



Grasim Industries Limited

Performance Review

Q2FY09

23rd October 2008

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 – Q2FY09

	<u>Rs. Crs.</u>	<u>% Change</u>	
Revenue	4,489	↑ 13	● Revenue up by 13%
PBIDT	1,025	↓ (19)	● PBIDT lower by 19%
Interest	77	↑ 37	➤ Increase in input cost and energy prices across businesses impacted profitability
Depreciation	211	↑ 29	● Interest up by 37% due to higher borrowings by Subsidiary & JV
PBT	737	↓ (30)	● Depreciation higher by 29%
Total Tax Expenses	174	↓ (50)	➤ Commissioning of projects
PAT (before Minority Share)	563	↓ (20)	➤ Downward revision in estimated useful life of some assets, impact Rs.10 Crs.
PAT (after Minority Share)	486	↓ (22)	● Tax expenses lower by 50%
EPS (Rs.)	53.1	↓ (22)	➤ Current tax of Rs.102 Crs., lower by 68%
			➤ Total tax expenses and average tax rate for the year expected to be lower
			● Net profit lower by 22%
			● Cash Profit of Rs.846 Crs. (Rs.898 Crs.), lower by 6%

Consolidated Financial Performance – H1FY09

	<u>Rs. Crs.</u>	<u>% Change</u>	
Revenue	8,944	↑ 11	● Revenue up by 11%
PBIDT	2,383	↓ (10)	● PBIDT lower by 10%
Interest	146	↑ 27	➤ Increase in input cost and energy prices across businesses impacted profitability
Depreciation	410	↑ 28	● Interest up by 27% due to higher borrowings by Subsidiary & JV
PBT	1,827	↓ (17)	● Depreciation higher by 28%
Total Tax Expenses	473	↓ (33)	➤ Commissioning of projects
PAT (before Minority Share)	1,354	↓ (10)	➤ Downward revision in estimated useful life of certain assets, impact Rs.26 Crs.
PAT (after Minority Share)	1,158	↓ (10)	● Tax expenses lower by 33%
EPS (Rs.)	126.3	↓ (10)	➤ Current tax of Rs.294 Crs., lower by 54%
			➤ Total tax expenses and average tax rate for the year expected to be lower
			● Net profit lower by 10%
			● Cash Profit of Rs.1,943 Crs. (Rs.1,888 Crs.), higher by 3%

Consolidated Financial Performance

(Rs. Crores)

	Q2 FY09	Q2 FY08	% Chg.	H1 FY09	H1 FY08	% Chg.	FY08
Net Turnover & Op. Income	4,489.1	3,963.9	13	8,943.7	8,026.1	11	17,126.4
Other Income	68.2	66.2	3	138.1	151.5	(9)	310.2
PBIDT	1,024.8	1,269.5	(19)	2,383.1	2,640.8	(10)	5,428.7
Interest	77.2	56.4	37	145.7	114.4	27	228.8
Gross Profit	947.6	1,213.1	(22)	2,237.4	2,526.3	(11)	5,199.9
Depreciation	210.9	163.1	29	410.4	321.8	28	670.3
Non recurring items	-	--	--	-	--	--	45.7
PBT	736.7	1,050.0	(30)	1,827.0	2,204.6	(17)	4,575.3
Current Tax	101.5	315.6	(68)	294.1	638.6	(54)	1,472.8
Deferred Tax	72.3	29.0	150	178.6	61.7	190	(7.0)
Total Tax	173.8	344.5	(50)	472.7	700.3	(33)	1,465.8
PAT (Before EO gain & Minority Share)	562.9	705.5	(20)	1,354.3	1,504.3	(10)	3,109.5
Extraordinary Item	-	-	--	-	-	--	236.7
PAT (incl. EO gain, before Minority Share)	562.9	705.5	(20)	1,354.3	1,504.3	(10)	3,346.2
Minority Share & Associate	76.5	85.5	--	196.0	214.7	--	454.8
PAT (incl. EO gain, after Minority Share)	486.4	620.0	(22)	1,158.3	1,289.7	(10)	2,891.4
Diluted Earning Per Share (before EO gain, after minority share) (Rs.)	53.05	67.62	(22)	126.33	140.66	(10)	289.44
Diluted Earning Per Share (incl. EO gain, after minority share) (Rs.)	53.05	67.62	(22)	126.33	140.66	(10)	315.25
Cash Profit (before minority share)	846.1	897.5	(6)	1,943.4	1,887.8	3	3,727.2

Standalone Financial Performance – Q2FY09

	<u>Rs. Crs.</u>	<u>%</u> <u>Change</u>	
Revenue	2,701	↑ 8	<ul style="list-style-type: none"> ● Revenue up by 8%
PBIDT	679	↓ (21)	<ul style="list-style-type: none"> ● PBIDT lower by 21% ➤ Increase in input cost and energy prices across businesses impacted profitability
Interest Charges	29	↑ 3	
Depreciation	107	↑ 22	<ul style="list-style-type: none"> ● Depreciation higher by 22% ➤ Commissioning of projects ➤ Downward revision in estimated useful life of some assets, impact Rs.4 Crs.
PBT	543	↓ (27)	<ul style="list-style-type: none"> ● Tax expenses lower by 50% ➤ Current tax of Rs.73 Crs., lower by 67% ➤ Total tax expenses and average tax rate for the year expected to be lower
Total Tax Expenses	124	↓ (50)	
PAT	419	↓ (16)	<ul style="list-style-type: none"> ● Net profit lower by 16%
EPS (Rs.)	45.8	↓ (16)	<ul style="list-style-type: none"> ● Cash Profit of Rs.577 Crs. (Rs.611 Crs.), lower by 6%

Standalone Financial Performance – H1FY09

	<u>Rs. Crs.</u>	<u>%</u> <u>Change</u>	
Revenue	5,317	↑ 7	<ul style="list-style-type: none"> ● Revenue up by 7%
PBIDT	1,513	↓ (12)	<ul style="list-style-type: none"> ● PBIDT lower by 12% ➤ Increase in input cost and energy prices across businesses impacted profitability
Interest Charges	59	↑ 5	
Depreciation	212	↑ 23	<ul style="list-style-type: none"> ● Depreciation higher by 23% ➤ Commissioning of projects ➤ Downward revision in estimated useful life of some assets, impact Rs.13 Crs.
PBT	1,242	↓ (17)	<ul style="list-style-type: none"> ● Tax expenses lower by 36% ➤ Current tax of Rs.205 Crs., lower by 52% ➤ Total tax expenses and average tax rate for the year expected to be lower
Total Tax Expenses	308	↓ (36)	
PAT	934	↓ (8)	<ul style="list-style-type: none"> ● Net profit lower by 8%
EPS (Rs.)	101.8	↓ (8)	<ul style="list-style-type: none"> ● Cash Profit of Rs.1,249 Crs. (Rs.1,237 Crs.), marginally higher by 1%

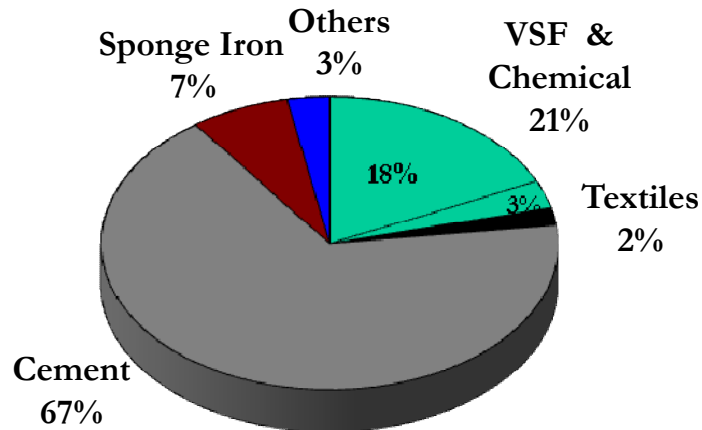
Standalone Financial Performance

(Rs. Crores)

