393.09
c Sponge Iron	(5.23)	90.74	47.23	258.71	355.17
d Chemicals	20.77	28.72	84.90	53.10	86.98
e Textiles	(1.27)	(1.62)	0.06	(0.95)	(0.46)
f Others	-	0.25	(1.35)	(0.04)	0.01
TOTAL	255.77	333.57	835.88	1,046.30	1,388.37
Add / (Less) :					
Interest	(23.49)	(35.23)	(73.76)	(104.82)	(138.76)
Net Unallocable Income / (Expenditure)	5.29	25.24	75.25	48.21	111.75
Profit before Exceptional Items and Tax Expense	237.57	323.58	837.37	989.69	1,361.36
Surplus on pre-payment of sales tax loan	-	-	-	-	34.35
Provision for diminution in value of investment and loans	-	-	-	-	(92.00)
Profit Before Tax Expense	237.57	323.58	837.37	989.69	1,303.71
3. CAPITAL EMPLOYED					
a Fibre & Pulp			902.63	962.69	1,026.77
b Cement			2,055.31	2,043.44	2,132.02
c Sponge Iron			523.07	472.77	511.69
d Chemicals			188.59	187.72	212.65
e Textiles			100.02	107.20	101.37
f Others			1.49	2.19	3.14
TOTAL			3,771.11	3,776.01	3,987.64
g Unallocated Corporate Capital Employed			3,691.08	3,477.42	2,948.55
TOTAL CAPITAL EMPLOYED			7,462.19	7,253.43	6,936.19

V. NOTES

- 1 Consolidated Results have been prepared in accordance with Accounting Standard on Consolidated Financial Statements (AS-21) and Accounting Standard on Financial Reporting of Interest in Joint Ventures (AS-27) issued by the Institute of Chartered Accountants of India.
- 2 The workers of one of the Viscose Staple Fibre plants of the Company, at Harihar in Karnataka, were on strike from 17th October, 2005 to 26th October, 2005. Consequently manufacturing activities at the above plant were suspended during this period.
- 3 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)
- 4 During the quarter, total five investor complaints were received, all of which have been attended by the Company. No complaints were pending at the beginning and at the end of the quarter.
- 5 Previous period's figures have been regrouped / rearranged wherever necessary to conform to current period's classification.
- 6 The above results have been reviewed by the Audit Committee, and have been taken on record at the meeting of the Board of Directors held on 25th January, 2006. The limited review, as required under Clause 41 of Listing Agreement has been completed by the auditors of the Company and the related report is being submitted to the concerned Stock Exchanges.

For and on behalf of Board of Directors

Place : Mumbai
Date : 25th January, 2006

D. D. Rathi
Whole-time Director

GRASIM INDUSTRIES LIMITED

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