



**Unaudited financial results
for the three months ended on 30 June 2004**

Rs. in crore

	Three months ended 30th June 2004	Three months ended 30th June 2003	Year ended 31st March 2004 (audited)
Net Sales / Income from operations	1,517.08	1,163.42	5,233.27
Other income	16.26	21.06	180.34
Total expenditure			
- Decrease / (Increase) in stock	3.66	36.03	24.31
- Raw material consumed	423.36	274.05	1,372.49
- Purchases of finished goods	9.69	12.52	50.47
- Payment to and provision for employees	89.52	83.22	358.90
- Power and fuel	239.48	201.70	889.01
- Freight, handling and other expenses	139.78	125.95	526.11
- Other expenditure	181.49	164.43	717.01
Total expenditure	1,086.98	897.90	3,938.30
Interest	32.89	39.08	153.88
Gross profit	413.47	247.50	1,321.43
Depreciation	69.80	67.01	273.06
Profit before exceptional items and tax	343.67	180.49	1,048.37
Profit/ (Loss) on sale of trade investments	-	-	28.89
Profit before tax expense	343.67	180.49	1,077.26
Provision for current tax	(110.00)	(48.00)	(291.00)
Provision for deferred tax	(14.50)	(2.00)	(7.00)
Net profit	219.17	130.49	779.26
Paid up equity share capital (face value Rs. 10 per share)	91.69	91.69	91.69
Reserves excluding revaluation reserve			3,513.83
Basic and diluted EPS for the period (rupees)	23.90	14.23	84.99

Notes:

- The Hon'ble High Court of Bombay has approved the Scheme of Arrangement u/s 391 - 394 of the Companies Act, 1956 between Larsen & Toubro Limited ("L&T") and UltraTech CemCo Limited ("UltraTech") with the Company and L&T Employees Welfare Foundation (the "Trust") as confirming parties.

In terms of the scheme, during July 2004, the Company has -

- Completed the open offer to acquire 30% equity (373.19 Lac shares) of UltraTech at Rs. 342.60 per share for an aggregate consideration of Rs. 1278.57 cr.
- Acquired 4.5% equity (55.98 Lac shares) of UltraTech from L&T at Rs. 342.60 per share for an aggregate consideration of Rs. 191.78 cr. Further a wholly owned subsidiary of the Company has also acquired 4% equity (49.76 Lac shares) of UltraTech from L&T at Rs. 342.60 per share for an aggregate consideration of Rs. 170.48 cr.
- Sold its holding of 184.71 Lac shares of L&T (post demerger) to the Trust at Rs. 240 per share for an aggregate consideration of Rs. 443.31 cr.

The Company's equity stake in UltraTech together with that of its wholly owned subsidiary company now exceeds 50%. UltraTech has now become a subsidiary of the Company, and the Company has acquired management control of UltraTech.

- Deferred tax provided in current quarter includes Rs. 12.65 cr. towards Deferred Tax Liability for past years on account of Education Cess of 2% proposed in the Finance (No. 2) Bill, 2004.
- The pulp and fibre plants at Harihar were closed for 44 and 40 days respectively during this quarter due to intermittent shortage of water due to poor monsoon in FY-04. However, this did not have significant impact on the profitability for the quarter ended 30 June, 2004 as the Company's other VSF manufacturing facilities were operated at their maximum capacities to meet the total demand.

4. Segments reporting:

Rs. in crore			
	Three months ended 30th June 2004	Three months ended 30th June 2003	Year ended 31st March 2004 (audited)
1. Segment revenue			
a Fibre and pulp	495.42	379.43	1,765.50
b Cement	682.33	573.70	2,419.91
c Sponge iron	249.95	126.42	638.92
d Chemicals	72.47	53.53	295.37
e Textiles	52.42	52.04	241.95
f Others	-	0.01	0.03
TOTAL	1,552.59	1,185.13	5,361.68
(Less) : Inter segment revenue	(35.51)	(21.71)	(128.41)
Net sales / income from operations	1,517.08	1,163.42	5,233.27
2. Segment results			
a Fibre and pulp	134.06	95.04	520.36
b Cement	127.66	68.42	295.66
c Sponge iron	102.87	39.62	219.21
d Chemicals	7.57	6.68	58.37
e Textiles	(1.08)	(0.94)	(0.23)
f Others	(0.01)	(0.01)	(0.76)
TOTAL	371.07	208.81	1,092.61
Add / (Less) :			
Interest	(32.89)	(39.08)	(153.88)
Net unallocable income / (Expenditure)	5.49	10.76	109.64
Profit before exceptional items and tax expense	343.67	180.49	1,048.37
Profit/ (Loss) on sale of trade investments	-	-	28.89
Profit before tax expenses	343.67	180.49	1,077.26
3. Capital employed			
a Fibre and pulp	795.72	826.04	825.05
b Cement	2,096.52	2,009.48	2,032.51
c Sponge iron	502.45	483.95	488.50
d Chemicals	194.26	197.55	206.54
e Textiles	108.45	108.48	109.01
f Others	2.05	2.23	2.09
TOTAL	3,699.45	3,627.73	3,663.70
g Unallocated corporate capital employed	3,212.82	2,193.89	2,644.86
Total capital employed	6,912.27	5,821.62	6,308.56

5. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17), taking into account the organisational structure as well as the differential risks and returns of these segments. Details of products included in each of the above segments are as under :

Fibre and pulp - viscose staple fibre and rayon grade pulp
 Cement - grey and white cement
 Sponge Iron - sponge iron
 Chemicals - caustic soda and allied chemicals
 Textiles - fabrics and yarn

6. Previous period's figures have been regrouped / rearranged wherever necessary to conform to this period's classification.
7. During the quarter, total eight investor complaints were received , all of which have been attended by the Company. No complaints were pending either at the beginning or at the end of the quarter.
8. The above results have been taken on record at the meeting of the Board of Directors held on 28th July,2004.
9. The Limited Review, as required under clause 41 of listing agreement , has been completed and the related report is being submitted to concerned Stock Exchanges.

For and on behalf of Board of Directors

Place : Mumbai
 Date : 28th July , 2004

Shailendra K. Jain
 Whole-time Director

GRASIM INDUSTRIES LIMITED

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

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