	Q2 FY09	Q2 FY08	% Chg.	H1 FY09	H1 FY08	% Chg.	FY08
Net Turnover & Op. Income	2,700.5	2,508.4	8	5,316.9	4,946.0	7	10,315.3
Other Income	84.4	47.5	78	142.6	113.1	26	277.6
PBIDT	678.8	863.1	(21)	1,513.1	1,722.9	(12)	3,424.5
Interest	28.8	28.0	3	59.3	56.4	5	107.0
Gross Profit	650.0	835.1	(22)	1,453.8	1,666.5	(13)	3,317.5
Depreciation	106.9	87.5	22	211.9	172.5	23	353.3
Non Recurring Item	-	-	--	-	-	--	45.7
PBT (before EO gain)	543.1	747.6	(27)	1,241.9	1,494.0	(17)	3,009.9
Current Tax	73.1	223.7	(67)	204.9	429.5	(52)	952.7
Deferred Tax	50.5	24.1	110	103.3	53.1	95	9.6
Total Tax	123.6	247.8	(50)	308.2	482.6	(36)	962.3
PAT (before EO gain)	419.5	499.8	(16)	933.7	1,011.4	(8)	2,047.6
Extraordinary Items	-	-	--	-	-	--	185.0
PAT (incl. EO gain)	419.5	499.8	(16)	933.7	1,011.4	(8)	2,232.6
Diluted Earning Per Share (before EO gain) (Rs.)	45.75	54.51	(16)	101.83	110.31	(8)	223.24
Diluted Earning Per Share (incl. EO gain) (Rs.)	45.75	54.51	(16)	101.83	110.31	(8)	243.42
Cash Profit (before EO Gain)	576.9	611.4	(6)	1,248.9	1237.1	1	2,364.8

Segmental Performance – Q2FY09

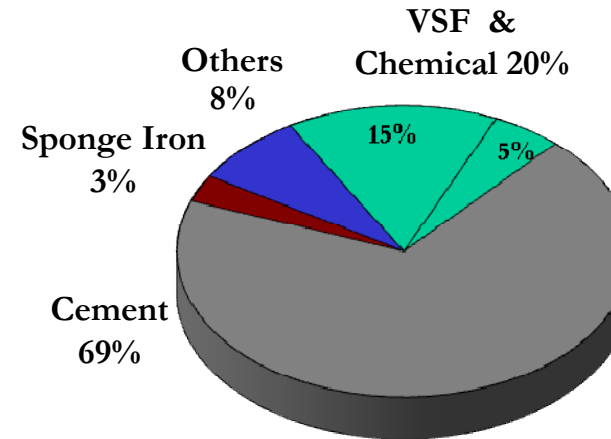
Revenue Mix



(Rs.4,489 Crs.)

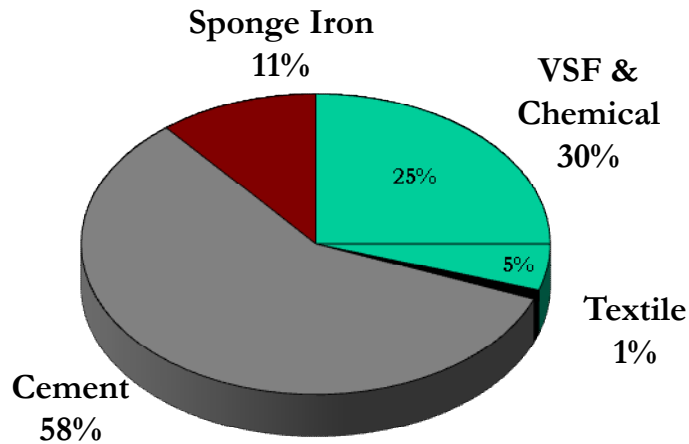
Consolidated

PBIDT Mix



(Rs.1,025 Crs.)

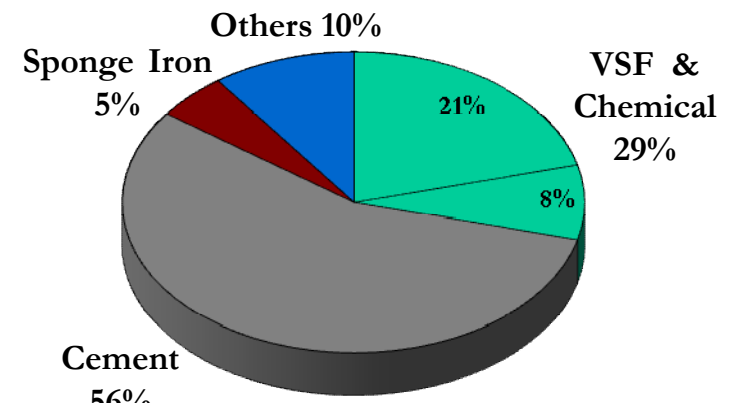
Revenue Mix



(Rs.2,701 Crs.)

Standalone

PBIDT Mix



(Rs.679 Crs.)

Financial Highlights



Grasim Consolidated Financials

(Rs. Crores)	FY06	FY07	FY08	H1 FY09
Net Turnover	10,224	14,069	16,974	8,856
PBIDT	2,337	4,290	5,429	2,383
PAT [#] (After Minority share)	1,041	1,967	2,655	1,158
Net Worth	4,833	6,558	9,140	10,688
Capital Employed	10,188	13,443	17,151	19,505
PBIDT Margins(%)	22.9	30.3	31.7	26.6
EPS (Rs.) [#]	113.5	214.6	289.4	126.3
Interest Cover [^] (x)	8.7	13.3	13.1	10.9
Debt: Equity (x)	0.69	0.66	0.54	0.49
Book Value (Rs.)	527	715	997	1,166
ROAvCE (PBIT Basis) (%) \$	17.8	31.1	31.1	21.5
RONW (%) * #	23.4	34.5	33.8	23.4

[#] before extraordinary gains

\$ Capital Employed includes CWIP

* Excluding Minority share

[^] Interest capitalised also considered for interest cover

- Strong Balance sheet
 - Net worth at \$2.2 Bn.
 - Capital Employed at \$4.0 Bn.
- Debt-equity at 0.49
 - Net leveraging lower at 0.44
- ROAvCE at 21.5%
- Return on equity at 23.4%

Grasim Standalone Financials

(Rs. Crores)	FY06	FY07	FY08	H1 FY09
Net Turnover	6,653	8,572	10,215	5,263
PBIDT	1,597	2,619	3,424	1,513
PAT *	863	1,536	2,048	934
Net Worth	4,978	6,226	8,137	9,074
Capital Employed	7,542	9,760	11,946	12,655
Capital Employed (Excl. subsidiary Investments)	5,190	7,284	9,409	10,117
PBIDT Margin (%)	24.0	30.3	33.2	28.5
EPS (Rs.) *	94.1	167.5	223.2	101.8
Interest Cover^ (x)	11.9	15.7	14.5	13.6
Debt: Equity (x)	0.40	0.47	0.39	0.32
Book Value (Rs.)	543	679	887	990
ROAvCE (excl. subsidiary investment) (PBIT Basis) (%) \$	26.7	36.4	36.8	26.0

\$ Capital Employed includes CWIP * Before extraordinary items

^ Interest capitalised also considered for interest cover

- Strong Balance sheet
 - Low gearing at 0.32
 - Net gearing lower at 0.27
 - Comfortable interest cover
- ROAvCE in H1FY09 at 26%, on substantially higher capital employed (which includes assets under commissioning)
- Strong funding capabilities to support Company's future growth plans

Business Review – Q2FY09

- VSF
- Chemicals
- Cement
- Sponge Iron

Viscose Staple Fibre : Q2FY09 Highlights

	Q2FY09	Q2FY08	% Chg.
Capacity (TPA)	333,975	270,100	24
Production (MT)	62,973	69,678	(10)
Sales Volumes (MT)	62,536	70,183	(11)
Net Revenue (Rs. Crs.)	691.1	790.8	(13)
Realisation (Rs./MT)	101,768	102,978	(1)
PBIDT (Rs. Crs.)	147.7	315.6	(53)
PBIDT Margin (%)	21.4%	39.9%	--
PBIT (Rs. Crs.)	120.9	294.7	(59)
ROAvCE % @	26.9%	91.8%	--

@ Capital employed includes CWIP

- Sales Volume impacted due to sluggish demand
 - Global slowdown coupled with inflationary pressure impacted textile sector
 - Liquidation of inventory in the value chain
- Realisation marginally down
- Significant drop in operating profits and margins due to
 - Unprecedented increase in sulphur prices
 - Higher caustic and pulp prices
 - Unable to pass on cost increase to customers
 - Weakening of Rupee
 - Lower volumes



