UNAUDITED FINANCIAL RESULTS
FOR THE THREE MONTHS ENDED 31ST, DECEMBER, 2000

Rs in crores

	Three Months Ended 31st December 2000	Three Months Ended 31st December 1999	Nine Months Ended 31st December 2000	Nine Months Ended 31st December 1999	Year ended 31st March 2000 (Audited)
Net Sales / Income from Operations	**1,189.03**	**1,061.81**	**3,577.06**	**3,188.57**	**4,289.72**
Other Income	18.17	14.16	51.65	46.67	71.23
Total expenditure					
- Decrease / (Increase) in Stock	(34.73)	(0.37)	(60.95)	42.99	(12.61)
- Raw Material Consumed	401.55	321.40	1,164.93	962.35	1,317.69
- Purchases of Finished Goods	71.90	71.21	251.97	179.51	287.31
- Payment to & Provision for Employees	74.53	72.28	231.32	219.46	298.87
- Power & Fuel	186.53	156.72	554.79	469.32	650.76
- Freight , Handling & Other expenses	113.55	117.76	362.34	316.85	448.53
- Other Expenditure	168.18	158.62	491.39	462.91	614.08
Total Expenditure	**981.51**	**897.62**	**2,995.79**	**2,653.39**	**3,604.63**
Interest	59.25	62.38	181.02	205.13	256.08
Gross profit	**166.44**	**115.97**	**451.90**	**376.72**	**500.24**
Depreciation	63.41	59.61	188.64	176.45	236.98
Profit before Employee separation cost and tax	**103.03**	**56.36**	**263.26**	**200.27**	**263.26**
Employees separation cost	2.49	1.18	10.32	2.53	17.81
Provision for tax	10.00	4.25	20.00	13.00	12.35
Net Profit	**90.54**	**50.93**	**232.94**	**184.74**	**233.10**
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					2,684.95
Basic & Diluted EPS for the period (Rupees)	**9.87**	**5.55**	**25.41**	**20.15**	**25.42**

Notes:

1 The Company had filed separate applications with the State Government of Kerala seeking permission for closure of Pulp Plant and Fibre Plant, respectively at Mavoor ('the Mavoor Units'). The State Govt. refused permission for closure of these units against which the Company filed an appeal to Industrial Tribunal at Kozhikode. Meanwhile, the operations at Mavoor Units remain suspended. The Company has filed a Scheme of Arrangement u/s 391/394 of the Companies Act, 1956 in the High Court of Madhya Pradesh ('the Court') in October, 2000 inter-alia providing for sale/transfer of assets of Mavoor Units. The Scheme is under consideration of the Court and will take effect after all necessary approvals are obtained.

Pending disposal of application by the Court no provision has been made for possible loss which may arise on sale/transfer of Mavoor Units which with reference to the terms of the Scheme is presently estimated at Rs.36.5 crores. Such loss, if it arises will be an extra-ordinary non-cash item not affecting the normal operating profits of the Company.

2 Dharani Cements Ltd. (DCL), a wholly owned subsidiary of the Company, is proposed to be amalgamated in the Company under a Scheme of Arrangement in terms of Sec. 391/394 of the Companies Act , 1956 with effect from 1st November,2000,being the appointed date.The Scheme has been filed in the relevant courts (being the High Court of Madhya Pradesh and High Court of Tamil Nadu).The amalgamation would take effect after all approvals , inter alia , including that of the aforesaid high courts are received. Pending such approvals , the results of DCL for the period from 1st Novemebr,2000 to 31st December,2000 have not been included in the Company's results.

3 The Board in its meeting on 29th Novemebr,2000 has approved transfer of the Software Division of the Company into a wholly owned subsidiary company , namely Birla Technologies Ltd. The Company has convened an Extra Ordinary General Meeting on 27th January,2001 to seek shareholders' approval to this proposal and if approved, the sale/transfer will be made effective on 1st February,2001

4 Previous quarter / Nine Months / year's figures have been regrouped / rearranged wherever necessary to confirm to this quarter's classification.

5 The above results have been taken on record at the meeting of the Board of Directors held on 24th January, 2001.

For and on behalf of Board of Directors

Place : Mumbai
Date : 24th January, 2001

Kumar Mangalam Birla
Chairman

Press Release **Mumbai, 24th January, 2001**

GRASIM, THE ADITYA BIRLA GROUP's FLAGSHIP COMPANY

REPORTS GOOD PERFORMANCE
For Q3 - FY 2001

Net Profit: Rs. 91 Crores, up by 78%
Turnover: Rs. 1189 Crores, up by 12%

(Rs. Crores)

	Quarter ended 31.12.2000 (Un-audited)	Quarter ended 31.12.1999 (Un-audited)	Variation (%)	Year Ended 31.03.2000 (Audited)
Turnover	1189.0	1061.8	12.0	4289.7
PBIDT	225.7	178.4	26.5	756.3
Interest	59.3	62.4	-5.0	256.1
Gross Profit	166.4	116.0	43.5	500.2
Depreciation	63.4	59.6	6.4	237.0
Employees' separation cost	2.5	1.2	111.0	17.8
Tax	10.00	4.3		12.3
Profit after Tax	90.5	50.9	77.8	233.1

Grasim, the flagship company of the Aditya Birla Group, has reported a turnover of Rs.1189 crores (Rs.1062 crores) for the quarter ended December, 2000, reflecting a 12% increase over the corresponding quarter of the previous year. Gross profit was higher by 44% at Rs.166 crores. Profit after provision for employee separation cost and tax for the period was up by 78% at Rs.91 crores despite higher depreciation charge of the new cement plant commissioned in April this year and substantially higher tax provision.

