



Grasim Industries Limited

Performance Review – Q2FY07

18th October 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 – Q2FY07

	<u>Rs. Crs.</u>	<u>% Change</u>
TOTAL REVENUE	3,184	↑ 36
PBIDT <small>(including minority share)</small>	895	↑ 94
Interest Charges	55	↑ 2
PBT <small>(including minority share)</small>	691	↑ 156
Total Tax Expenses	207	↑ 201
PAT (Before Minority Share)	484	↑ 141
PAT (After Minority Share)	418	↑ 109
EPS (Rs.)	45.6	↑ 109

- Consolidated revenue up by 36%
- PBIDT higher by 94%
 - Excellent performance from Grasim's Cement Business & Cement Subsidiaries
 - Excellent performance from VSF business
- PBT up by 156%
- Tax expenses up by 201%
 - Higher earnings in the quarter
 - Substantially higher tax outgo in UltraTech (Rs.62 Crs. vs nil)
 - Lower component (in % terms) of tax free income
- PAT higher by 109%



Consolidated Financial Performance – H1FY07

	<u>Rs. Crs.</u>	<u>% Change</u>
TOTAL REVENUE	6,394	↑ 32
PBIDT <small>(including minority share)</small>	1,867	↑ 70
Interest Charges	108	↓ (3)
PBT <small>(including minority share)</small>	1,469	↑ 105
Total Tax Expenses	449	↑ 138
PAT (Before Minority Share)	1,020	↑ 93
PAT (After Minority Share)	854	↑ 72
EPS (Rs.)	93.1	↑ 72

- Consolidated revenue up by 32%
- PBIDT higher by 70%
 - Excellent performance from Grasim's Cement Business & Cement Subsidiaries
 - Higher operating profits in VSF business despite plant closure in first quarter
 - Corresponding Half (H1FY06) included non-recurring gain of Rs.47 Crs.
- PBT up by 105%
- Tax expenses up by 138%
 - Higher earnings in the quarter
 - Lower component (in % terms) of tax free income
- PAT higher by 72%

Consolidated Financial Performance

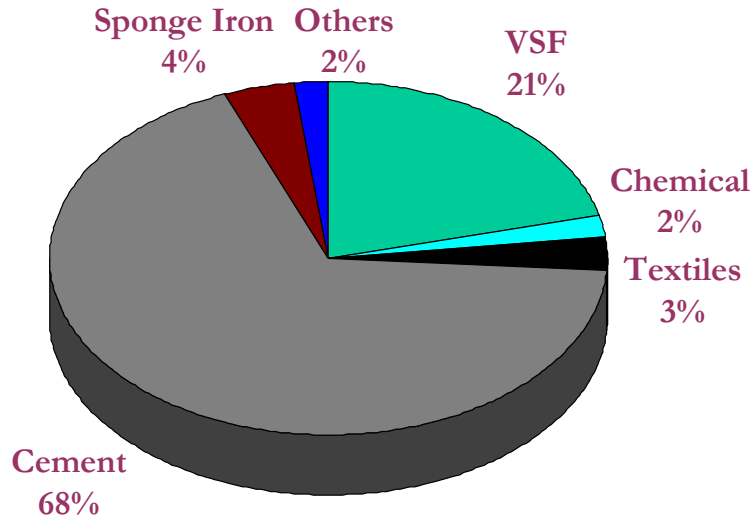
(Rs. Crores)

	Q2FY07	Q2FY06	% Chg.	H1FY07	H1FY06	% Chg.	FY06
Net Turnover & Op. Income	3,183.8	2,343.5	36	6,394.5	4,828.3	32	10,274.9
Other Income	53.4	44.6	20	102.6	120.1	(15)	217.3
PBIDT	894.8	460.9	94	1,867.1	1,101.4	70	2,330.5
Interest	55.1	53.9	2	107.7	110.6	(3)	212.2
Gross Profit	839.7	407.0	106	1,759.4	990.8	78	2,118.3
Depreciation	148.4	137.4	8	290.2	272.8	6	563.1
Exceptional Items	--	--	--	--	--	--	4.1
PBT	691.3	269.6	156	1,469.2	718.0	105	1,559.3
Current Tax	215.0	85.6	151	462.7	218.8	111	434.9
Deferred Tax	(8.1)	(16.9)	--	(13.7)	(30.4)	--	(32.2)
Total Tax	206.9	68.7	201	449.0	188.4	138	402.7
PAT	484.4	200.9	141	1,020.2	529.6	93	1,156.6
Minority Share	66.1	0.5	--	166.6	33.1	--	116.0
PAT after Minority Share	418.3	200.4	109	853.6	496.5	72	1,040.6
Earning Per Share - Basic and Diluted (Rs.)	45.6	21.9	109	93.1	54.2	72	113.5



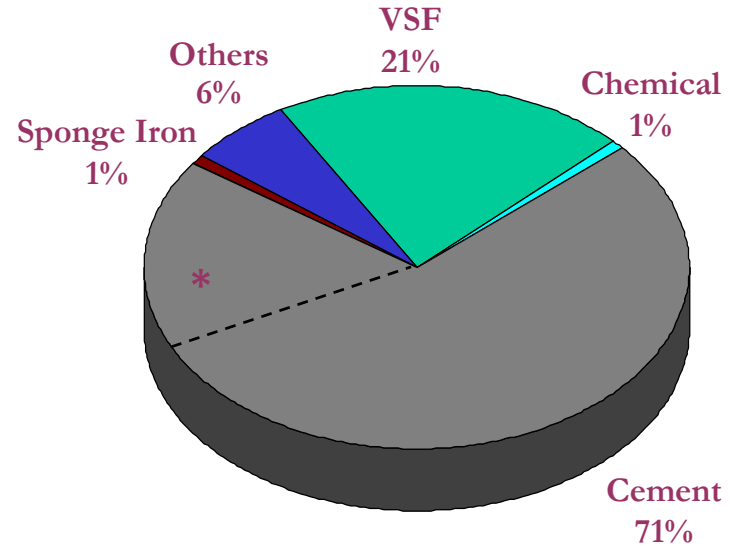
Consolidated Segmental Performance – Q2FY07

Revenue Mix



(Rs.3,184 Crs.)

PBIDT Mix



(Rs.895 Crs.)

- VSF (incl. Chemical) contributed 23% (26%) to Revenue and 22% (34%) in PBIDT mix
- Cement contributed 68% (61%) to Revenue and 71% (58%) in PBIDT mix

(* Minority Share 14%)



Standalone Financial Performance – Q2FY07

	<u>Rs. Crs.</u>	<u>%</u> <u>Change</u>
TOTAL REVENUE	2,011	↑ 22
PBIDT	582	↑ 65
Interest Charges	24	↑ 1
PBT	483	↑ 88
Total Tax Expenses	145	↑ 109
PAT	338	↑ 80
EPS (Rs.)	37	↑ 80

- Revenue up by 22%
- PBIDT up by 65%
 - Excellent performance by Cement business and VSF business
 - Chemical business impacted by shutdown in CPP
 - Sponge Iron performance continues to be impacted
- Tax expenses higher by 109%
 - Higher earnings in the quarter
 - Lower component (in % terms) of tax free income
- PAT up by 80%



Standalone Financial Performance – H1FY07

	<u>Rs. Crs.</u>	<u>%</u> <u>Change</u>
TOTAL REVENUE	3,903	↑ 21
PBIDT	1,133	↑ 43
Interest Charges	48	↓ (5)
PBT	936	↑ 56
Total Tax Expenses	286	↑ 78
PAT	650	↑ 48
EPS (Rs.)	71	↑ 48

- Revenue up by 21%
- PBIDT up by 43%
 - Excellent performance by Cement business
 - Higher operating profits in VSF business despite plant closure in first quarter
 - Chemical business impacted by shutdown in CPP
 - Sponge Iron performance continues to be impacted
 - Corresponding Half (H1FY06) included non-recurring gain of Rs.47 Crs.
- Interest cost down by 5%
- Tax expenses higher by 78%
 - Higher earnings in the quarter
 - Lower component (in % terms) of tax free income
- PAT up by 48%