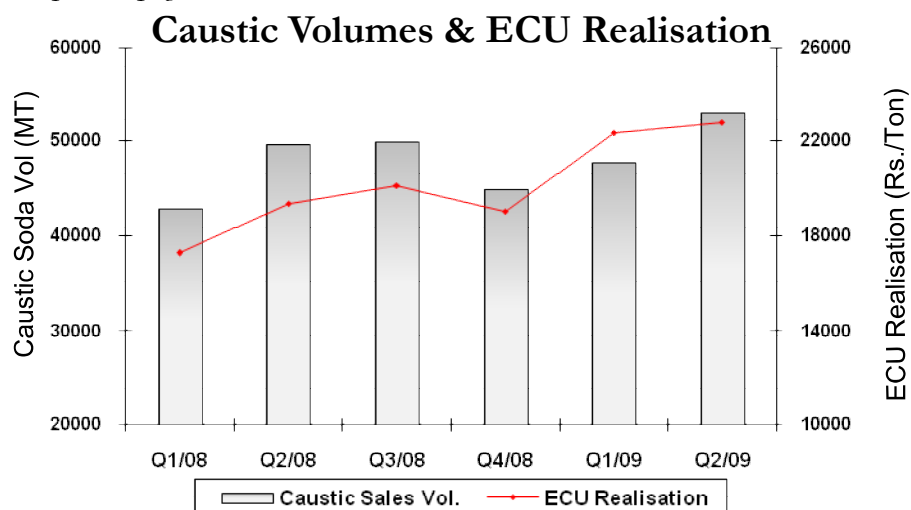
Viscose Staple Fibre : Outlook

- Demand expected to remain subdued in the short to medium term till improvement in Global economic situation
- Domestic prices likely to remain at current levels
- Margins expected to remain range bound
 - Lower volumes and high input costs
- Sharp fall in sulphur price and declining trend in pulp price
 - Partially offset by weakening of rupee
- AV Nackawic pulp mill converted to produce rayon grade pulp in August 08
 - Plant under stabilization
- Chinese JV capacity being expanded from 35K TPA to 72K TPA (by Q4FY09)

Chemical : Q2FY09 Highlights & Outlook

	Q2FY09	Q2FY08	% Chg.
Caustic Capacity (TPA)	258,000	258,000	--
Caustic Production (MT)	55,137	48,752	13
Caustic Sales Volumes (MT)	53,103	49,634	7
Net Revenue (Rs. Crs.)	145.3	113.6	28
ECU Realisation (Rs./MT)	22,777	19,331	18
PBIDT (Rs. Crs.)	51.8	40.3	28
PBIDT Margin (%)	35.6%	35.5%	--
PBIT (Rs. Crs.)	44.9	34.4	31
ROAvCE % @	51.8%	45.2%	--

@ Capital employed includes CWIP



- Quarterly performance at historical high
- Sales volume up by 7% with higher demand from end user industry, particularly Alumina
- ECU realisation up by 18% driven by strong caustic prices
- Margins maintained despite substantial increase in salt, sulphuric acid and power cost

Outlook

- Demand likely to be impacted due to global market crisis
- ECU realisation likely to decline due to pressure on Chlorine & HCl prices

Cement : Q2FY09 Highlights

		Q2FY09	Q2FY08	% Chg.
<u>Grey Cement</u>				
Capacity \$	Mn. TPA	18.05	13.12	38
Production	Mn. MT	3.65	3.62	1
Sales Volumes*	Mn. MT	3.70	3.60	3
Realisation	Rs./MT	3,446	3,173	9
<u>RMC</u>				
Sales Volumes	Lac Cu. Mtrs.	6.44	4.43	45
Realisation	Rs./Cu Mtrs.	2,823	2,709	4
<u>White Cement</u>				
Production	MT	102,322	89,733	14
Sales Volumes**	MT	106,597	92,566	15
Realisation	Rs./MT	7,958	6,850	16
Net Revenue	Rs. Crs.	1,591.1	1,356.2	17
PBIDT	Rs. Crs.	379.5	442.2	(14)
PBIDT Margin	(%)	23.8%	32.6%	--
PBIT	Rs. Crs.	316.6	394.8	(20)
ROAvCE @	%	21.5%	44.6%	--

\$ New capacity of 1.3 Mn. TPA added in Sep.' 08 (Avg. Q2 Capacity 16.75 Mn. TPA)

* Includes captive consumption for RMC

** Includes captive consumption for value added products

@ Capital employed includes CWIP

- Low volume growth in grey cement due to new capacity under stabilisation
- Impressive growth in RMC business supported by network expansion
- Encouraging performance from White cement business with higher realisations and volumes
- Revenue up by 17% aided by higher realisations and higher RMC volumes
- Reduction in operating margins (by 8.8 %point) due to higher input costs
 - Imported coal price more than doubled
 - Significant increase in non linkage coal prices
 - Reduction in linkage coal availability
 - Escalation in raw material, freight, packing and maintenance cost



Cement : Outlook

- Cement demand likely to get impacted, expected to grow at 7-8%
 - Moderation in economic growth rate
 - Slowdown in real estate and infrastructure sector
 - High interest rate
- New capacity expected in FY'10 and FY'11 could lead to surplus scenario from calendar year 09
 - Prices and earnings may come under pressure
- Slight improvement in operating margins expected from current low levels in short term
 - Drop in imported coal and petcoke prices, though partially offset by weak rupee
 - Higher volumes and lower maintenance expenses compared to 1st half due to seasonal impact
- Commissioning of new plants in Grasim to ease capacity constraint and lead to volume growth, going forward



Cement Project Status

- 4.4 Mn. TPA Shambhupura, Raj. : Clinker production commenced
: Grinding facility to be commissioned in Q4
- Split Grinding unit at Dadri, U.P. : Commissioned in Q2
- 4.5 Mn. TPA Kotputli, Raj. : Expected commissioning in Q4
- 4.9 Mn. TPA Tadpatri, A.P. (UltraTech) : Clinker production commenced
: Grinding facility to be commissioned in Q3
- Split Grinding at Ginigera, Kar., (UltraTech) : Commissioned in Q2
- Thermal power plants of 94 MW commissioned in Grasim and UltraTech in first half
- Further Thermal power plant capacity of 242 MW to be commissioned in a phased manner in second half
- Delay in grinding capacity at mother plant unlikely to impact despatches as split grinding units commissioned

Sponge Iron : Q2FY09 Highlights

	Q2FY09	Q2FY08	% Chg.
Capacity (TPA)	900,000	900,000	--
Production (MT)	112,186	146,673	(24)
Sales Volumes (MT)	117,972	141,960	(17)
Net Revenue (Rs. Crs.)	303.6	209.8	45
Realisation (Rs./MT)	25,373	14,503	75
PBIDT (Rs. Crs.)	32.2	29.9	8
PBIDT Margin (%)	10.6%	14.3%	--
PBIT (Rs. Crs.)	23.7	21.2	12
ROAvCE (%) @	18.9%	16.4%	--

@ Capital employed includes CWIP

- Production lower due to planned shutdown for modification of reactor
- Consequently, lower sales volume during the quarter
- Higher sponge iron prices offset by higher input costs
 - Pellet prices doubled
 - Iron ore prices up by 75%
 - Sharp rise in naphtha and propane cost
- Sale of Sponge Iron undertaking progressing per schedule
 - Scheme of arrangement approved by Shareholders, Secured Creditors and Unsecured Creditors
 - Final petition filed in M.P. High Court

Capex



Capex plans

● Capex Summary

Rs. Crores

	Total Project Cost	Net Capex *	Cash Outflow	
			FY09	FY10
Cement Business	5,952	2,902	1,891	927
- Projects: Kotputli (4.5 Mn. TPA), Shambhupura (4.4 Mn. TPA), Dadri - GU (1.3 Mn. TPA) (incl. 96 MW TPP)	4,319	1,496		
- 2 Nos. Power Plants (48 MW), Waste Heat Recovery System (15 MW)	429	208		
- RMC Plants (24 Nos., Capacity 4.6 mn. cu. mtrs.) & New Products	411	405		
- Modernisation, Upgradation and others	793	793		
VSF Business – Modernisation & Upgradation	441	441	252	144
Other Businesses	102	102	86	18
Grasim	6,495	3,445	2,229	1,089
UltraTech	4,620	2,466	1,350	669
Grasim and UltraTech	11,115	5,911	3,579	1,758
Cement Business (Grasim & UltraTech)	10,572	5,368	3,241	1,596

* Net of capex incurred till FY08

- H1FY09 Capex spent : Grasim – Rs.1,002 Crs.; (Cement 815 Crs., VSF 128 Crs., Others 59 Crs.)
: UltraTech – Rs.672 Crs.