Higher production and turnover volumes aided by an improved realisation in all of the Company's businesses except textiles contributed to Grasim's better performance during the quarter. Restructuring of high cost debts coupled with effective fund management saw interest costs going down by 5%, to Rs.59 crores from Rs.62 crores in the corresponding quarter of the previous year.

In a continuing move towards rationalization of its manpower, the Company had introduced a Voluntary Retirement Scheme at some of its divisions. During the quarter under review, 126 persons opted for voluntary retirement, and were paid Rs.2.5 crores, besides their normal retirement benefits.

Grasim's core businesses, such as VSF and cement registered higher production and sales volumes, as indicated in the table below:

Products		Q3 FY2001	Q3 FY2000	Variation	FY 2000
Production Volumes –					
Viscose Staple Fibre	M.T.	54626	45702	20%	188002
Cement	MN. M.T.	2.20	2.00	10%	8.40
White Cement	M.T.	71817	66562	8%	240492
Sponge Iron	M.T.	164397	168117	-2%	709094
Sales Volumes –					
Viscose Staple Fibre	M.T.	49429	47024	5%	192451
Cement	MN. M.T.	2.21	2.00	10%	8.42
White Cement	M.T.	72143	65002	11%	240014
Sponge Iron	M.T.	165495	197560	-16%	822995

REALISATION - Net of Excise Duty (Rupees per tonne)

Products	Q3 FY2001	Q3 FY2000	Variation	FY 2000
Viscose Staple Fibre	69660	66650	5%	64484
Cement	1925	1746	10%	1784
White Cement	5392	5094	6%	5078
Sponge Iron	5695	5250	8%	5037

VSF BUSINESS

Capacity utilization of VSF during the quarter under review was significantly higher at 99%, as compared to 83% in the corresponding quarter of the previous year. Aggressive marketing and promotional efforts and the value added technical services to yarn manufacturers saw sales volumes rise by 5% in this quarter. The substantial increase in global pulp prices was partially offset by improved realisation, which went up by 5% during this period.

The Company's focus on increased application of VSF through product/application development should enable this business to perform better.

On account of scanty rainfall in Madhya Pradesh last monsoon, Grasim's VSF plant at Nagda will face a problem of water scarcity. While this is not expected to impact Company's VSF production in the current financial year, there will be a production cut at Nagda plant during the April-June quarter of the coming financial year till the onset of monsoons.

By running all of its Plants at full capacity, the Company is building up inventories to meet the requirement of its customers during the April-June quarter of the next financial year. Concurrently, the Company has also taken steps to maximize VSF production at other locations, which account for 45% of overall VSF production.

Building up of inventories during the January-March 2001 quarter will impact operating profits of the fibre business for the 4th quarter, though corresponding gains will be realized in the 1st quarter of the next financial year, when the accumulated stock will get sold. All the same, earnings of the first quarter of the next financial year for the fibre business will be impacted due to the production cut at its Nagda Fibre Plant on account of the water problem.

Chemical Business: As prices of Caustic Soda as well as ancillary products, Chlorine and Hydro Chloric Acid have risen significantly, Grasim's Chemical business gained substantially. Despite lower capacity utilization and sales volumes during the quarter, the division posted excellent results. The Chemical plant, being located at Nagda, will also suffer a production cut during the first quarter of next year due to water scarcity.

The Company expects that the impact on profitability of the above businesses will be partly neutralized through better performance of other businesses.

CEMENT BUSINESS

Capacity utilisation during the quarter under review at 97% was almost the same as that of the corresponding quarter last year. Improvement in cement prices started materializing in the second quarter in the South, followed by consequent improvements in other markets in November / December. This helped the Company improve its realisation by 10% over the corresponding quarter. With the commissioning of the new cement plant in Tamil Nadu, Grasim has been able to penetrate the lucrative southern markets.

The renewed focus on infrastructure sector by the Government and the expected strong growth in the housing sector should enable the company to post better results in the ensuing years. To increase the volume of value added products, Grasim is setting up four more Ready Mix Concrete plants at an estimated cost of Rs.32 crores. These RMC plants are slated for completion in the 1st half of next year. The Company is also setting up a 8 lac TPA capacity grinding unit at Bhatinda at a cost of Rs.83 crores and has so far spent Rs. 14 crores on this project. The Bhatinda plant is expected to go on stream in the second half of the next year.

SPONGE IRON BUSINESS

Capacity utilisation during the quarter was marginally down by 2% mainly due to poor supply of natural gas and discontinuation of use of Naphtha on account of higher cost. In the current quarter, the Company has achieved a normal level of turnover in line with its production. Inventories of finished goods are within the acceptable levels. In the corresponding quarter, turnover volumes were higher because of a substantial reduction in accumulated stocks, which the Company had at that point of time. The Profitability during the current quarter was higher due to production efficiencies and improved realization, as a result of stable demand in the domestic market.