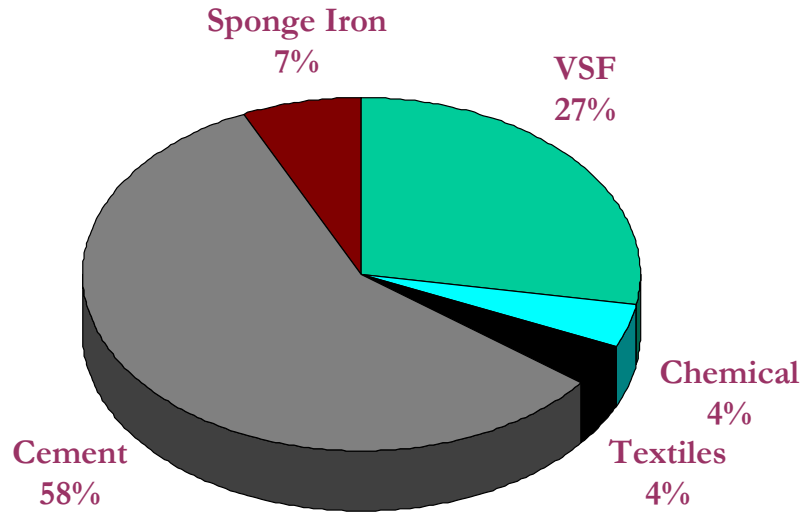
Standalone Financial Performance

(Rs. Crores)

	Q2FY07	Q2FY06	% Chg.	H1FY07	H1FY06	% Chg.	FY06
Net Turnover & Op. Income	2,010.8	1,649.2	22	3,902.6	3,213.6	21	6,703.5
Other Income	50.2	30.8	63	87.7	96.3	(9)	169.1
PBIDT	582.4	352.6	65	1,133.1	792.5	43	1,590.9
Interest	24.1	23.7	1	47.5	50.3	(5)	97.4
Gross Profit	558.3	328.9	70	1,085.6	742.2	46	1,493.5
Depreciation	75.6	71.9	5	149.7	142.4	5	291.6
Exceptional Items (net)	--	--	--	--	--	--	4.1
PBT	482.7	257.0	88	935.9	599.8	56	1,206.0
Current Tax	145.8	78.6	85	284.9	175.9	62	369.8
Deferred Tax	(0.9)	(9.3)	--	1.3	(14.7)	--	(27.0)
Total Tax	144.9	69.3	109	286.2	161.2	78	342.8
PAT	337.8	187.7	80	649.7	438.6	48	863.2
Earning Per Share - Basic and Diluted (Rs.)	36.9	20.5	80	70.9	47.8	48	94.1

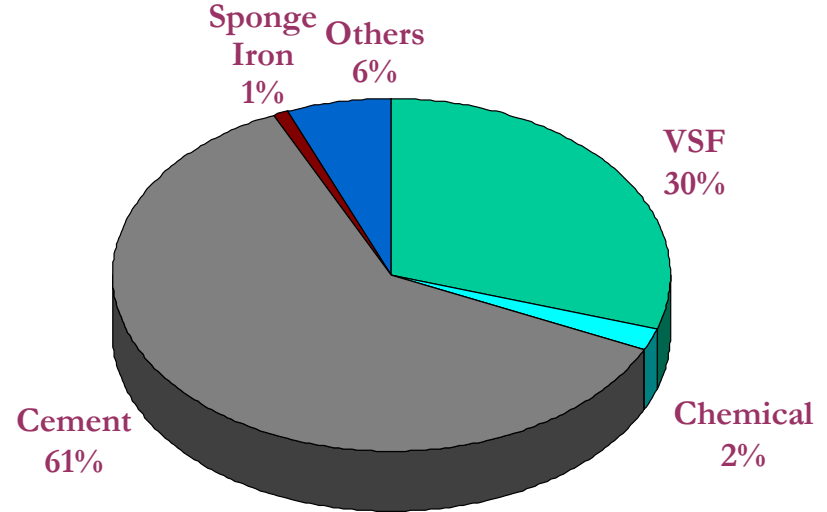
Standalone Segmental Performance– Q2FY07

Revenue Mix



(Rs.2,011 Crs.)

PBIDT Mix



(Rs.582 Crs.)

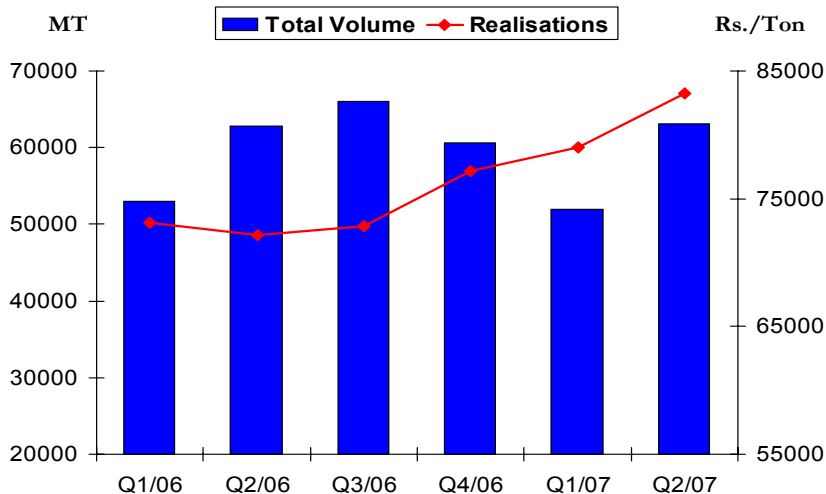
- VSF (incl. Chemical) contributed 31% (36%) to Revenue and 32% (45%) in PBIDT mix
- Cement contributed 58% (50%) to Revenue and 61% (49%) in PBIDT mix

Business Review – Q2FY07

- VSF
- Chemicals
- Cement
- Sponge Iron
- Textiles

Viscose Staple Fibre : Q2FY07 Highlights

	Q2FY07	Q2FY06	% Chg.
Capacity (TPA)	266,450	253,675	5
Production (MT)	65,083	50,231	30
Sales Volumes (MT)	63,119	62,776	1
Net Turnover (Rs Crs.)	559.6	485.1	15
Realisation (Rs./MT)	83,279	72,160	15
PBIDT (Rs. Crs.)	174.3	123.4	41
PBIDT Margin (%)	31.1%	25.4%	--
PBIT (Rs. Crs.)	156.7	107.3	46



- All plants working at full capacity
- Sales volumes bounced back from Q1FY07
 - Strong demand both from domestic and export segments
 - Substitution in favour of VSF due to higher prices of competing fibres
- Realisations up 15% YoY
 - Continual increase for last 4 quarters
 - Increasing trend in line with other textile fibres
- Operating margins improved with better realisations
 - Despite increase in pulp prices by 9% YoY
- Operating profit up by 41%



Viscose Staple Fibre : Outlook

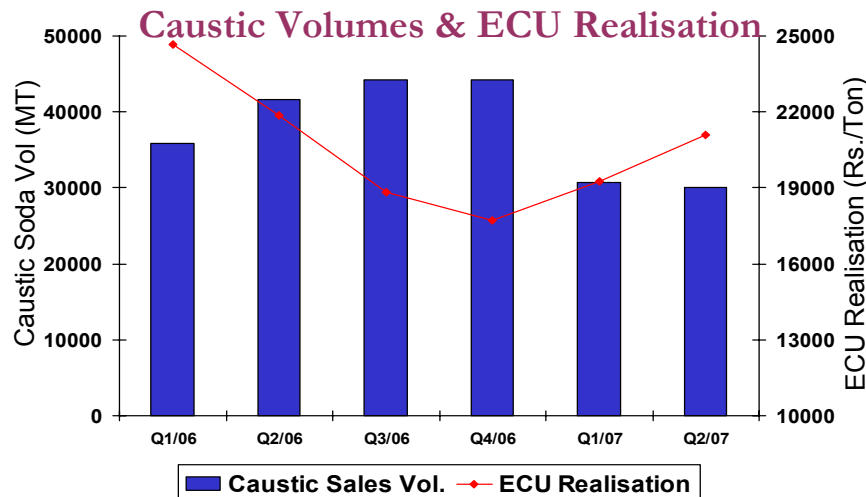
- **Volumes and price outlook remains positive**
 - Backed by strong VSF demand
 - Firm prices of competing textile fibres augur well for VSF
 - Price increase of Rs.6 per kg from October 06
- **Margins expected to improve despite rise in pulp prices**
- **China acquisition thru' JV to provide foothold in world's largest VSF market**
 - Acquisition progressing as per plan
 - 30,000 TPA fibre plant, to be ramped up to 60,000 TPA by December 07
- **Capacity enhancement thru' brownfield and de-bottlenecking (49,275 TPA) by Dec. 07**
- **Long term outlook remains positive**
 - VSF consumption to grow from increased output in Indian Textile Industry post quota
 - Efforts to introduce VSF based non-woven products in domestic markets
 - ⇒ Nascent segment of consumer products anticipated to grow rapidly
 - Backward linkages in pulp getting strengthened from AV Nackawick and Plantation-cum-Pulp project at Laos