Capex plans - UltraTech

● Capex Summary

Rs. Crores

	Total Project Cost	Net Capex *	Cash Outflow	
			FY09	FY10
- 4.9 Mn. TPA Tadpatri Project, A.P. (incl. 50 MW TPP)	1,967	508		
- 3 Nos. Power Plants (175 MW), Waste Heat Recovery System (25 MW)	1,346	659		
- Grinding and Jetty Capacity Expansion at Pipavav / Jafrabad & Bulk Terminal in Mumbai	470	470		
- RMC plants (17 Nos., Capacity 3.3 mn. cu. mtrs.)	150	142		
- Modernisation, Upgradation and others	687	687		
UltraTech	4,620	2,466	1,350	669

* Net of capex incurred till FY08

● H1FY09 Capex spent : Rs.672 Crs.

UltraTech Performance

UltraTech: Consolidated Financial Performance – Q2FY09

(Rs. Crores)

	Q2 FY09	Q2 FY08	% Chg.
Revenue	1,477.2	1,212.9	22
Other Income	7.3	12.3	(41)
PBIDT	329.4	356.6	(8)
PBIDT Margin (%)	22.2%	29.1%	--
Interest	31.0	20.3	53
Depreciation	81.4	58.6	39
PBT	217.0	277.7	(22)
Total Tax Expenses	49.5	93.5	(47)
PAT after Minority share	166.9	184.1	(9)

- Revenue up by 22% - increased volumes and higher realisation
- Reduction in operating margins due to higher input costs
 - Imported coal price more than doubled
 - Significant increase in non linkage coal cost
 - Reduction in linkage coal availability
 - Escalation in raw material, packing and maintenance costs
- Higher interest cost due to increased borrowings for Capex
- Depreciation up by 39%
 - Commissioning of projects and downward revision in estimated useful life of certain assets
- Tax expenses lower by 47%
 - Total tax expenses and average tax rate for the year expected to be lower
- PAT lower by 9%

UltraTech Consolidated: Highlights

	Q2 FY09	Q2 FY08	% Chg.
Capacity (Mn. TPA) *	19.5	17.0	15
Production (Mn. MT)			
Cement	3.33	3.34	--
Sales volumes (Mn. MT)			
Cement - Domestic	3.23	3.15	3
- Exports	0.19	0.20	(1)
Clinker	0.66	0.26	146
	4.08	3.61	13
RMC Volumes (Lac. Cu. Mtr.)	3.18	1.85	72
Realisation (Rs./MT)			
Cement (Domestic)	3,474	3,259	7
Cement (Exports) ^{\$}	4,512	3,144	44
Clinker (Domestic & Exports)	2,478	1,919	29

- Sales volume up by 13%
 - Exports demand emanating from middle east
- RMC volume up by 72%
- High realisation in export markets: FOB
 - Cement \$67/ton, Clinker \$57/ton

* New capacity of 1.3 Mn. TPA added in Sep.' 08 (Avg. Q2 Capacity 18.2 Mn. TPA)

Summary

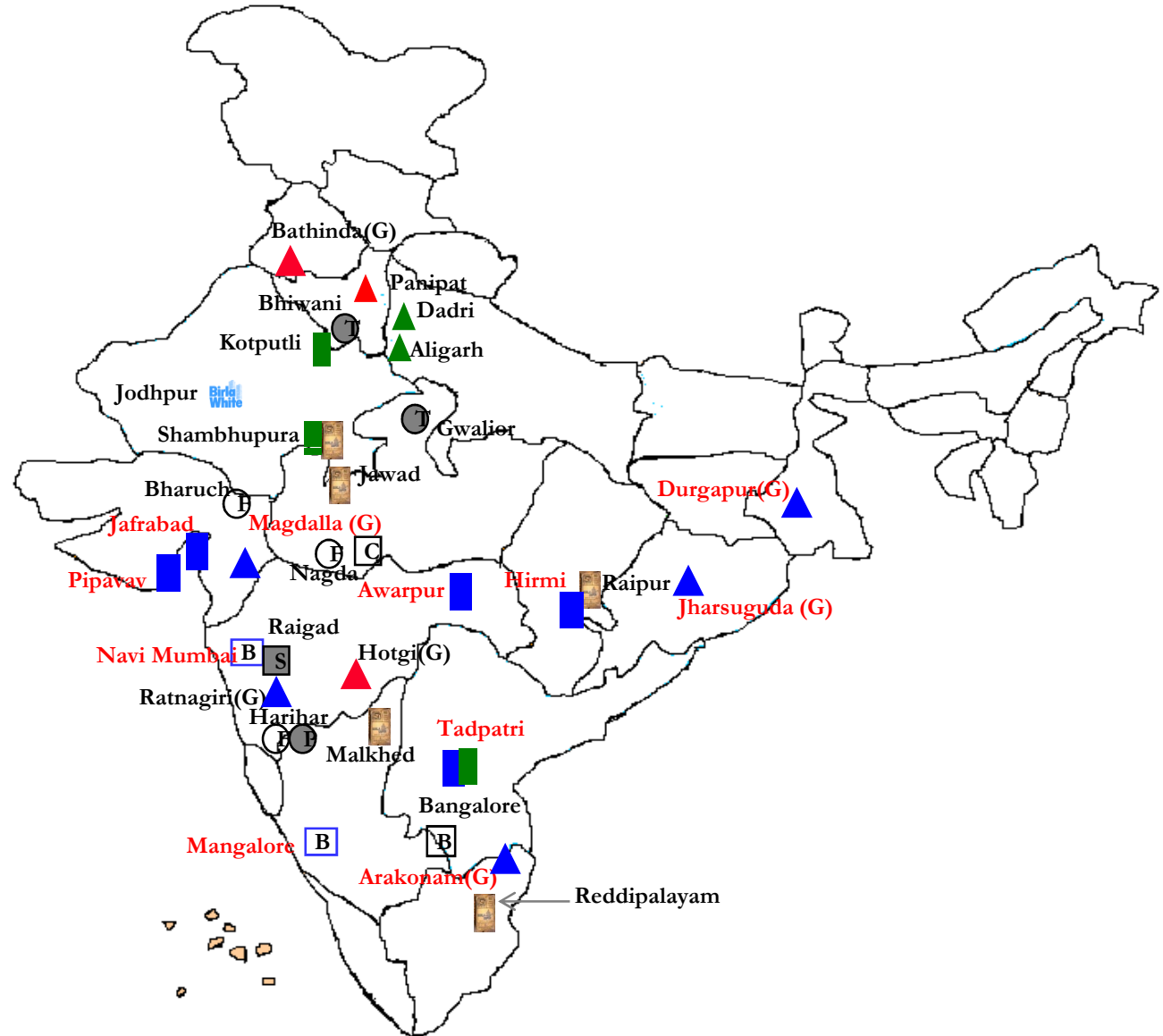


Summary

- **Grasim – A VSF and Cement major**
 - With strong competitive edge
 - Global size operations
 - Consolidating leadership position with strong organic growth
- **Domestic leadership in Cement**
 - Major Capex on capacity expansions, captive power plants, RMC and modernisation over FY07-FY09 period
 - Focus on greater efficiency through cost control
- **Leading global player in VSF**
 - Global presence
 - Planned strategy for growth of plantation, pulp and fibre capacities

Plant Locations– Grasim & its subsidiaries

- Proposed Cement Projects
- ▲ Proposed Grinding Units
- Grey Cement plants
- ▲ Grinding Units (G)
- B Bulk Cement Terminal
- UltraTech Cement Plants
- ▲ UltraTech Grinding Units (G)
- B UltraTech Bulk Cement Terminals
- F Fibre plants
- P Pulp plant
- C Chemical plant
- T Textiles units
- S Sponge Iron plant



Not to scale



Thank You



Grasim Industries Limited

Annexures



Annexures

- Consolidated and Standalone Financial
- Consolidated and Standalone Profitability
- Segmental Performance – Q2 FY09
- VSF Summary
- Chemical Summary
- Cement Summary
- Sponge Iron Summary
- UltraTech Performance