OUTLOOK

Given Grasim’s inherent strength, cost optimisation measures, strategic planning, effective financial management and improvement in cement prices, the prospects for Grasim continue to be positive.

Please visit us at:
www.grasim.com
www.adityabirla.com

Performance Review – Q3/FY2001

24th January 2001

Grasim Industries Limited

- **Flagship company of the Aditya Birla Group**
- **Dominant presence in core sectors**
  - ⇨ **Fibre**
  - ⇨ **Cement**
  - ⇨ **Sponge Iron**

Financial Performance – Q3/FY2001

Rs. Crores

	Q3/FY01	Q3/FY00	% Change	FY 2000
NET TURNOVER & OPERATIONAL INCOME	1,189.0	1,061.8	12%	4,289.7
OTHER INCOME	18.2	14.2	28%	71.2
PBIDT	225.7	178.4	27%	756.3
INTEREST	59.3	62.4	-5%	256.1
GROSS PROFIT	166.4	116.0	44%	500.2
DEPRECIATION	63.4	59.6	6%	237.0
PBT(before employee separation cost)	103.0	56.4	83%	263.2
EMPLOYEE SEPARATION COST	2.5	1.2	-	17.8
PBT(after employee separation cost)	100.5	55.2	82%	245.4
TAX	10.0	4.3	135%	12.3
PAT	90.5	50.9	78%	233.1
EPS for the period (Rs.)	9.87	5.55	78%	25.4

Performance Highlights

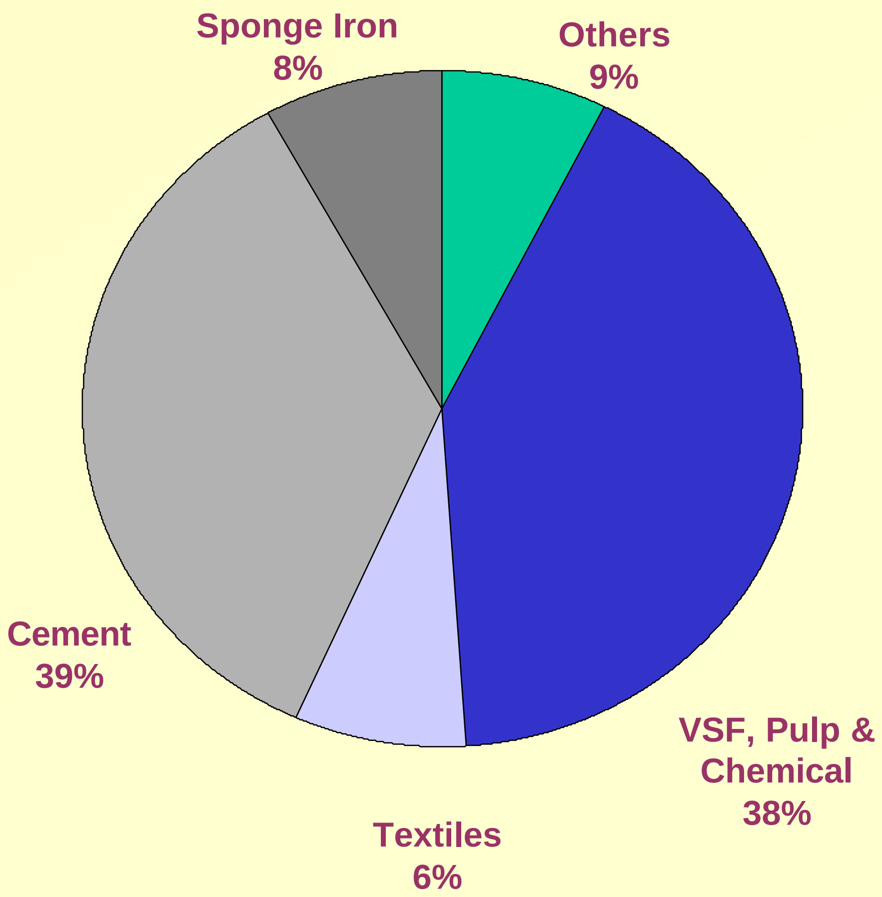
- Good performance due to improved scenario of cement, Sponge Iron & Chemicals.
- Net profit increased to Rs. 91 crores from Rs.51 crores (QoQ), (up 78%), despite higher depreciation and taxes.
- Operating profits higher at Rs. 226 crores (up 27%), Operating margins higher at 19.1% (corresponding quarter 16.8%).
- Interest charges down 5% due to continuing impact of debt repayment, debt restructuring and raising of low cost funds.
- Depreciation up 6% due to commissioning of new cement plant during April 2000.
- Other income higher by Rs.4 Crs., due to increased dividend and interest on surplus funds.