Chemical : Q2FY07 Highlights

	Q2FY07	Q2FY06	% Chg.
Caustic Capacity (TPA)	190,800	190,800	--
Caustic Production (MT)	28,911	42,766	(32)
Caustic Sales Volumes (MT)	30,072	41,585	(28)
Net Turnover (Rs. Crs.)	76.5	103.9	(26)
ECU Realisation (Rs./MT)	21,081	21,884	(4)
PBIDT (Rs. Crs.)	9.3	35.4	(74)
PBIDT Margin (%)	12.2%	34.0%	--
PBIT (Rs. Crs.)	4.8	31.0	(84)

- Performance impacted due to shutdown in one of the captive power plants
 - Lower production and sales volumes
- ECU realisation lower by 4% due to fall in chlorine prices
- Operating profit declined on lower volumes
- Membrane cell based capacity commissioned in September 06
 - To replace existing mercury cell and improve efficiency



Outlook

- Plant likely to operate at 50% till Jan. 07
 - Repairs to be completed by Jan. 07 in captive power plant
- Prices likely to stabilise at current levels



Cement : Q2FY07 Highlights

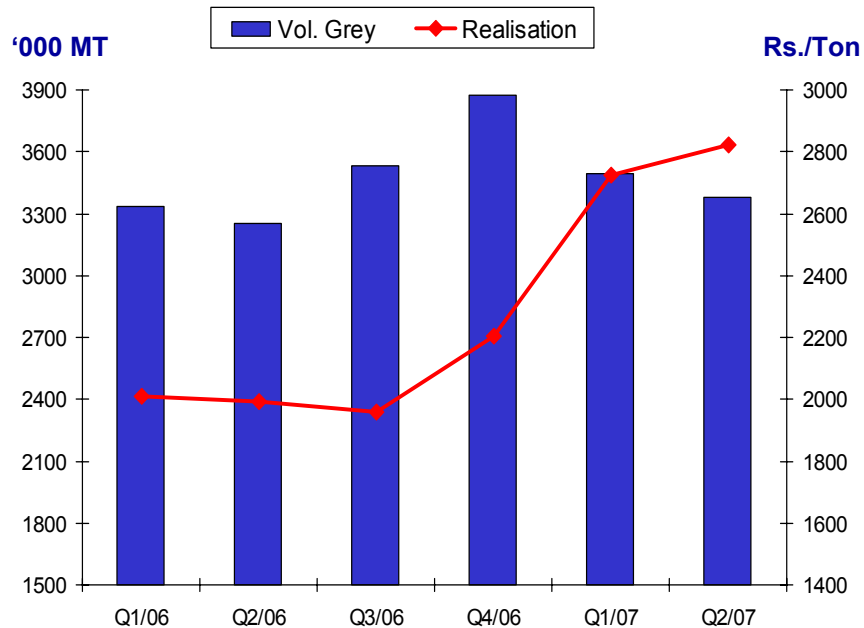
	Q2FY07	Q2FY06	% Chg.
<u>Grey Cement</u>			
Capacity (Mn. TPA)	13.12	13.12	--
Production (Mn. MT)	3.31	3.21	3
Sales Volumes* (Mn. MT)	3.38	3.25	4
Net Turnover* (Rs. Crs.)	1,049.6	713.2	47
Realisation* (Rs./MT)	2,822	1,993	42
<u>White Cement</u>			
Capacity (TPA)	475,000	475,000	--
Production (MT)	92,766	87,763	6
Sales Volumes (MT)	90,253	81,557	11
Net Turnover (Rs.Crs.)	91.6	65.9	39
Realisation (Rs./MT)	6,614	5,815	14
PBIDT (Rs. Crs.)	356.0	172.5	106
PBIDT Margin (%)	31.2%	22.1%	--
PBIT (Rs. Crs.)	313.8	132.2	137

- Excellent performance
- Capacity utilisation at 101% (98%)
- Sales volume up by 4%
- Realisation 42% higher from depressed levels in Q2FY06
 - Up by 3% sequentially
 - Prices remained stable even during monsoon
- Revenue grew by 47% led by strong realisations
- White Cement
 - Net Turnover up 39% with steady increase in realisations and higher contribution from value added products
- Significant improvement in margins from 22% to 31% buoyed by higher realisations
- Operating profit more than doubled

* Excludes traded sales volumes

Cement : Q2FY07 Highlights contd..

Grey Cement Sales volumes and Realisation /Tonne



- Cost pressure on account of higher freight cost
- Cost reduction measures continued
 - Despatches thru' rail increased from 34% to 49%
 - Blended ratio increased from 51% to 63%



Cement : Outlook

- Industry witnessing tight supply scenario
 - Demand – supply balanced across regions
- Demand expected to grow by about 9% in the long term
 - Strong macro economic environment
 - Robust demand from residential and commercial construction
 - Aided by industrial investment and augmentation of infrastructure
- Capacity utilisation to remain at higher levels
 - Capacity additions of 23-25 mn. tons expected in FY07 & FY08
 - Strong demand growth expected to absorb additional supplies
 - However capacity additions in FY09 may exceed demand growth
- Cement prices expected to sustain
- Project implementation plan moving satisfactorily



Sponge Iron : Q2FY07 Highlights

	Q2FY07	Q2FY06	% Chg.
Capacity (TPA)	900,000	900,000	--
Production (MT)	113,567	125,944	(10)
Sales Volumes (MT)	110,933	140,275	(21)
Net Turnover (Rs. Crs.)	140.8	170.4	(17)
Realisation (Rs./MT)	12,354	11,956	3
PBIDT (Rs. Crs.)	5.4	0.4	--
PBIDT Margin (%)	3.8%	0.2%	--
PBIT (Rs. Crs.)	(3.3)	(8.2)	--

- Capacity utilisation lower due to inadequate availability of Natural Gas
- Reduction in sales volumes as a result
- Realisation up marginally with higher global scrap prices
- Operating profit remained depressed due to high input cost and low volumes

Outlook

- Profitability to remain under pressure
- With improvement in scrap prices, marginal increase in realisations expected
 - Competition from coal based sponge iron however continues to be a threat
- Business prospects expected to improve in long term with adequate gas availability, likely by CY 2007 end



Textiles : Q2FY07 Highlights and Outlook

	Q2 FY07	Q2 FY06	% Chg.
Sales Volumes			
- Fabrics (lac Mtrs.)	54	45	20
- Synthetic Yarn (MT)	1,641	1,591	3
Net Turnover (Rs. Crs.)	80.9	70.7	14
Fabric Realisation (Rs./Mtr.)	117	110	7
Synth. Yarn Realisation (Rs./Kg)	132	121	10
PBIDT (Rs. Crs.)	1.4	3.4	(59)
PBIDT Margin (%)	1.7%	4.8%	--
PBIT (Rs. Crs.)	(0.1)	1.9	--

- **Fabric volumes up by 20%**
 - Increased supplies to global brands
 - Improved sales in domestic OTC business
- **PBIDT lower**
 - Higher yarn and furnace oil prices
 - Higher brand building expenses
- **Outlook**
 - Growth in fabric demand to continue with increase in RMG exports
 - Profitability expected to improve post modernisation and commissioning of 8 MW thermal power plant



Capex

Capex plans

Rs. Crores

● Capex Summary

	Total	Cash Outflow	
		FY07	FY08
Cement	3,642	1,304	2,237
- 4 Mn. TPA Greenfield Project at Kotputli, Rajasthan	1,275		
- 4 Mn. TPA Project at Shambhupura, Rajasthan	1,200		
- Thermal Power plants (4 Nos, 102 MW, Project Cost Rs.455 Crs.)	390		
- Grinding unit - North (1.3 Mn. MT, Project Cost Rs.137 Crs.)	116		
- De-bottlenecking/Blending	165		
- RMC's (16 Nos, Capacity 33 lac cum. p.a.)	67		
- Modernization	312		
- Upgradation of production facilities	117		
VSF	664	394	263
- Capacity expansion (49,275 Tons, Project Cost Rs.426 Crs.)	408		
- Modernization	256		
Chemical	178	138	40
Textiles	79	71	8
Others	19	19	-
TOTAL	4,582	1,926	2,548

● H1FY07 Capex spent - Rs. 516 Crs.

➤ Cement Rs.314 Crs., VSF Rs.80 Crs., Others Rs.122 Crs.

● Separate Capex plan of Rs.2,698 Crs. for UltraTech

➤ 4 Mn. Ton project at Tadpatri with split grinding unit, Outlay Rs.1,275 Crs.

➤ 2 Thermal power plants, capacity 142 MW, Outlay Rs.810 Crs.