Financial Snapshot

Standalone

(Rs. Crores)	FY05	FY06	FY07	FY08	H1FY09
Gross Block [§]	6,052	6,416	7,974	10,615	11,608
Net Block [§]	3,204	3,307	4,593	7,050	7,840
Goodwill					
Cement Subs. Investment	2,362	2,352	2,476	2,537	2,538
Investments	939	1,422	2,141	1,893	1,109
Net Current Assets	426	461	550	466	1,168
Capital Employed	6,931	7,542	9,760	11,946	12,655
Net Worth	4,324	4,978	6,226	8,137	9,074
Minority Interest					
Debts	2,008	1,980	2,951	3,202	2,871
Deferred Tax	599	584	583	607	710

Debt: Equity (x)	0.46	0.40	0.47	0.39	0.32
Book Value (Rs.)	472	543	679	887	990

Consolidated

FY05	FY06	FY07	FY08	H1FY09
11,312	11,927	14,481	19,258	21,188
6,294	6,411	8,468	12,919	14,478
1,958	1,773	1,844	1,991	2,000
769	1,352	2,272	1,661	1,295
674	652	859	580	1,732
9,695	10,188	13,443	17,151	19,505
4,082	4,833	6,558	9,140	10,688
500	514	859	1,276	1,472
3,934	3,683	4,873	5,577	6,009
1,179	1,158	1,153	1,158	1,336

0.86	0.69	0.66	0.54	0.49
445	527	715	997	1,166

[§] Block includes CWIP

Profitability Snapshot

Standalone

(Rs. Crores)	FY05	FY06	FY07	FY08	H1FY09
Gross Turnover	7,201	7,638	9,573	11,552	5,960
Net Turnover	6,229	6,653	8,572	10,215	5,263
PBIDT	1,785	1,597	2,619	3,424	1,513
PBIDT Margin (%)	28.7	24.0	30.3	33.2	28.5
Interest	139	103	112	107	59
PBDT	1,646	1,494	2,507	3,317	1,454
Total Tax Expenses	418	343	691	962	308
PAT # (After Minority Share)	886	863	1,536	2,048	934

EPS (Rs.)	96.6	94.1	167.5	223.2	101.8
DPS (Rs.)	16.0	20.0	27.5	30.0	--
ROAvCE (PBIT Basis)(%)	\$ 35.1	\$ 26.7	\$ 36.4	\$ 36.8	\$ 26.0
RONW (%)					
Interest Cover (x)	9.6	11.9	15.7	14.5	13.6

\$ Adjusted for investments in cement subsidiaries and related income

before extraordinary gain

Consolidated

FY05	FY06	FY07	FY08	H1FY09
10,776	11,746	15,674	19,113	9,948
9,292	10,224	14,069	16,974	8,856
2,272	2,337	4,290	5,429	2,383
24.5	22.9	30.3	31.7	26.6
284	219	229	229	146
1,988	2,118	4,061	5,200	2,237
442	403	1,092	1,466	473
880	1,041	1,967	2,655	1,158

96.0	113.5	214.6	289.4	126.3
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21.4	17.8	31.1	31.1	21.5
23.7	23.4	34.5	33.8	23.4
6.3	8.7	13.3	13.1	10.9

Segmental Performance – Q2FY09

Standalone

Rs. Crores

Business	Revenue		PBIDT		PBIDT Margin (%)		PBIT		Capital Employed		ROAvCE (%) (PBIT basis)	
	Q2FY09	Q2FY08	Q2FY09	Q2FY08	Q2FY09	Q2FY08	Q2FY09	Q2FY08	Q2FY09	Q2FY08	Q2FY09	Q2FY08
VSF	691	791	148	316	21.4	39.9	121	295	1,914	1,358	26.9	91.8
Chemical	145	114	52	40	35.6	35.5	45	34	360	304	51.8	45.2
Cement	1,591	1,356	379	442	23.8	32.6	317	395	6,321	3,997	21.5	44.6
Sponge Iron	304	210	32	30	10.6	14.3	24	21	544	481	18.9	16.4
Operations			612	831			507	745	9,161	6,303	23.7	51.5
Cement Sub.									2,538	2,561		
Company as a whole	2,701	2,508	679	863	25.1	34.4	572	776	12,655	10,641	@ 22.1	@ 40.4

Consolidated

VSF	825	901	151	326	18.3	36.2	121	303	2,518	1,622	20.9	79.4
Cement \$	3,034	2,601	709	803	23.4	30.9	565	695	14,279	10,203	16.9	29.1
Company as a whole \$	4,489	3,964	1,025	1,270	22.8	32.0	814	1,106	19,505	14,719	17.8	31.4

\$ including minority share

@ ROCE calculated after excluding investment in cement subsidiaries & related income

Capital Employed includes CWIP

Segmental Performance – H1FY09

Standalone

Rs. Crores

Business	Revenue		PBIDT		PBIDT Margin (%)		PBIT		Capital Employed		ROAvCE (%) (PBIT basis)	
	H1 FY09	H1 FY08	H1 FY09	H1 FY08	H1 FY09	H1 FY08	H1 FY09	H1 FY08	H1 FY09	H1 FY08	H1 FY09	H1 FY08
VSF	1,336	1,498	343	572	25.7	38.2	291	531	1,914	1,358	32.4	82.7
Chemical	272	206	94	68	34.5	33.2	79	57	360	304	45.8	37.2
Cement	3,217	2,764	867	933	27.0	34.1	742	839	6,321	3,997	25.2	47.5
Sponge Iron	553	431	106	65	19.2	15.1	89	48	544	481	35.5	18.5
Operations			1,411	1,642			1,202	1,473	9,161	6,303	28.1	50.9
Cement Sub.									2,538	2,561		
Company as a whole	5,317	4,946	1,513	1,723	28.5	34.8	1,301	1,550	12,655	10,641	@ 26.0	@ 40.3

Consolidated

VSF	1,618	1,718	352	572	21.8	33.3	293	525	2,518	1,622	25.4	68.8
Cement \$	6,159	5,427	1,667	1,777	27.1	32.7	1,389	1,566	14,279	10,203	20.8	32.8
Company as a whole \$	8,943	8,026	2,383	2,641	26.6	32.9	1,973	2,319	19,505	14,719	21.5	32.9

\$ including minority share

@ ROCE calculated after excluding investment in cement subsidiaries & related income

Capital Employed includes CWIP

Viscose Staple Fibre : Summary

		Q2 FY09	Q2 FY08	% Chg.	H1 FY09	H1 FY08	% Chg.	FY08
Capacity	TPA	333,975	270,100	24	333,975	270,100	24	333,975
Production	MT	62,973	69,678	(10)	121,056	138,233	(12)	279,901
Sales Volumes	MT	62,536	70,183	(11)	119,295	139,579	(15)	269,781
Net Revenue	Rs. Crs.	691.1	790.8	(13)	1,335.5	1,497.6	(11)	3,010.7
Avg. Realisation	Rs./MT	101,768	102,978	(1)	101,835	98,741	3	103,316
PBIDT	Rs. Crs.	147.7	315.6	(53)	343.0	571.9	(40)	1,097.1
PBIDT Margin	%	21.4%	39.9%	--	25.7%	38.2%	--	36.4%
PBIT	Rs. Crs.	120.9	294.7	(59)	291.4	530.9	(45)	1,012.0
Capital Employed	Rs. Crs.	1,914	1,358	41	1,914	1,358	41	1,682
ROAvCE (PBIT Basis)	%	26.9%	91.8%	--	32.4%	82.7%	--	70.0%



Chemical : Summary

		Q2 FY09	Q2 FY08	% Chg.	H1 FY09	H1 FY08	% Chg.	FY08
Capacity	TPA	258,000	258,000	--	258,000	258,000	--	258,000
Production	MT	55,137	48,752	13	102,221	91,595	12	188,537
Sales Volumes	MT	53,103	49,634	7	100,903	92,506	9	187,356
Net Revenue	Rs. Crs.	145.3	113.6	28	271.9	206.0	32	417.6
Avg. Realisation	Rs./MT	22,777	19,331	18	22,560	18,333	23	18,963
PBIDT	Rs. Crs.	51.8	40.3	28	93.9	68.4	37	138.1
PBIDT Margin	%	35.6%	35.5%	--	34.5%	33.2%	--	33.1%
PBIT	Rs. Crs.	44.9	34.4	31	79.4	56.6	40	114.0
Capital Employed	Rs. Crs.	360	304	18	360	304	18	332
ROAvCE (PBIT Basis)	%	51.8%	45.2%	--	45.8%	37.2%	--	35.8%