Divisional Turnover – Q3/FY2001

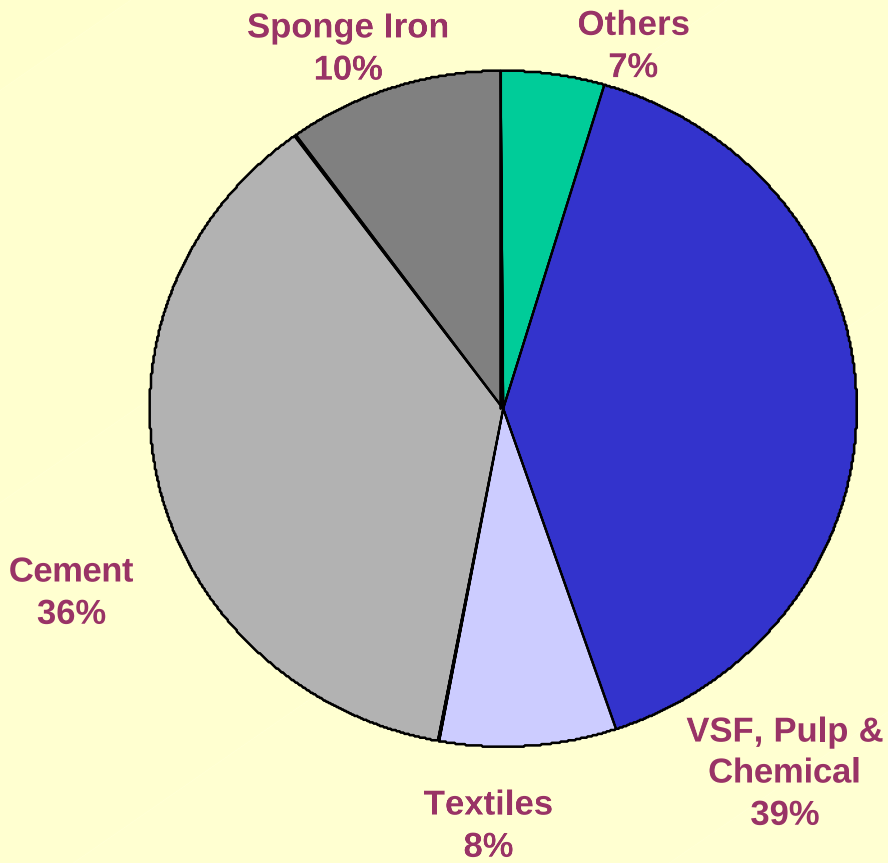
NET TURNOVER Rs. Crores

	Q3-FY2001		Q3-FY2000		FY2000	
	Amount	% Share	Amount	% Share	Amount	% Share
FIBRE						
Viscose Staple Fibre	355	30	323	31	1,290	30
Pulp	40	3	37	3	161	4
	395	33	360	34	1,451	34
Chemicals	62	5	52	5	195	4
	457	38	412	39	1,646	38
CEMENT						
Grey Cement	417	35	350	33	1,461	34
White Cement	39	4	33	3	121	3
	456	39	383	36	1,582	37
TEXTILE (YARN AND FABRIC)	72	6	83	8	301	7
SPONGE IRON	97	8	104	10	418	10
OTHERS	102	9	77	7	326	8
Total Net Turnover	1,184	100	1,059	100	4,273	100
Total Gross Turnover	1,374		1,231		4,982	

Revenue Mix – Q3/FY 2001

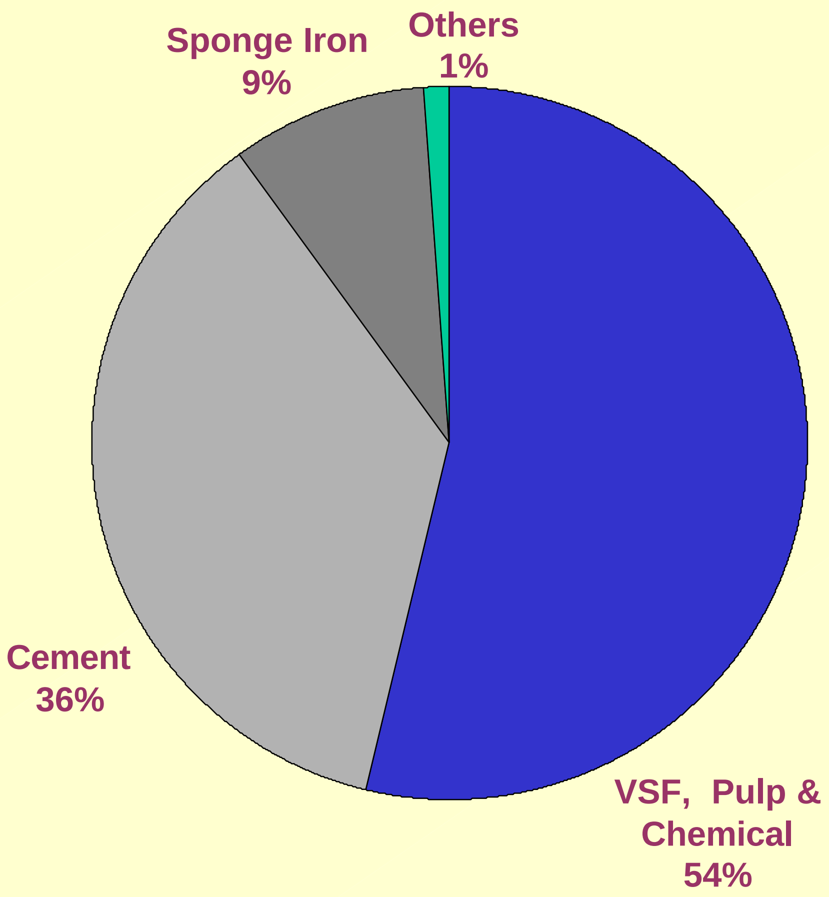


Q3 FY 2001 (Rs. 1184 Crs.)