➤ RMC's – Outlay Rs.62 Crs. (Nos.14, Capacity 30 lac cum. p.a.)

UltraTech Cement Limited (Consolidated)

Performance Review



UltraTech: Consolidated Financial Performance – Q2FY07

(Rs. Crores)

	Q2 FY07	Q2 FY06	% Chg.
Net Turnover* and Other Income	1,007.9	618.4	63
PBIDT	271.0	78.5	245
PBIDT Margin (%)	27.2%	12.9%	--
Interest	23.7	22.6	5
Depreciation	55.4	58.8	(6)
PBT	191.9	(2.9)	--
Current Tax	69.0	6.9	--
Deferred Tax	(7.1)	(7.7)	--
PAT	130.0	(2.1)	--
Minority Share	0.5	0.5	--
PAT after Minority share	129.5	(2.6)	--

* Adjusted for traded sales volumes

- Strong performance continued
- Turnover* up by 63% backed by higher sales volumes and realisations
- Operating margins increased substantially from 13% to 27%
 - Higher cement realisations and volumes
 - Despite increase in fuel and freight cost
- Net Profit at Rs.129 Crs. against nominal loss in the corresponding quarter



UltraTech Consolidated: Highlights

	Q2 FY07	Q2 FY06	% Chg.
Production (Mn. MT)			
Clinker	0.58	0.22	} 22
Cement	3.00	2.71	
Sales volumes (Mn. MT)			
Clinker	0.58	0.22	169
Cement - Domestic *	2.80	2.47	13
- Exports	0.23	0.26	(12)
	3.61	2.95	22
Realisation (Rs./Ton)			
Cement (Domestic) *	2,890	2,037	42
Cement (Exports) \$	3,248	2,534	28
Clinker	1,612	1,572	3

* Excludes traded sales volumes

\$ Includes freight on part quantity

- **Capacity utilisation at 84% (69%)**
 - Performance impacted in Q2FY06 due to floods and maintenance shutdown
- **Sales Volume up by 22%**
 - Domestic despatches up by 13% aided by strong demand growth
 - Clinker exports more than doubled
- **Domestic cement realisations 42% higher from depressed levels in Q2FY06**
- **Uptrend in export prices**
 - Current FOB Price: Cement US \$ 49/ton, Clinker US\$ 36/ton
 - Export prices likely to sustain during the year

Shree Digvijay Cement Company Limited (SDCC)

Performance Review



SDCC Financial Performance - Q2FY07

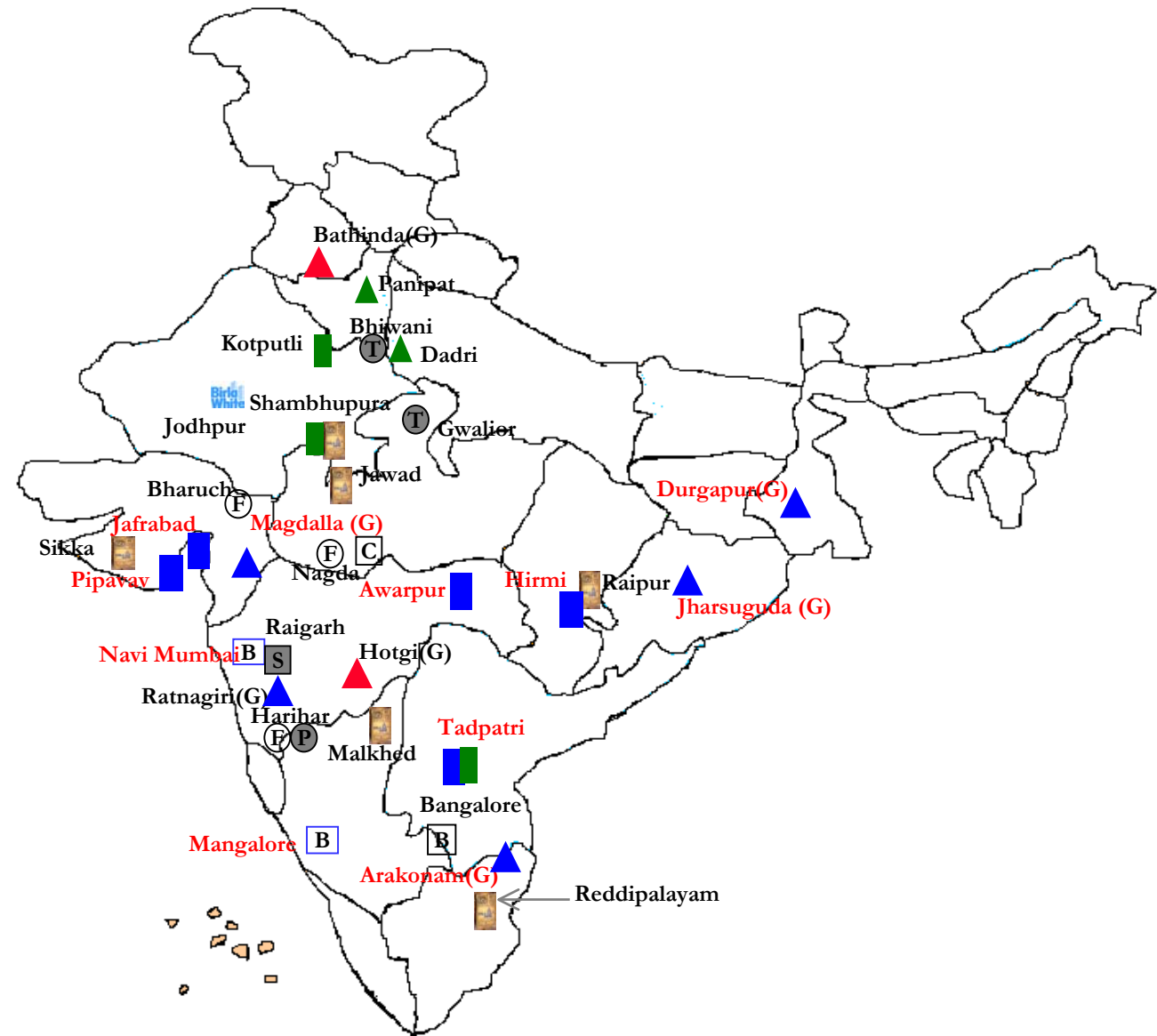
(Rs. Crores)

(Lac MT)	Q2 FY07	Q2 FY06	% Chg.
Cement Production	2.03	1.87	} (9)
Clinker Production	--	0.36	
Sales Volumes			
- Cement	2.07	1.94	} (10)
- Clinker	--	0.36	
Realisation (Rs./MT)-Cement	2,688	2,023	33
-Clinker	--	1,419	
Net Revenues	55.7	44.4	25
PBIDT	10.0	9.4	7
PBIDT Margin	18.0%	21.2%	--
Interest	0.4	1.1	(62)
Depreciation	1.5	1.6	(7)
FBT	0.1	0.03	
Profit before EIs	8.0	6.7	20
Exceptional Items	--	6.6	--
Profit after EIs	8.0	13.3	--

- Capacity utilisation declined to 75% (83%)
 - Operations affected due to heavy rains in August 06
- Sales volumes lower by 10%
- Realisations 33% higher from depressed levels in Q2FY06
- Sharp increase in power and freight cost
 - Furnace oil prices higher by 24 %
- Margins under pressure due to higher cost

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

Annexure



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Profitability Snapshot

Standalone

(Rs. Crores)	FY99	FY05	FY06	H1 FY07
Gross Turnover	4,325	7,201	7,655	4,333
Net Turnover	3,757	6,229	6,668	3,880
PBIDT	674	1,785	1,591	1,133
PBIDT Margin (%)	17.9	28.7	23.9	29.2
Int. & Fin. Charges	292	139	97	48
PBDT	381	1,646	1,494	1,086
Total Tax Expenses	67	418	343	286
PAT (After Minority Share)	* 105	886	863	650
EPS (Rs.)	* 12.5	96.6	94.1	70.9
DPS (Rs.)	6.8	16.0	20.0	--
ROAvCE (PBIT Basis)(%)	\$ 10.3	\$ 36.1	\$ 27.8	\$ 37.7
RONW (%)	5.3			
Interest Cover (x)	2.3	9.6	12.5	17.8

Consolidated

	FY04	FY05	FY06	H1 FY07
	9,189	10,776	11,763	7,101
	7,782	9,292	10,240	6,372
	1,909	2,272	2,331	1,867
	16.4	24.5	22.8	29.3
	313	285	212	108
	1,596	1,988	2,118	1,759
	286	442	403	449
	761	880	1,041	854
	83.0	96.0	113.5	93.1
	--	--	--	--
	15.2	18.5	18.4	31.2
	22.7	23.7	23.4	32.3
	5.1	6.3	8.9	13.0