Cement : Summary

		Q2 FY09	Q2 FY08	% Chg.	H1 FY09	H1 FY08	% Chg.	FY08
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Grey Cement

Capacity	Mn. TPA	18.05	13.12	38	18.05	13.12	38	16.75
Production	Mn. MT	3.65	3.62	1	7.64	7.48	2	15.36
Sales Volumes	Mn. MT	3.70	3.60	3	7.67	7.50	2	15.54
Avg. Realisation	Rs./MT	3,446	3,173	9	3,404	3,126	9	3,192

RMC

Sales Volumes	Lac Cu. Mtr.	6.44	4.43	45	12.47	8.17	53	19.54
Avg. Realisation	Rs./MT	2,823	2,709	4	2,806	2,649	6	2,731

White Cement

Capacity	TPA	475,000	475,000	--	475,000	475,000	--	475,000
Production	MT	102,322	89,733	14	196,645	182,327	8	407,882
Sales Volumes	MT	106,597	92,566	15	198,665	177,571	12	396,295
Avg. Realisation	Rs./MT	7,958	6,850	16	7,849	6,636	18	6,902

Cement Business

Net Revenue	Rs. Crs.	1,591.1	1,356.2	17	3,216.7	2,740.3	17	5,912.0
PBIDT	Rs. Crs.	379.5	442.2	(14)	867.2	933.3	(7)	1,876.3
PBIDT Margin	%	23.8%	32.6%	--	27.0%	34.1%	--	31.7%
PBIT	Rs. Crs.	316.6	394.8	(20)	741.8	839.4	(12)	1,677.6
Capital Employed	Rs. Crs.	6,321	3,997	58	6,321	3,997	58	5,459
ROAvCE (PBIT basis)	%	21.5%	44.6%	--	25.2%	47.5%	--	39.3%

Sponge Iron : Summary

		Q2 FY09	Q2 FY08	% Chg.	H1 FY09	H1 FY08	% Chg.	FY08
Capacity	TPA	900,000	900,000	--	900,000	900,000	--	900,000
Production	MT	112,186	146,673	(24)	212,718	284,809	(25)	562,000
Sales Volumes	MT	117,972	141,960	(17)	209,177	281,666	(26)	557,187
Net Revenue	Rs. Crs.	303.6	209.8	45	552.5	430.6	28	950.7
Avg. Realisation	Rs./MT	25,373	14,503	75	24,786	14,649	69	15,759
PBIDT	Rs. Crs.	32.2	29.9	8	106.0	65.2	63	159.9
PBIDT Margin	%	10.6%	14.3%	--	19.2%	15.1%	--	16.8%
PBIT	Rs. Crs.	23.7	21.2	12	89.1	47.8	86	125.6
Capital Employed	Rs. Crs.	544	481	13	544	481	13	459
ROAvCE (PBIT Basis)	%	18.9%	16.4%	--	35.5%	18.5%	--	24.8%

UltraTech: Consolidated Financial Performance

(Rs. Crores)

	Q2 FY09	Q2 FY08	% Chg.	H1 FY09	H1 FY08	% Chg.	FY08
Cement Production (Mn. MT)	3.33	3.34	--	7.28	7.25	--	15.07
Sales Volume(Mn. MT):							
Cement-Domestic	3.23	3.15	3	7.04	6.82	3	14.25
Cement-Exports	0.19	0.20	(1)	0.34	0.43	(20)	0.90
Clinker	0.66	0.26	146	1.04	0.79	31	2.09
Total Volumes	4.09	3.61	13	8.42	8.04	5	17.24
Realisation(Rs./MT):							
Cement-Domestic	3,474	3,259	7	3,434	3,198	7	3,266
Cement-Exports	4,512	3,144	44	4,214	3,079	37	3,336
Clinker	2,478	1,919	29	2,397	1,718	40	1,892
Revenue	1,477.2	1,212.9	22	3,020.7	2,590.5	17	5,671.7
Other Income	7.3	12.3	(41)	17.6	22.5	(22)	39.1
PBIDT	329.4	356.6	(8)	800.1	821.4	(3)	1,837.2
PBIDT Margin %	22.2%	29.1%	--	26.3%	31.4%	--	32.2%
Interest	31.0	20.3	53	55.7	42.5	31	82.3
Depreciation	81.4	58.6	39	153.2	115.0	33	239.6
PBT	217.0	277.7	(22)	591.2	663.9	(11)	1,515.3
Total Tax	49.5	93.5	(47)	161.9	218.9	(26)	503.8
PAT after Minority Share	166.9	184.1	(9)	428.3	444.6	(4)	1,010.1
Earning Per Share, Diluted (Rs.)	13.41	14.79	(9)	34.40	35.71	(4)	81.11



GRASIM, THE ADITYA BIRLA GROUP'S FLAGSHIP COMPANY
PERFORMANCE FOR Q2FY2009

Consolidated Net Profit **Rs.486 Crs.**

Consolidated Net Revenue **Rs.4,489 Crs.**

Consolidated Financial Performance:

Rs. Crores

	Q2 FY09	Q2 FY08	H1 FY09	H1 FY08
Net Revenue	4,489	3,964	8,944	8,026
Profit before Taxes	737	1,050	1,827	2,205
Profit after Taxes	563	705	1,354	1,504
Minority Share	(77)	(85)	(196)	(214)
Net Profit	486	620	1,158	1,290
EPS (Rs.)	53	68	126	141

Grasim, an Aditya Birla Group Company, today announced its results for the 2nd quarter ended 30th September, 2008. Its Consolidated Revenues stood at Rs.4,489 crores (Rs.3,964 crores). Net Profit was lower at Rs.486 crores (Rs.620 crores). Viewed in the backdrop of the general slowdown in the economy and rising input costs, which has affected all industries in general and the sectors that Grasim operates in, in particular, the performance has been satisfactory.

Stand-alone Financial Performance:

Rs. Crores

	Q2 FY09	Q2 FY08	H1 FY09	H1 FY08
Net Revenue	2,701	2,508	5,317	4,946
Profit before Taxes	543	748	1,242	1,494
Net Profit	419	500	934	1,011
EPS (Rs.)	46	55	102	110

On a stand-alone basis, Grasim's Revenues were at Rs.2,701 crores (Rs.2,508 crores). Net Profit was lower at Rs.419 crores (Rs.500 crores).

Highlights of Grasim's operations:

		Q2FY09	Q2FY08	% Change
Production -				
Viscose Staple Fibre	M.T.	62,973	69,678	-10%
Cement	Mn. MT	3.65	3.62	1%
White Cement	M.T.	102,322	89,733	14%
Sponge Iron	M.T.	112,186	146,673	-24%
Caustic Soda	M.T.	55,137	48,752	13%
Sales Volumes -				
Viscose Staple Fibre	M.T.	62,536	70,183	-11%
Cement	Mn. MT	3.70	3.60	3%
White Cement	M.T.	106,597	92,566	15%
Sponge Iron	M.T.	117,972	141,960	-17%
Caustic Soda	M.T.	53,103	49,634	7%

Viscose Staple Fibre (VSF) Business

The performance of VSF business was impacted due to the sluggish demand, given the global slowdown and liquidation of inventory in the value chain. The textile sector has been adversely affected due to the rising inflation and a shift in consumer preferences. In line with market realities, the Company has scaled down its production. An unprecedented increase in the price of sulphur and high pulp and caustic soda prices, coupled with the weakening of the Indian rupee, led to a drop in operating profits and margins.

Demand is expected to remain subdued in the short to medium term until the global economic situation improves. Margins are expected to remain range bound due to lower volumes and high input costs. While the prices of pulp and sulphur have started declining, the positive impact thereof is partially offset by the weakening rupee.

The conversion of AV Nackawic plant from paper grade pulp to rayon grade pulp was completed during the quarter.

The long-term outlook for the VSF business is positive.

Chemical Plant

The Chemical plant posted good performance. Higher demand from end user industries saw Caustic soda volumes improving by 7%. ECU realisations were up by 18%, driven by strong caustic prices. Margins were maintained despite the steep increase in the cost of key inputs and power. ECU realisations are expected to be under pressure, mainly due to the downward trend in the prices of chlorine and HCL.