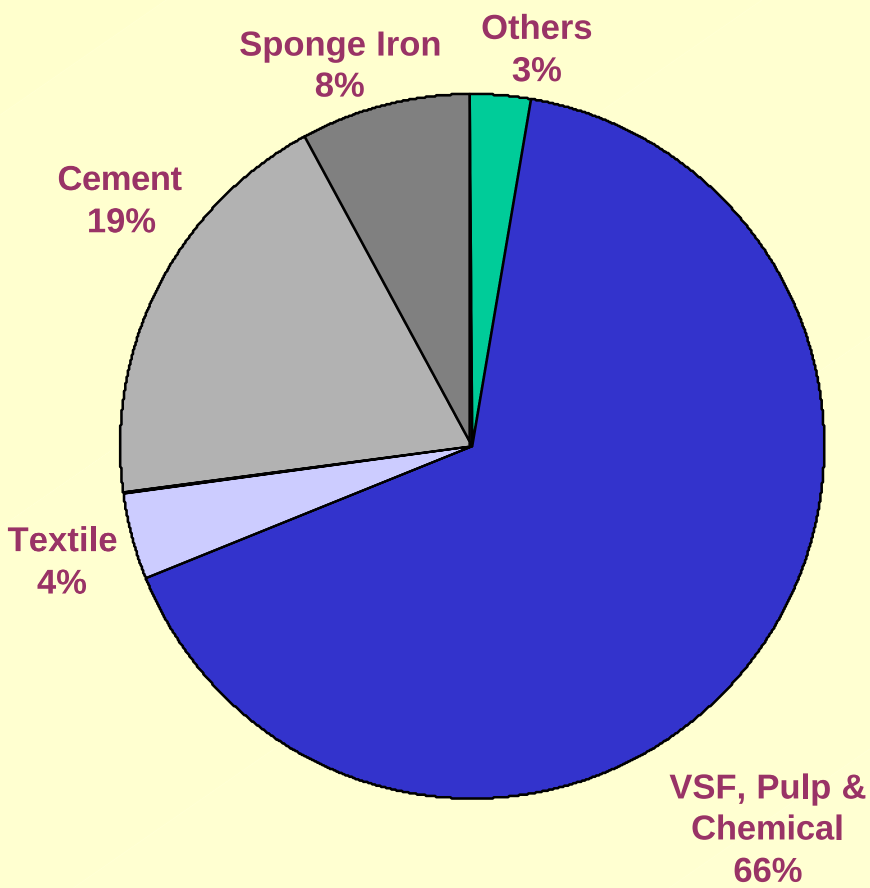


Q3 FY 2000 (Rs.1059 Crs.)

PBIDT Mix – Q3/FY 2001



Q3 FY 2001 (Rs.226 Crs.)



Q3 FY 2000 (Rs.178 Crs.)

Divisional Review

Viscose Staple Fibre

		Q3 FY2001	Q3 FY2000	% Change	FY2000
Capacity *	TPA	220,775	220,775		220,775
Production	MT	54,626	45,702	20%	188,002
Sales Volumes	MT	49,429	47,024	5%	192,452
Net Turnover	Rs.Crs.	355	323	10%	1,290
Avg. Realisation	Rs. / MT	69,660	66,650	5%	64,484
PBIDT Margin	%	28%	33%		31%

** Excludes installed capacity of Mavoor unit (26000 TPA), closed since May '99*

Viscose Staple Fibre (Contd..)

Highlights

- Capacity utilisation at 99% (corresponding quarter 83%)
- Production up 20%
- Sales volumes up 5%, to 49,429 tonnes, Growth could have been stronger but for strategic inventory built-up, to overcome anticipated supply problem in future
  - ⇨ Primarily on higher deemed exports volumes, enabled by increasing acceptability of Birla Cellulosic fibre in global markets
  - ⇨ Aggressive marketing and promotional efforts
- Realisation up 5% QoQ from Rs. 66.7/Kg to Rs.69.7/Kg, prices revised upwards to partially absorb increased input costs
- Global pulp prices remained high at US$775/MT, up 35% YoY
- Operating margins suffered as a result – down from 33% to 28%

  Operating profits (in absolute term) also lower by 7%

VSF To Remain Stable Performer

Outlook

- Demand growth to stabilise at current levels
- Water scarcity at Nagda (55% share in total capacity) to affect production during first quarter of next financial year
- Operations at Mavoor remain suspended on value creation criteria
  - ⇨ Plans to hive-off of the units thru a Scheme of Arrangement
- Towards ensuring long term growth, Grasim will focus on enlarging use of VSF through
  - ⇨ Product and application development
  - ⇨ Promotion of deemed and direct exports
  - ⇨ High quality of service to customers
  - ⇨ Tight control over costs to ensure stable margins
  - ⇨ Branding of Birla Viscose to create awareness