* Adjusted for deferred Tax

\$ Adjusted for investments in cement subsidiaries and related income

Financial Snapshot

Standalone

(Rs. Crores)	FY99	FY05	FY06	H1FY07
Gross Block	4,937	6,052	6,417	6,963
Net Block	3,354	3,204	3,307	3,734
Goodwill	-	-	-	-
Cement Subs. Investment	56	2,362	2,352	2,375
Investments	624	939	1,422	1,860
Net Current Assets	1,003	426	461	495
Capital Employed	5,037	6,931	7,542	8,464
Net Worth	2,142	4,324	4,978	5,628
Minority Interest	-	-	-	-
Debts	2,421	2,008	1,980	2,250
Deferred Tax	474	599	584	586
Debt: Equity (x)	1.13	0.46	0.40	0.40
Book Value (Rs.)	234	472	543	614

Consolidated

FY04	FY05	FY06	H1FY07
10,702	11,317	11,932	12,829
6,394	6,299	6,416	7,130
2,037	1,958	1,773	1,863
-	-	-	-
270	769	1,352	1,958
475	673	652	607
9,176	9,699	10,193	11,558
3,348	4,086	4,838	5,727
515	500	514	666
4,108	3,934	3,683	4,021
1,205	1,179	1,158	1,144
1.06	0.86	0.69	0.63
365	446	528	625

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

Segmental Performance-Q2FY07

Standalone

(Rs. Crores)

Business	Revenue		PBIDT		PBIDT Margin (%)		PBIT		Capital Employed		ROAvCE (%) (PBIT basis)	
	Q2FY07	Q2FY06	Q2FY07	Q2FY06	Q2FY07	Q2FY06	Q2FY07	Q2FY06	Q2FY07	Q2FY06	Q2FY07	Q2FY06
VSF	565.7	499.8	174.3	123.4	31.1	25.4	156.7	107.3	1,098	952	63.9	46.3
Chemical	76.8	104.1	9.3	35.4	12.2	34.0	4.8	31.0	291	201	8.2	61.8
Cement	1,188.0	835.6	356.0	172.5	31.2	22.1	313.8	132.3	2,291	2,113	68.3	25.9
Sponge Iron	140.8	170.4	5.4	0.4	3.8	0.2	(3.3)	(8.2)	508	479	(2.6)	(6.7)
Textile	84.8	73.7	1.4	3.4	1.7	4.8	(0.1)	1.9	124	106	(0.5)	7.5
Direct Operations			546.4	335.1			471.9	264.2	4,312	3,851	51.5	28.1
Cement subsidiaries									2,323	2,214		
Company as a whole	2,010.8	1,649.2	582.4	352.7	29.1	21.6	506.8	280.7	8,464	7,224	@ 38.4	@ 24.3

Consolidated

VSF	670.8	513.7	189.2	123.4	28.5	24.7	168.5	106.9	1,253.0	979.5	62.9	44.9
Cement \$	2,179.7	1,461.2	637.1	267.0	29.2	18.3	538.2	171.5	7,480.5	6,814.4	32.9	10.2
Company as a whole ^{\$}	3,183.8	2,343.5	894.8	460.9	28.2	19.8	746.3	323.6	11,557.5	9,938.4	29.5	13.6

^{\$} including minority share

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

Segmental Performance-H1FY07

Standalone

(Rs. Crores)

Business	Revenue		PBIDT		PBIDT Margin (%)		PBIT		Capital Employed		ROAvCE (%) (PBIT basis)	
	H1FY07	H1FY06	H1FY07	H1FY06	H1FY07	H1FY06	H1FY07	H1FY06	H1FY07	H1FY06	H1FY07	H1FY06
VSF	1,012.1	918.1	288.6	215.1	28.8	23.8	254.6	184.0	1,098	952	51.9	39.7
Chemical	148.6	203.6	27.2	72.9	18.4	35.8	18.2	64.1	291	201	15.5	63.9
Cement	2,355.1	1,648.5	732.5	359.7	32.5	22.8	647.9	279.6	2,291	2,113	70.6	27.4
Sponge Iron	316.1	390.8	19.5	69.5	6.2	17.8	2.3	52.5	508	479	0.9	21.3
Textile	141.6	126.4	2.5	4.3	1.9	3.5	(0.3)	1.3	124	106	(0.5)	2.6
Direct Operations			1,070.3	721.5			922.7	581.5	4,312	3,851	50.4	30.9
Cement subsidiaries									2,323	2,214		
Company as a whole	3,902.6	3,213.6	1,133.1	792.5	29.2	24.8	983.5	650.1	8,464	7,224	@ 37.7	@ 28.4

Consolidated

VSF	1,195.9	947.3	301.5	214.5	25.5	23.0	263.9	182.5	1,253.0	979.5	49.3	38.4
Cement \$	4,519.0	3,124.7	1,414.5	636.5	31.3	20.4	1,217.2	445.5	7,480.5	6,814.4	37.2	13.3
Company as a whole ^{\$}	6,394.5	4,828.3	1,867.1	1,101.4	29.3	22.9	1,576.9	828.7	11,557.5	9,938.4	31.2	17.4

^{\$} including minority share

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

Viscose Staple Fibre : Summary

		Q2 FY07	Q2 FY06	% Chg.	H1 FY07	H1 FY06	% Chg.	FY06
Capacity	TPA	266,450	253,675	5	266,450	253,675	5	257,325
Production	MT	65,083	50,231	30	110,277	102,513	8	228,981
Sales Volumes	MT	63,119	62,776	1	115,076	115,738	(1)	242,399
Net Turnover	Rs. Crs.	559.6	485.1	15	1,000.7	902.9	11	1,918.8
Avg. Realisation	Rs./MT	83,279	72,160	15	81,339	72,587	12	73,786
PBIDT	Rs. Crs.	174.3	123.4	41	288.6	215.1	34	495.0
PBIDT Margin	%	31.1%	25.4%	--	28.8%	23.8%	--	25.8%
PBIT	Rs. Crs.	156.7	107.3	46	254.6	184.0	38	429.6
Capital Employed	Rs. Crs.	1,098	952	15	1,098	952	15	999
ROAvCE (PBIT Basis)	%	63.9%	46.3%	--	51.9%	39.7%	--	45.4%

Chemical : Summary

		Q2 FY07	Q2 FY06	% Chg.	H1 FY07	H1 FY06	% Chg.	FY06
Capacity	TPA	190,800	190,800	--	190,800	190,800	--	190,800
Production	MT	28,911	42,766	(32)	59,648	78,783	(24)	165,509
Sales Volumes	MT	30,072	41,585	(28)	60,784	77,434	(22)	165,853
Net Turnover	Rs. Crs.	76.5	103.9	(26)	148.1	203.2	(27)	385.0
Avg. Realisation	Rs./MT	21,081	21,884	(4)	20,136	23,178	(13)	20,594
PBIDT	Rs. Crs.	9.3	35.4	(74)	27.2	72.9	(63)	125.1
PBIDT Margin	%	12.2%	34.0%	--	18.4%	35.8%	--	32.5%
PBIT	Rs. Crs.	4.8	31.0	(84)	18.2	64.1	(72)	107.5
Capital Employed	Rs. Crs.	291	201	45	291	201	45	211
ROAvCE (PBIT Basis)	%	8.2%	61.8%	--	15.5%	63.9%	--	54.2%



Cement : Summary

		Q2 FY07	Q2 FY06	% Chg.	H1 FY07	H1 FY06	% Chg.	FY06
<u>Grey Cement</u>								
Capacity	Mn. MT	13.12	13.12	--	13.12	13.12	--	13.12
Production	Mn. MT	3.31	3.21	3	6.87	6.56	5	13.83
Sales Volumes *	Mn. MT	3.38	3.25	4	6.88	6.59	4	13.99
Net Turnover *	Rs. Crs.	1,049.6	713.2	47	2,085.8	1,447.4	44	3,140.5
Avg. Realisation	Rs./MT	2,822	1,993	42	2,773	2,001	39	2,046
<u>White Cement</u>								
Capacity	TPA	475,000	475,000	--	475,000	475,000	--	475,000
Production	MT	92,766	87,763	6	175,811	166,537	6	350,174
Sales Volumes	MT	90,253	81,557	11	171,396	161,428	6	347,500
Net Turnover	Rs. Crs.	91.6	65.9	39	166.9	128.2	30	291.8
Avg. Realisation	Rs./MT	6,614	5,815	14	6,423	5,842	10	5,984
PBIDT	Rs. Crs.	356.0	172.5	106	732.5	359.7	104	799.6
PBIDT Margin	%	31.2%	22.1%	--	32.5%	22.8%	--	23.3%
PBIT	Rs. Crs.	313.8	132.3	137	647.9	279.6	132	636.4
Capital Employed	Rs. Crs.	2,291	2,113	8	2,291	2,113	8	2,079
ROAvCE (PBIT basis)	%	68.3%	25.9%	--	70.6%	27.4%	--	32.0%