Cement Business

In the Cement business, Sales volumes registered an increase of 3%, while Production was marginally higher. The RMC business recorded an impressive growth aided by the network expansion. The sharp escalation in prices of coal and raw materials and higher freight costs impacted margins adversely.

Cement Subsidiary

The performance of UltraTech Cement Limited, a subsidiary of Grasim, was subdued. The sharp increase in prices of coal and raw materials resulted in variable costs rising by 37%. The combined sales of cement and clinker reflected a growth of 13%. Net Profit was lower by 9% at Rs.167 crores.

Cement Capex plan

The Company's expansions at Shambhupura and Kotputli in Rajasthan are progressing satisfactorily. At Shambhupura, the production of clinker has commenced. The grinding unit at Dadri also became operational. The grinding unit at Shambhupura and the greenfield plant at Kotputli are expected to be operational in Q4FY09.

The slowdown being witnessed by the real estate and infrastructure sectors has resulted in slackening of demand for cement. The price of cement may come under pressure from CY 2009 owing to the bunching of capacity expansions expected in FY10 and FY11. While the price of imported coal has registered a fall of late, the expected benefit in energy cost will be partially offset by the falling value of the rupee. Going forward, Grasim's new capacities shall ease its capacity constraint, lead to volume growth and improvement in operating profit.

Outlook

The Company's thrust will be on fortifying its leadership position in the VSF and Cement sectors. Cost optimization and maximization of asset productivity will continue to be the Company's hallmarks. The prospects for the Company remain positive.

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Grasim Industries Limited

Regd. Office: Birlagram, Nagda – 456 331 (M.P.)

Corporate Office: 'A' wing, 2nd Floor, Aditya Birla Centre, S.K. Ahire Marg, Worli, Mumbai – 400 030

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**UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30th SEPTEMBER 2008**

I. CONSOLIDATED RESULTS :

Rs in Crores

	Three Months ended 30th September 2008	Three Months ended 30th September 2007	Six Months ended 30th September 2008	Six Months ended 30th September 2007	Year ended 31st March 2008 (Audited)
Net Sales / Income from Operations	4,452.45	3,925.22	8,855.50	7,955.61	16,973.74
Other Operating Income	36.67	38.67	88.16	70.48	152.66
Total Operating Income	4,489.12	3,963.89	8,943.66	8,026.09	17,126.40
Expenditure :					
- Decrease / (Increase) in Stock	(0.26)	(65.55)	(159.83)	(34.82)	(174.28)
- Raw Material Consumed	1,109.75	872.94	2,081.72	1,689.62	3,703.27
- Purchases of Finished Goods	34.79	23.61	57.35	33.09	74.30
- Payment to & Provision for Employees	230.18	212.23	456.16	383.58	849.32
- Power & Fuel	884.55	636.39	1,738.90	1,299.36	2,907.37
- Freight , Handling & Other Expenses	537.76	473.46	1,109.48	986.24	2,088.94
- Depreciation	210.88	163.10	410.45	321.75	670.31
- Other Expenditure	735.69	607.51	1,414.88	1,179.78	2,559.02
Total Expenditure	3,743.34	2,923.69	7,109.11	5,858.60	12,678.25
Profit from Operations before Other Income, Interest & Exceptional Items	745.78	1,040.20	1,834.55	2,167.49	4,448.15
Other Income	68.18	66.23	138.11	151.51	310.22
Profit Before Interest & Exceptional Items	813.96	1,106.43	1,972.66	2,319.00	4,758.37
Interest	77.22	56.42	145.68	114.44	228.73
Profit after Interest but before Exceptional Items	736.74	1,050.01	1,826.98	2,204.56	4,529.64
Writeback of provision for diminution in value of investments	-	-	-	-	45.68
Profit from Ordinary Activities before Tax	736.74	1,050.01	1,826.98	2,204.56	4,575.32
Provision for Current Tax	(101.50)	(315.57)	(294.05)	(638.55)	(1,472.76)
Provision for Deferred Tax	(72.30)	(28.96)	(178.57)	(61.68)	6.97
Net Profit from Ordinary Activities after Tax	562.94	705.48	1,354.36	1,504.33	3,109.53
Extra Ordinary Items :					
Profit on Sale of Shares of Subsidiary company	-	-	-	-	236.68
Net Profit for the period	562.94	705.48	1,354.36	1,504.33	3,346.21
Less : Minority Share	76.82	84.53	196.65	214.14	456.53
Add : Share in Profit / (Loss) of Associates	0.31	(0.94)	0.61	(0.51)	1.76
Net Profit (After Minority Share)	486.43	620.01	1,158.32	1,289.68	2,891.44
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					9,013.03
Basic EPS for the period before Extra Ordinary Items (Rupees)	53.05	67.62	126.33	140.66	289.54
Diluted EPS for the period before Extra Ordinary Items(Rupees)	53.05	67.62	126.33	140.66	289.44
Basic EPS for the period after Extra Ordinary Items(Rupees)	53.05	67.62	126.33	140.66	315.35
Diluted EPS for the period after Extra Ordinary Items (Rupees)	53.05	67.62	126.33	140.66	315.25

II. STANDALONE RESULTS :

Rs. in Crores

	Three Months ended 30th September 2008	Three Months ended 30th September 2007	Six Months ended 30th September 2008	Six Months ended 30th September 2007	Year ended 31st March 2008 (Audited)
Net Sales / Income from Operations	2,685.26	2,477.59	5,263.45	4,895.15	10,215.05
Other Operating Income	15.27	30.79	53.40	50.83	100.26
Total Operating Income	2,700.53	2,508.38	5,316.85	4,945.98	10,315.31
Expenditure :					
- Decrease / (Increase) in Stock	(32.15)	(28.05)	(109.82)	(13.30)	(130.22)
- Raw Material Consumed	874.12	670.90	1,592.20	1,297.48	2,828.25
- Purchases of Finished Goods	13.94	24.59	29.39	57.81	97.40
- Payment to & Provision for Employees	146.55	142.81	288.18	259.08	550.07
- Power & Fuel	466.67	348.51	906.47	672.62	1,476.51
- Freight, Handling & Other Expenses	283.32	245.59	580.79	501.56	1,047.88
- Depreciation	106.86	87.53	211.86	172.53	353.27
- Other Expenditure	353.66	288.47	659.21	560.91	1,298.51
Total Expenditure	2,212.97	1,780.35	4,158.28	3,508.69	7,521.67
Profit from Operations before Other Income, Interest & Exceptional Items	487.56	728.03	1,158.57	1,437.29	2,793.64
Other Income	84.38	47.51	142.63	113.12	277.58
Profit Before Interest & Exceptional Items	571.94	775.54	1,301.20	1,550.41	3,071.22
Interest	28.82	27.96	59.28	56.43	107.00
Profit after Interest but before Exceptional Items	543.12	747.58	1,241.92	1,493.98	2,964.22
Write back of provision for diminution in value of Investment					45.68
Profit from Ordinary Activities before Tax	543.12	747.58	1,241.92	1,493.98	3,009.90
Provision for Current Tax	(73.06)	(223.73)	(204.93)	(429.43)	(952.71)
Provision for Deferred Tax	(50.56)	(24.07)	(103.30)	(53.11)	(9.62)
Net Profit from Ordinary Activities after Tax	419.50	499.78	933.69	1,011.44	2,047.57
Extra Ordinary Items:					
Profit on transfer of Textile units at Bhiwani					4.76
Profit on Sale of Shares of a Subsidiary Company					180.27
Net Profit for the period	419.50	499.78	933.69	1,011.44	2,232.60
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					8,040.52
Basic EPS for the period before Extra Ordinary Items (Rupees)	45.75	54.51	101.83	110.31	223.31
Diluted EPS for the period before Extra Ordinary Items (Rupees)	45.75	54.51	101.83	110.31	223.24
Basic EPS for the period after Extra Ordinary Items (Rupees)	45.75	54.51	101.83	110.31	243.49
Diluted EPS for the period after Extra Ordinary Items (Rupees)	45.75	54.51	101.83	110.31	243.42
Total Public Shareholding*					
- Number of Shares (000's)			56,698	58,441	57,966
- Percentage of Shareholding			61.85%	63.75%	63.23%