Cement

		Q3/FY01	Q3/ FY00	% Change	FY 2000
Grey Cement					
Capacity	Mn TPA	9.10	8.20	11%	8.20
Production	Mn MT	2.20	2.00	10%	8.40
Sales Volumes	Mn MT	2.21	2.00	11%	8.42
Turnover	Rs. Crs.	417	350	19%	1,461
Net Realisation	Rs./MT	1,925	1,746	10%	1,784
White Cement					
Capacity	TPA	360,000	360,000	-	360,000
Production	MT	71,817	66,562	8%	240,492
Sales Volumes	MT	72,143	65,002	11%	240,014
Turnover	Rs. Crs.	39	33	18%	121
Net Realisation	Rs./MT	5,392	5,094	6%	5,078
PBIDT Margin (%)		18%	9%		13%

Cement (Contd..)

Highlights

- Aggregate capacity utilisation at 97%
- Sales volume grew by 11% in Q3, outperforming the industry growth
  - ⇨ Concerted marketing efforts and improved logistics
  - ⇨ Improved sales volumes in South (up 39%)
    - ➢ Penetration into new markets following commissioning of the new plant
  - ⇨ Volume growth in East (26%) and West (8%)
- Average realisation up by 10% at Rs.1925/MT
- PBIDT margin improved from 9% to 18%
  - ⇨ Higher realisation
  - ⇨ Reduced distribution costs

Cement (Contd..)

Outlook

- Outlook remains positive for Q4
  - ⇨ Margins expected to be maintained
  - ⇨ Improved prices to compensate for increased input cost
  - ⇨ Dispatches to slow down in Q4

- Long term outlook is positive as well
  - ⇨ Demand to grow 10% annually over 3 years
    - ➢Expected GDP growth of 6-6.5% per annum
    - ➢Renewed focus on infrastructure sector by the Government
    - ➢Expected strong growth in housing sector

Cement (Contd..)

Outlook (Contd..)

- Grasim will focus on
  - ⇨ Identified core markets
    - ➢ Increasing market share in profitable segments/regions -
      - Grinding Unit at Bhatinda underway
    - ➢ Better penetration into new markets
    - ➢ Improving presence in the profitable retail segment
  - ⇨ Focus on value added products – New RMCs being set up
  - ⇨ Continuous cost reduction and optimisation of capacities
    - ➢ Reduction in distribution and operating costs
    - ➢ Increase proportion of thermal captive power
    - ➢ Rationalise operations through merger of Dharani Cement

Textiles

Operational Data		Q3 FY2001	Q3 FY 2000	% Change	FY2000
Fabric					
Capacity (222 looms)	Lac Mtr.	146	180	-	180
Production	Lac Mtr.	47	46	-2%	177
Purchases	Lac Mtr.	3	4	-22%	14
Sales Volume	Lac Mtr.	44	49	-10%	176
Turnover	Rs. Crs.	42	46	-8%	163
Realisation	Rs./Mtr.	95	93	2%	93
Synthetic Yarn					
Capacity (34656 Spndl.)	MT	9,000	9,000	-	9,000
Production	MT	2,296	2,713	-15%	10,737
Sales Volume	MT	1,982	2,827	-30%	10,850
Turnover	Rs.Crs.	23	30	-23%	109
Realisation	Rs./Kg.	115	105	10%	103
Worsted Yarn					
Capacity (8832 Spndl.)	MT	1,250	1,250	-	1,250
Production	MT	265	274	-3%	1,197
Sales Volume	MT	261	269	-3%	1,171
Turnover	Rs.Crs.	7	7	-3%	29
Realisation	Rs./Kg.	266	266	-	248

Textiles (contd.)

Operational Data		Q3 FY2001	Q3 FY 2000	% Change	FY2000
Divisional Revenue	Rs. Crs	72	83	-13%	301
* PBDIT Margin	%	(-) 5%	9%		8%

* Before employees separation cost

Highlights

- **Divisional performance remain subdued**
  - ⇨ **Sluggish market conditions, resulting in lower sales and inventory accumulation**
  - ⇨ **Intense price competition from un-organised sector**
  - ⇨ **Inflow of spurious materials**
  - ⇨ **Increased cheap imports**
- **Lower volumes, higher promotional expenses and sharp rise in input costs dragged margin down from 9% to negative**

Textiles (contd.)