* Excludes traded volumes



Sponge Iron : Summary

		Q2 FY07	Q2 FY06	% Chg.	H1 FY07	H1 FY06	% Chg.	FY06
Capacity	TPA	900,000	900,000	--	900,000	900,000	--	900,000
Production	MT	113,567	125,944	(10)	240,507	305,760	(21)	505,825
Sales Volumes	MT	110,933	140,275	(21)	251,845	283,902	(11)	478,291
Net Turnover	Rs. Crs.	140.8	170.4	(17)	316.1	390.8	(19)	633.6
Avg. Realisation	Rs./MT	12,354	11,956	3	12,186	13,027	(6)	12,323
PBIDT	Rs. Crs.	5.4	0.4	--	19.5	69.5	(72)	67.9
PBIDT Margin	%	3.8%	0.2%	--	6.2%	17.8%	--	10.7%
PBIT	Rs. Crs.	(3.3)	(8.2)	--	2.3	52.5	(96)	33.7
Capital Employed	Rs. Crs.	508	479	6	508	479	6	530
ROAvCE (PBIT Basis)	%	(2.6)%	(6.7)%	--	0.9%	21.3%	--	6.5%

Textiles : Summary

		Q2 FY07	Q2 FY06	% Chg.	H1 FY07	H1 FY06	% Chg.	FY06
Net Turnover	Rs. Crs.	80.9	70.7	14	133.6	121.2	10	236.9
PBIDT	Rs. Crs.	1.4	3.4	(59)	2.5	4.3	(41)	3.4
PBIDT Margin	%	1.7%	4.8%	--	1.9%	3.5%	--	1.4%
PBIT	Rs. Crs.	(0.1)	1.9	--	(0.3)	1.3	--	(3.0)
Capital Employed	Rs. Crs.	124	106	18	124	106	18	93
ROAvCE (PBIT Basis)	%	(0.5)%	7.5%	--	(0.5)%	2.6%	--	(3.2)%



Production Data (MT)

Product	Q2 FY07			Q2 FY06			FY06		
	Capacity TPA	Production	%	Capacity TPA	Production	%	Capacity TPA	Production	%
VSF	266,450	65,083	98	253,675	50,231	79	257,325	228,981	90
Caustic Soda	190,800	28,911	61	190,800	42,766	90	190,800	165,509	87
Grey Cement *	13.12	3.31	101	13.12	3.21	98	13.12	13.83	105
White Cement	475,000	92,766	78	475,000	87,763	74	475,000	350,174	74
Sponge Iron	900,000	113,567	50	900,000	125,944	56	900,000	505,825	56

* Numbers are in Mn. MT



Divisional Turnover (Qty.) & Realisation

Product	Quantity (MT)			Realisation (Rs./MT)		
	Q2 FY07	Q2 FY06	FY06	Q2 FY07	Q2 FY06	FY06
VSF	63,119	62,776	242,399	83,279	72,160	73,786
Caustic Soda *	30,072	41,585	165,853	21,081	21,884	20,594
Grey Cement #	3.38	3.25	13.99	2,822	1,993	2,046
White Cement	90,253	81,557	347,500	6,614	5,815	5,984
Sponge Iron	110,933	140,275	478,291	12,354	11,956	12,323

* ECU Realisation

Numbers are in Mn. MT.



UltraTech: Consolidated Financial Performance

(Rs. Crores)

	Q2 FY07	Q2 FY06	% Inc.	H1 FY07	H1 FY06	% Inc.	FY06
Cement Production (Mn. MT)	3.00	2.71	11	6.87	6.38	8	13.71
Sales Volume(Mn. MT):Cement-Domestic*	2.80	2.47	13	6.28	5.65	11	12.20
Cement –Exports	0.23	0.26	(12)	0.58	0.72	(19)	1.51
Clinker	0.58	0.22	169	1.13	0.57	97	1.32
Total Volumes	3.61	2.95	22	7.99	6.94	15	15.03
Realisation (Rs./MT):Cement - Domestic*	2,890	2,037	42	2,841	2,044	39	2,113
Cement - Exports	3,248	2,534	28	2,915	2,323	25	2,480
Clinker	1,612	1,572	3	1,567	1,531	2	1,577
Net Turnover * & Other Income	1,007.9	618.4	63	2,186.4	1,440.6	52	3,228.0
PBIDT	271.0	78.5	245	659.2	247.5	166	606.6
PBIDT Margin (%)	27.2%	12.9%	--	30.5%	17.4%	--	19.0%
Interest	23.7	22.6	5	46.3	44.8	3	90.1
Depreciation	55.4	58.8	(6)	110.4	116.3	(5)	230.5
PBT	191.9	(2.9)	--	502.5	86.4	482	286.0
Current Tax	69.0	6.9	--	177.8	42.7	315	63.4
Deferred Tax	(7.1)	(7.7)	--	(14.9)	(15.8)	--	(4.2)
PAT	130.0	(2.1)	--	339.6	59.3	472	226.7
Minority Share	0.5	0.5	--	1.0	0.9	--	1.6
PAT after Minority share	129.5	(2.6)	--	338.6	58.4	479	225.1
Earning Per Share,Basic & Diluted (Rs.)	10.4	(0.2)	--	27.2	4.7	479	18.1

* Adjusted for traded sales volumes

SDCC : Financial Performance

(Rs. Crores)

	Q2 FY07	Q2 FY06	% Chg.	H1FY07	H1FY06	% Chg.	FY06
Net Turnover & Op. Income	55.7	44.4	25	116.2	98.0	19	214.4
Other Income	0.9	2.3	(63)	2.7	2.7	--	4.8
PBIDT	10.0	9.4	7	22.8	21.8	5	44.4
PBIDT Margin	18.0%	21.2%	--	19.6%	22.2%	--	20.7%
Interest	0.4	1.1	(62)	0.7	2.4	(69)	3.2
Depreciation	1.5	1.6	(7)	3.1	4.4	(30)	7.4
FBT	0.1	0.03	--	0.1	0.04	--	0.2
Profit before EIs	8.0	6.7	20	18.9	15.0	26	33.6
Exceptional Items	--	6.6	--	0.2	8.3	--	15.2
Profit after EIs	8.0	13.3	--	19.1	23.3	--	48.8



GRASIM, THE ADITYA BIRLA GROUP'S FLAGSHIP COMPANY
 REPORTS EXCELLENT PERFORMANCE FOR Q2FY 2007

Consolidated Net Profit at Rs.418 Crs., Up by 109%
Consolidated Net Revenue at Rs.3,184 Crs., Up by 36%

Consolidated Financial Performance:

	Rs. Crores					
	Q2 FY07	Q2 FY06	% Change	H1 FY07	H1 FY06	% Change
Net Revenue	3,183.8	2,343.5	35.9	6,394.5	4,828.3	32.4
Gross Profit	839.7	407.0	106.3	1,759.4	990.8	77.6
Depreciation	148.4	137.4	8.1	290.2	272.8	6.4
Total Tax Expenses	206.9	68.7	201.1	449.0	188.4	138.3
Profit after Taxes	484.4	200.9	141.1	1,020.2	529.6	92.6
Less: Minority Share	66.1	0.5		166.6	33.1	
Net Profit	418.3	200.4	108.7	853.6	496.5	71.9
EPS (Rs.)	45.6	21.9	108.7	93.1	54.1	71.9

Grasim, the flagship Company of the Aditya Birla Group, has posted excellent results for the quarter ended 30th September, 2006 on the back of superior performance from both its key businesses, viz., Cement and Viscose Staple Fibre (VSF). Turnover, Gross Profit and Net Profit have recorded a significant growth. Cement and VSF businesses continued to be the major business drivers.

Consolidated revenues at Rs.3,184 crores (Rs.2,344 crores) reflected an increase of 36%. Net Profit soared by 109% at Rs.418 crores (Rs.200 crores), in spite of a substantially higher provision for tax expense, which was up by 201% at Rs.207 crores (Rs.69 crores).