*Total public shareholding as defined under Clause 40 A of the listing agreement(excludes shares held by Promoters and Global Depository Receipt holders)

III. SEGMENT REPORTING - CONSOLIDATED

						Rs. in Crores
	Three Months ended 30th September 2008	Three Months ended 30th September 2007	Six Months ended 30th September 2008	Six Months ended 30th September 2007	Year ended 31st March 2008 (Audited)	
1. SEGMENT REVENUE						
a Fibre & Pulp	825.46	901.07	1,617.69	1,718.29	3,456.61	
b Cement	3,034.25	2,600.87	6,159.06	5,426.71	11,782.44	
c Sponge Iron	303.58	209.78	552.50	430.61	950.70	
d Chemicals	145.29	113.64	271.94	205.98	417.62	
e Textiles	95.50	88.25	167.98	146.18	289.62	
f Others	138.37	101.71	279.84	197.67	437.76	
TOTAL	4,542.45	4,015.32	9,049.01	8,125.44	17,334.75	
(Less) : Inter Segment Revenue	(53.33)	(51.43)	(105.35)	(99.35)	(208.35)	
Total Operating Income	4,489.12	3,963.89	8,943.66	8,026.09	17,126.40	
2. SEGMENT RESULTS						
a Fibre & Pulp	120.85	302.78	293.30	525.06	1,011.53	
b Cement	564.84	695.24	1,389.32	1,565.85	3,310.69	
c Sponge Iron	23.70	21.21	89.09	47.77	125.55	
d Chemicals	44.88	34.37	79.38	56.62	114.01	
e Textiles	2.39	(0.34)	2.81	(2.18)	(2.88)	
f Others	26.70	22.87	57.02	49.07	103.79	
TOTAL	783.36	1,076.13	1,910.92	2,242.19	4,662.69	
Add / (Less) :						
Interest	(77.22)	(56.42)	(145.68)	(114.44)	(228.73)	
Net Unallocable Income / (Expenditure)	30.60	30.30	61.74	76.81	95.68	
Write back of provision for diminution in value of Investment					45.68	
Profit before Extra Ordinary Items and Tax Expenses	736.74	1,050.01	1,826.98	2,204.56	4,575.32	
3. CAPITAL EMPLOYED						
a Fibre & Pulp			2,517.55	1,622.49	2,108.11	
b Cement			14,278.81	10,202.75	12,462.75	
c Sponge Iron			543.97	480.83	458.84	
d Chemicals			360.46	304.41	332.14	
e Textiles			182.06	163.20	172.81	
f Others			1,191.24	524.49	674.06	
TOTAL			19,074.09	13,298.17	16,208.71	
g Unallocated Corporate Capital Employed			434.56	1,424.34	945.71	
TOTAL CAPITAL EMPLOYED			19,508.65	14,722.51	17,154.42	

IV. SEGMENT REPORTING - STANDALONE

						Rs. in Crores
	Three Months ended 30th September 2008	Three Months ended 30th September 2007	Six Months ended 30th September 2008	Six Months ended 30th September 2007	Year ended 31st March 2008 (Audited)	
1. SEGMENT REVENUE						
a Fibre & Pulp	691.10	790.81	1,335.52	1,497.55	3,010.66	
b Cement	1,591.14	1,357.30	3,216.73	2,763.94	5,946.37	
c Sponge Iron	303.58	209.78	552.50	430.61	950.70	
d Chemicals	145.29	113.64	271.94	205.98	417.62	
e Textiles	16.26	88.25	31.92	146.18	173.25	
TOTAL	2,747.37	2,559.78	5,408.61	5,044.26	10,498.60	
(Less) : Inter Segment Revenue	(46.84)	(51.40)	(91.76)	(98.28)	(183.29)	
Total Operating Income	2,700.53	2,508.38	5,316.85	4,945.98	10,315.31	
2. SEGMENT RESULTS						
a Fibre & Pulp	120.86	294.68	291.35	530.88	1,012.02	
b Cement	316.56	394.78	741.80	839.44	1,677.64	
c Sponge Iron	23.70	21.21	89.09	47.77	125.55	
d Chemicals	44.88	34.37	79.38	56.62	114.01	
e Textiles	0.14	(0.34)	0.85	(2.18)	(0.72)	
TOTAL	506.14	744.70	1,202.47	1,472.53	2,928.50	
Add / (Less) :						
Interest	(28.82)	(27.96)	(59.28)	(56.43)	(107.00)	
Net Unallocable Income / (Expenditure)	65.80	30.84	98.73	77.88	142.72	
Write back of provision for diminution in value of Investment					45.68	
Profit before Extra Ordinary Items and Tax Expenses	543.12	747.58	1,241.92	1,493.98	3,009.90	
3. CAPITAL EMPLOYED						
a Fibre & Pulp			1,914.08	1,358.26	1,681.93	
b Cement			6,321.21	3,996.78	5,459.27	
c Sponge Iron			543.87	480.83	458.84	
d Chemicals			360.46	304.41	332.14	
e Textiles			22.30	163.20	23.16	
TOTAL			9,161.92	6,303.48	7,955.34	
g Unallocated Corporate Capital Employed			3,496.82	4,341.23	3,994.11	
TOTAL CAPITAL EMPLOYED			12,658.74	10,644.71	11,949.45	

V. NOTES

- 1 Consolidated Results have been prepared in accordance with Accounting Standard on Consolidated Financial Statements (AS-21), Accounting Standard on Accounting for Investments in Associates (AS-23) and Accounting Standard on Financial Reporting of Interest in Joint Ventures (AS-27) issued by the Institute of Chartered Accountants of India (ICAI).
- 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 segments are as under:

Fibre & Pulp	- Viscose Staple Fibre & Wood Pulp
Cement	- Grey & White Cement
Sponge Iron	- Sponge Iron
Chemicals	- Caustic Soda & Allied Chemicals
Textiles	- Fabric & Yarn (Refer note 7(a) and (b) below)
Others	- Mainly Telecom (in consolidated results)
- 3 No investor complaint was pending at the beginning of the quarter. During the quarter, five complaints were received, which have been attended by the company and no complaints were pending at the end of the quarter.
- 4 The matter of implementation of the Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 to transfer Company's sponge iron business to it's subsidiary Vikram Sponge Iron Ltd., as reported in previous quarter, is progressing. The equity shareholders, secured creditors (including debenture holders) and the unsecured creditors of the company have approved the Scheme unanimously at their respective court convened meetings held on 13th October, 2008. Company Petitions have been filed by both the Companies in the Hon'ble High Court of Madhya Pradesh, Indore Bench for seeking its approval for the Scheme.
- 5 During the Quarter, the Company has started commercial production of clinker from expansion line at Aditya Cement, Shambhupura, of cement from grinding unit at Dadri and power from Thermal Power Plants at Grasim Cement, Raipur and Vikram Cement, Khor.
- 6 The company has revised estimated useful life of some of the assets, on account of which depreciation is higher by Rs 3.66 Crs for three months ended 30th September, 2008 and by Rs. 12.66 Crs for six months ended 30th September, 2008.
- 7 (a) The standalone financial results of the company for three/ six months ended 30th September, 2008 do not include the financial results of the erstwhile textile units at Bhiwani, as the same have been transferred to Grasim Bhiwani Textiles Ltd. (GBTL), a subsidiary of the company, w.e.f. 1st October, 2007. The impact of the same is not material on the company's standalone financial results for three months ended 30th September, 2008.
- (b) The financial results of GBTL for three/ six months ended 30th September 2008 are included in the consolidated financial results of the Company for the said period of three months/ six months.
- 8 The consolidated financial results of the company for three/ six months ended 30th September, 2008 do not include the financial results of Shree Digvijay Cement Company Ltd. (SDCCL), as it ceased to be a subsidiary of the company w.e.f. 25th March, 2008. The net profit (after minority share) of SDCCL included in the company's consolidated net profit for the three and six months ended 30th September, 2007 were Rs. 0.81 Crs and Rs.8.90 Crs respectively.
- 9 Previous period's figures have been regrouped / rearranged wherever necessary to conform to the current period's classification.
- 10 The above Unaudited results for the quarter ended 30th September, 2008 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 23rd October, 2008. 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 : 23rd October, 2008

D. D. Rathi
Whole-time Director

GRASIM INDUSTRIES LIMITED

Regd. Office: Birlagram, Nagda 456 331 (M.P.)

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