Outlook

- Fabric volumes and prices to remain under pressure
  - ⇨ Over capacity, commoditisation of suiting fabrics market and gradual shift towards ready-to-wear products
  - ⇨ Price competition from unorganised sector and cheaper imports
- Grasim to focus on
  - ⇨ Improve market share and strengthen distribution network
    - ➢ Flagship brands relaunched recently
  - ⇨ Strengthen product innovation and design development capabilities.
  - ⇨ Move up the value chain to ensure higher realisation and overcome competition
  - ⇨ Improve efficiencies including downsizing of weaving section and rightsizing of work force
    - ➢ No. of hands reduced by 395 in 9M/FY01
    - ➢ No. of looms reduced by 56 in April 2000

Sponge Iron

		Q3 FY2001	Q3 FY 2000	% Change	FY2000
Capacity	TPA	900,000	900,000		900,000
Production	TPA	1,64,397	168,117	-2%	709,094
Sales Volumes	MT	1,65,495	197,560	-16%	822,995
Net Turnover	Rs. Crores	97	104	-7%	418
Avg.Realisation	Rs. / MT	5,695	5,250	8%	5,037
PBIDT Margin	%	21%	13%		13%

Sponge Iron (Contd.)

Highlights

- Improved operating profits despite lower volumes
- Capacity utilisation down marginally from 75% to 73%
  - ⇨ Continued restricted Natural Gas supplies from GAIL
  - ⇨ Use of Naphtha discontinued since July due to prohibitive costs
- Sales volumes matched production, but is lower by 16% QoQ due to higher turnover achieved last year through sale of accumulated inventories
- Average realisation up by 8%
  - ⇨ Improved demand and better steel sector performance
  - ⇨ Reduced competition in the domestic market
- Operating margins improved sharply from 13% last year to 21%, on higher realisation and improved production efficiencies

Sponge Iron (Contd..)

Outlook

- To benefit from upturn in steel sector and stable scrap prices
  - ⇨ Global scrap prices expected to remain stable at current levels
  - ⇨ Domestic demand outlook remains stable
  - ⇨ Gas based producers at an advantage due to increasing acceptance for Electric Arc Furnace in steel making
  - ⇨ Natural gas supply to remain a constraint

- Grasim will focus on
  - ⇨ Asset sweating
  - ⇨ Leveraging on strategic advantages of location and product flexibility
  - ⇨ Ongoing cost reduction measures

Caustic Soda

(Rs. Crores)

		Q3 FY2001	Q3 FY2000	% Change	FY2000
Capacity	MT	1,60,600	1,60,600		1,60,600
Production	MT	32,663	37,237	-12%	1,35,260
Turnover	MT	32,766	36,990	-11%	1,34,021
Realisation	(Rs. PMT)	10,926	9,586	14%	9261
Net Turnover	Rs. Crs.	62	52	18%	195
PBIDT Margin	%	35	22	-	17

Highlights

- Improved realisation due to reduced competition
- Improved margins due to improved realisation and cost control
- Contribution from ancillary products (Chlorine and Hydrochloric acid) also improved due to higher realisation

	Q3/FY01	Q3/FY00	%Change
Chlorine – Realisation(Rs./PMT)	6,071	3,159	92%
HCl - Realisation(Rs./PMT)	5,048	990	410%

- Operations will have to be curtailed in Q1 / FY02 due to water shortage

Capex Plans

(Rs. Crores)

	Cost	Spending in FY 01	Spending in FY 02	Completion Schedule
1 **Projects** :				
- Cement Grinding Unit at Bhatinda Punjab (8,00,000 tpa)	83	20	63	15 Months
- Ready Mix Concrete 4 plants - 240000 M^3	32	32	-	12 Months
- Cement South Plant(Balance Expenses)	18	18		
2 **Normal Modernisation** -	120	120		Current Financial year
Fibre 43				
Cement 60				
Others 17				
	253	190	63	

Capex Plan (Contd..)

- **Financing :**

	Rs. Crs.
Debt (Already raised)	
10.75% NCD(5 Yr. Bullet)	**120**
Internal Accruals	**70**
	190

Profitability (FY 1998 – 9M/FY2001)

Rs Crores

		FY 1998	FY 1999	FY 2000	9MFY01
GROSS TURNOVER	Rs. Crs.	4,022.6	4,325.1	4,982.3	4121.4
NET TURNOVER	Rs. Crs.	3,499.8	3,756.9	4,272.7	3558.8
PBIDT	Rs. Crs.	698.5	678.3	756.3	632.9
PBIDT Margin	%	20.0	18.1	17.7	17.8
PBDT	Rs. Crs.	442.8	386.1	500.2	451.9
PAT	Rs. Crs.	230.8	163.8**	233.1**	232.9**
PAT Margin	%	7.0	4.3	5.5	6.5
EPS (Rs.)	Rs.	31.9	19.6	25.4	25.4*
CEPS (Rs.)	Rs.	55.0	44.7	51.3	46.0*
DPS (Rs.)	Rs.	6.75	6.75	7.00 *	-
Interest Cover	Ratio	2.7	2.3	2.9	3.5

* For nine months

** After employees separation costs

Financial Snapshot

Rs Crores

		FY 1998	FY 1999	FY 2000
GROSS BLOCK	Rs. Crs.	3,717	4,937	5,206
EQUITY	Rs. Crs.	72.3	91.7*	91.7
NET WORTH	Rs. Crs.	2,316	2,616	2,777
AVG.CAPITAL EMPLOYED	Rs. Crs.	4,069	4,572**	4,759
DEBT : EQUITY	Ratio	0.92	0.93	0.82
BOOK VALUE	Rs.	320	285	303
ROCE (PBIT basis)	%	13.1%	10.1%	10.5%
RONW	%	10.4%	6.6%	8.6%