The three major factors that spurred performance are:

- Firstly, growth in volumes;
- secondly, higher realisations; and
- thirdly, savings in operating costs resulting from ongoing modernization efforts, up-gradation of plants and energy optimization

Stand-alone Financial Performance:

Rs. Crores

	Q2 FY07	Q2 FY06	% Change	H1 FY07	H1 FY06	% Change
Net Revenue	2,010.8	1,649.2	21.9	3,902.6	3,213.6	21.4
Gross Profit	558.3	328.9	69.7	1,085.6	742.2	46.3
Depreciation	75.6	71.9	5.0	149.7	142.4	5.1
Total Tax Expenses	144.9	69.3	109.1	286.2	161.2	77.5
Net Profit	337.8	187.7	80.0	649.7	438.6	48.1
EPS (Rs.)	36.9	20.5	80.0	70.9	47.8	48.1

On a stand-alone basis too, the results have been very encouraging. Revenues rose handsomely by 22% from Rs.1,649 crores to Rs.2,011 crores. Net Profit recorded an impressive growth of 80% at Rs.338 crores (Rs.188 crores). Higher capacity utilisation and optimization of efficiencies have contributed to this peak performance.

Highlights of Grasim's operations:

		Q2FY07	Q2FY06	% Change
Production -				
Viscose Staple Fibre	M.T.	65,083	50,231	30%
Cement	Mn. M.T.	3.31	3.21	3%
White Cement	M.T.	92,766	87,763	6%
Sponge Iron	M.T.	113,567	125,944	-10%
Caustic Soda	M.T.	28,911	42,766	-32%
Sales Volumes -				
Viscose Staple Fibre	M.T.	63,119	62,776	1%
Cement	Mn. M.T.	3.38	3.25	4%
White Cement	M.T.	90,253	81,557	11%
Sponge Iron	M.T.	110,933	140,275	-21%
Caustic Soda	M.T.	30,072	41,585	-28%
Net Realisation -				
Viscose Staple Fibre	Rs./M.T.	83,279	72,160	15%
Cement	Rs./M.T.	2,822	1,993	42%
White Cement	Rs./M.T.	6,614	5,815	14%
Sponge Iron	Rs./M.T.	12,354	11,956	3%
Chemical Products	Rs./M.T.	21,081	21,884	-4%

Viscose Staple Fibre (VSF) Business

The VSF business' performance has been commendable. Production was up by 30% at 65,083 MT. During the corresponding quarter, the Company had consciously scaled down its production, with a view to liquidating inventory. Sales volumes improved marginally. On a sequential basis, the volumes reflect a healthy growth of 21%, driven by strong demand, both from domestic and export segments.

Upon the completion of expansion and modernization at an outlay of Rs.664 crores, the Company's capacity will stand increased from its current level 266,450 tons to 315,725 tons per annum by FY08. This would enable the Company to cater to the increasing demand for VSF in India and South Asian countries.

To get a foothold in China, the world's largest VSF market, the Company together with its overseas Group companies, has formed a Joint Venture company (Birla Jingwei Fibres Company Limited) with Hubei Jing Wei Chemical Fibre Company. Its current capacity of 30,000 tons per annum is expected to be ramped up to 60,000 tons per annum in about a year's time. The Company's stake in the Joint Venture would be 31%. The Group's stake would be 70%.

The integrated plantation-cum-pulp plant at Laos and the acquisition of St. Anne Nackawic Pulp Mill, would lead to greater cost competitiveness. The Company would stand to benefit from increased output in Indian textile industry, post quota-abolition. Besides, the strong prices of competing fibres also portend well.

The outlook for the VSF business continues to be good.

Cement Business

The Cement business posted an excellent performance. Capacity utilisation was higher at 101%. Revenues surged by 47% led by strong realisations. Operating profit more than doubled as a result. The share of blended cement increased from 51% to 63%. While freight costs increased, its impact was mitigated to some extent due to higher dispatches thru' rail from 34% to 49%.

The White Cement business too has done well. Production was higher by 6% at 92,766 tons. The steady increase in realisations, which was up by 14% and higher contribution from value added products, saw its turnover step up by 39%.

Cement Subsidiaries

UltraTech Cement Limited (UltraTech), a subsidiary of Grasim, posted a notable performance. Its sale of cement stood at 3.03 Mn. tons and clinker at 0.58 Mn. tons. Domestic cement realizations at Rs.2,890 per ton increased by 42%. Net Profit was at Rs.129 crores, vis-à-vis the loss of Rs.3 crores recorded in the corresponding quarter.

Shree Digvijay Cement Company Limited, another subsidiary, has reported a satisfactory performance. Cement production was higher by 9% at 2.03 lac tons, while sales volumes were up by 7% at 2.07 lac tons. Realisations grew by 33% at Rs.2,688 per ton. Profit before exceptional items, extended by 20% at Rs.8 crores.

Cement Capex plan

The Company plans to augment its Cement capacity by 8 Mn. TPA and also set up thermal power plants at a total capital outlay of Rs.2,475 crores. To this end, the Company is setting up a Greenfield cement plant at Kotputli in Rajasthan (with a split grinding unit at Panipat in Haryana), of a total capacity of 4 Mn. TPA and a new plant at Shambhupura in Rajasthan (with a split grinding unit) of an equivalent capacity along with the thermal power plants. The Shambhupura plant is expected to be commissioned by end-FY08 and the Kotputli plant in Q1FY09.

This would enable the Company cater to the increasing demand in the northern region.

The Company also plans to invest Rs.1,166 crores over the next 2 years on modernization, de-bottlenecking, setting up of grinding unit at Dadri (Capacity: 1.3 Mn. MT), RMC plants and captive power plants.

The Company is buoyant about its Cement business. The growing upsurge in 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 highly encouraging.

Sponge Iron Business

The performance of the Sponge Iron business was severely constrained due to the high cost of production and inadequate availability of natural gas. Realisations were up as global scrap prices were higher. The pressure from coal based sponge iron segment continued. Though Operating profit did record some improvement, it continued to remain under pressure due to the high cost of input and lower sales volumes.

Production will be maintained at current levels, due to inadequate supply of natural gas. Profitability is expected to remain under pressure on account of the high input costs and inadequate supply of natural gas. Realisations are expected to improve in line with the rising scrap prices. The competition from coal based segment will continue to be a threat. The prospects for the business are expected to improve in the long term with adequate gas availability, likely by December, 2007.

Chemical Business

The Captive Power plant attached to the Chemical division was shut down for major repairs from the 3rd week of July, 2006. The repairs would take another 3-4 months. Production and consequently, sales volumes may be restricted for the next 4 months.

During the quarter, while the realisations of Caustic Soda recorded a 5% growth, the overall ECU Realisations were lower by 4% due to a major fall in chlorine prices.

To improve the cost efficiency, the Company converted its remaining Caustic soda plant based on mercury cell technology into the new energy efficient membrane cell technology in September, 2006 at a cost of Rs.148 crores.

Prices are expected to stabilize at current levels. The thrust will continue to be on optimum utilization of the plant capacity.

Outlook

With the fortifying of its leadership position in the VSF and Cement sectors through substantial capacity expansions, cost optimization, optimal utilisation of assets and prudent financial management, the prospects for the Company continue to be positive.

Grasim Industries Limited

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**UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30th SEPTEMBER 2006**

I. CONSOLIDATED RESULTS :

Rs in Crores

	Three Months Ended 30th September 2006	Three Months Ended 30th September 2005	Six Months Ended 30th September 2006	Six Months Ended 30th September 2005	Full Year Ended 31st March 2006 (Audited)
Net Sales / Income from Operations	3,183.81	2,343.50	6,394.49	4,828.28	10,274.86
Other Income	53.43	44.63	102.62	120.13	217.27
Expenditure :					
- Decrease / (Increase) in Stock	(5.79)	44.42	(0.71)	(15.26)	6.30
- Raw Material Consumed	654.23	520.42	1,249.64	1,097.96	2,212.43
- Purchases of Finished Goods	17.14	32.81	43.03	45.97	109.93
- Payment to & Provision for Employees	173.98	134.93	335.13	257.95	543.31
- Power & Fuel	561.58	484.83	1,141.32	997.56	2,129.12
- Freight , Handling & Other Expenses	461.47	325.75	958.06	698.92	1,552.22
- Other Expenditure	479.87	384.03	903.58	763.90	1,608.30
Total Expenditure	2,342.48	1,927.19	4,630.05	3,847.00	8,161.61
Interest	55.05	53.95	107.65	110.60	212.23
Gross Profit	839.71	406.99	1,759.41	990.81	2,118.29
Depreciation	148.44	137.35	290.19	272.76	563.10
Profit before Exceptional Items and Tax Expenses	691.27	269.64	1,469.22	718.05	1,555.19
Surplus on pre-payment of sales tax loan	-	-	-	-	4.13
Profit before Tax Expenses	691.27	269.64	1,469.22	718.05	1,559.32
Provision for Current Tax	(215.03)	(85.63)	(462.75)	(218.85)	(434.88)
Provision for Deferred Tax	8.14	16.91	13.69	30.41	32.18
Net Profit	484.38	200.92	1,020.16	529.61	1,156.62
Less : Minority Share	66.05	0.50	166.58	33.11	115.98
Net Profit (After Minority Share)	418.33	200.42	853.58	496.50	1,040.64
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					4,698.79
Basic & Diluted EPS for the period (Rupees)	45.62	21.86	93.09	54.15	113.50