* Capital expanded under scheme of merger of IRIL' s Cement Business

** Adjusted for IRIL's Cement Business

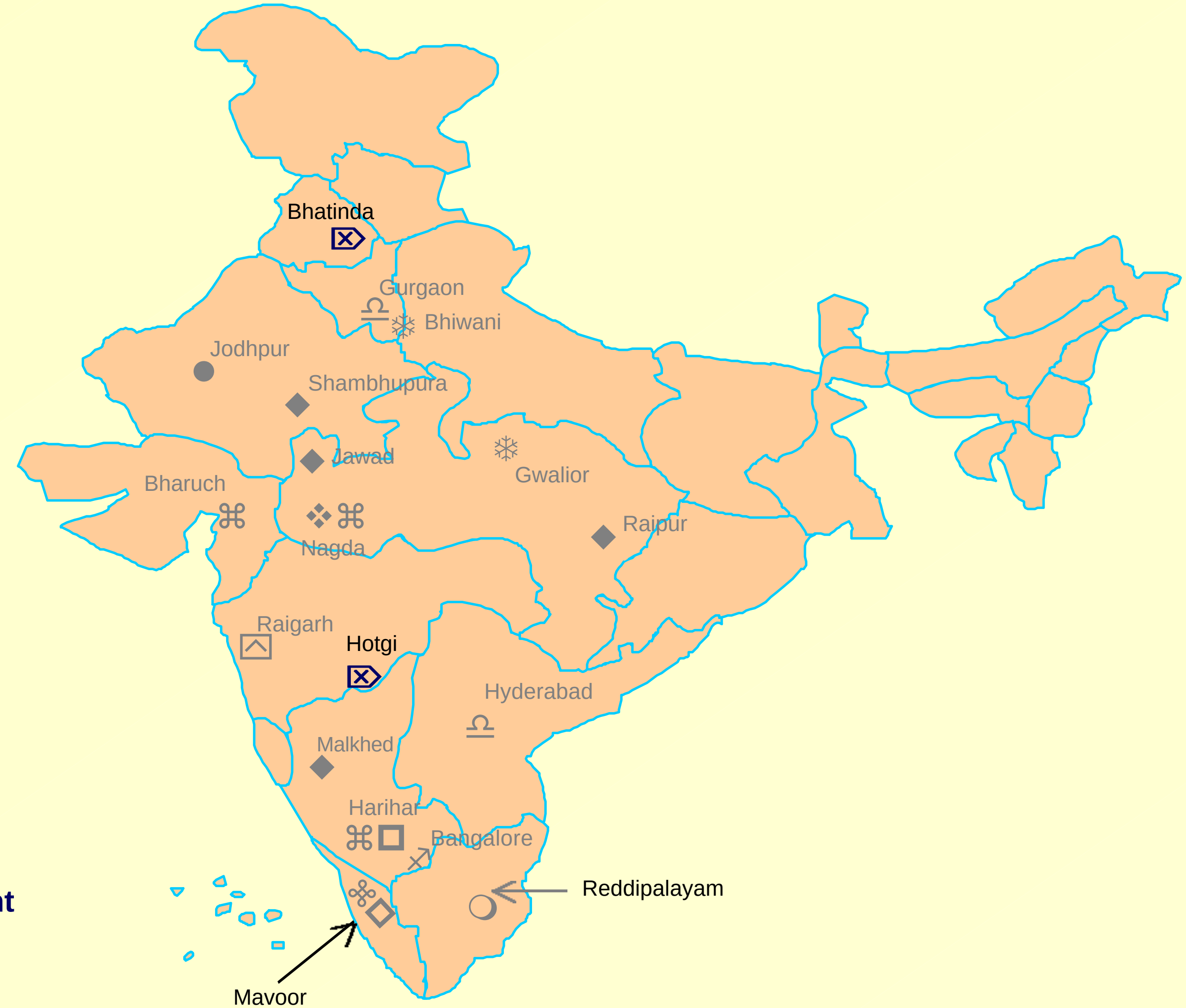
Focus And Strategy

- **Focus**
  - ⇨ **Deliver enhanced value to shareholders on a sustained basis**
  - ⇨ **Value creation and not asset creation**

- **Strategy**
  - ⇨ **Focus on core businesses - VSF and Cement**
  - ⇨ **No unrelated diversification/ investments**
  - ⇨ **Improve asset utilisation through market expansion and better penetration**
  - ⇨ **Improve margins through better efficiency and stringent cost control**

Cement will be driver of growth going forward, supported by stable earnings from VSF

Plant Locations



- ⌘ Fibre plants
- ◘ Pulp plants
- ❖ Chemical plant
- ❄ Textiles units
- ◆ Grey cement plants
- ● White cement plant
- ❍ New cement plant
- ♎ Ready-mix Concrete plant
- ➶ Cement bulk terminal
- ⌦ Cement grinding units
- ⍓ Sponge Iron plant

Not to scale

GRASIM

ADITYA BIRLA GROUP

Thank You