II. STANDALONE RESULTS :

	Three Months Ended 30th September 2006	Three Months Ended 30th September 2005	Six Months Ended 30th September 2006	Six Months Ended 30th September 2005	Full Year Ended 31st March 2006 (Audited)
Net Sales / Income from Operations	2,010.82	1,649.21	3,902.55	3,213.61	6,703.48
Other Income	50.22	30.83	87.69	96.32	169.07
Expenditure :					
- Decrease / (Increase) in Stock	(14.45)	68.44	0.66	25.55	43.49
- Raw Material Consumed	535.04	442.47	998.88	911.79	1,822.68
- Purchases of Finished Goods	60.59	63.02	128.76	91.15	240.15
- Payment to & Provision for Employees	123.05	104.21	236.08	200.59	407.63
- Power & Fuel	280.55	259.76	545.05	509.67	1,074.81
- Freight , Handling & Other Expenses	236.59	169.53	466.85	349.71	750.02
- Other Expenditure	257.29	219.96	480.84	428.96	942.91
Total Expenditure	1,478.66	1,327.39	2,857.12	2,517.42	5,281.69
Interest	24.07	23.74	47.57	50.27	97.32
Gross Profit	558.31	328.91	1,085.55	742.24	1,493.54
Depreciation	75.57	71.96	149.66	142.44	291.64
Profit before Exceptional Items and Tax Expenses	482.74	256.95	935.89	599.80	1,201.90
Surplus on pre-payment of sales tax loan	-	-	-	-	4.13
Profit before Tax Expenses	482.74	256.95	935.89	599.80	1,206.03
Provision for Current Tax	(145.80)	(78.60)	(284.85)	(175.90)	(369.82)
Provision for Deferred Tax	0.90	9.30	(1.30)	14.70	27.00
Net Profit	337.84	187.65	649.74	438.60	863.21
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					4,886.11
Basic & Diluted EPS for the period (Rupees)	36.85	20.47	70.86	47.84	94.14
Aggregate of Non-Promoter Shareholding					
- Number of Shares			68692786	68776304	68776304
- Percentage of Shareholding			74.93%	75.02%	75.02%

III. SEGMENT REPORTING - CONSOLIDATED

	Three Months Ended 30th September 2006	Three Months Ended 30th September 2005	Six Months Ended 30th September 2006	Six Months Ended 30th September 2005	Full Year Ended 31st March 2006 (Audited)
1. SEGMENT REVENUE					
a Fibre & Pulp	670.83	513.70	1,195.85	947.26	1,990.05
b Cement	2,179.70	1,461.16	4,518.96	3,124.68	6,938.30
c Sponge Iron	140.77	170.38	316.13	390.84	634.78
d Chemicals	76.75	104.10	148.55	203.56	386.35
e Textiles	84.79	73.65	141.62	126.44	247.14
f Others	76.16	54.83	144.27	109.34	233.81
TOTAL	3,229.00	2,377.82	6,465.38	4,902.12	10,430.43
(Less) : Inter Segment Revenue	(45.19)	(34.32)	(70.89)	(73.84)	(155.57)
Net Sales / Income from Operations	3,183.81	2,343.50	6,394.49	4,828.28	10,274.86
2. SEGMENT RESULTS					
a Fibre & Pulp	168.52	106.90	263.88	182.52	425.93
b Cement	538.23	171.48	1,217.16	445.52	1,074.76
c Sponge Iron	(3.27)	(8.24)	2.31	52.46	33.69
d Chemicals	4.81	30.99	18.20	64.13	107.51
e Textiles	(0.13)	1.91	(0.26)	1.33	(3.04)
f Others	14.94	8.82	27.12	17.50	39.06
TOTAL	723.10	311.86	1,528.41	763.46	1,677.91
Add / (Less) :					
Interest	(55.05)	(53.95)	(107.65)	(110.60)	(212.23)
Net Unallocable Income / (Expenditure)	23.22	11.73	48.46	65.19	89.51
Profit before Exceptional Items and Tax Expenses	691.27	269.64	1,469.22	718.05	1,555.19
Surplus on pre-payment of sales tax loan	-	-	-	-	4.13
Profit Before Tax Expenses	691.27	269.64	1,469.22	718.05	1,559.32
3. CAPITAL EMPLOYED					
a Fibre & Pulp			1,252.97	979.45	1,025.98
b Cement			7,480.45	6,814.43	6,804.09
c Sponge Iron			508.38	478.55	530.19
d Chemicals			291.34	200.68	210.75
e Textiles			124.11	105.59	92.55
f Others			371.47	347.78	339.95
TOTAL			10,028.72	8,926.48	9,003.51
g Unallocated Corporate Capital Employed			1,528.77	1,011.89	1,189.19
TOTAL CAPITAL EMPLOYED			11,557.49	9,938.37	10,192.70

IV. SEGMENT REPORTING - STANDALONE

	Three Months Ended 30th September 2006	Three Months Ended 30th September 2005	Six Months Ended 30th September 2006	Six Months Ended 30th September 2005	Full Year Ended 31st March 2006 (Audited)
1. SEGMENT REVENUE					
a Fibre & Pulp	565.73	499.84	1,012.09	918.12	1,935.37
b Cement	1,187.97	835.56	2,355.05	1,648.49	3,655.41
c Sponge Iron	140.77	170.38	316.13	390.84	634.78
d Chemicals	76.75	104.10	148.55	203.56	386.35
e Textiles	84.79	73.65	141.62	126.44	247.14
TOTAL	2,056.01	1,683.53	3,973.44	3,287.45	6,859.05
(Less) : Inter Segment Revenue	(45.19)	(34.32)	(70.89)	(73.84)	(155.57)
Net Sales / Income from Operations	2,010.82	1,649.21	3,902.55	3,213.61	6,703.48
2. SEGMENT RESULTS					
a Fibre & Pulp	156.67	107.31	254.59	183.98	429.62
b Cement	313.75	132.25	647.90	279.56	636.40
c Sponge Iron	(3.27)	(8.24)	2.31	52.46	33.69
d Chemicals	4.81	30.99	18.20	64.13	107.51
e Textiles	(0.13)	1.91	(0.26)	1.33	(3.04)
f Others	0.10	(0.03)	0.07	(1.35)	(1.39)
TOTAL	471.93	264.19	922.81	580.11	1,202.79
Add / (Less) :					
Interest	(24.07)	(23.74)	(47.57)	(50.27)	(97.32)
Net Unallocable Income / (Expenditure)	34.88	16.50	60.65	69.96	96.43
Profit before Exceptional Items and Tax Expenses	482.74	256.95	935.89	599.80	1,201.90
Surplus on pre-payment of sales tax loan	-	-	-	-	4.13
Profit Before Tax Expenses	482.74	256.95	935.89	599.80	1,206.03
3. CAPITAL EMPLOYED					
a Fibre & Pulp			1,098.32	951.71	999.03
b Cement			2,291.49	2,112.70	2,079.08
c Sponge Iron			508.38	478.55	530.19
d Chemicals			291.34	200.68	210.75
e Textiles			124.11	105.59	92.55
f Others			1.11	1.53	1.12
TOTAL			4,314.75	3,850.76	3,912.72
g Unallocated Corporate Capital Employed			4,152.71	3,378.81	3,633.40
TOTAL CAPITAL EMPLOYED			8,467.46	7,229.57	7,546.12

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 The operations at the Company's Viscose Staple Fibre Plant at Nagda which were suspended in the previous quarter due to water shortage were restored from 4th July, 2006.
- 3 The operations at Chemical Plant at Nagda, which were affected in the previous quarter due to water shortage, were restored from 4th July, 2006. The same were again curtailed to about fifty percent capacity from 21st July, 2006, on account of shut-down of captive power plant for major repairs, which is likely to continue till January, 2007. While this will impact the profitability of Chemical Division, the Company does not expect any significant impact on its overall profitability on this account.
- 4 During the quarter, the Company has acquired the entire paid up equity share capital consisting of 50,000 fully paid shares of Rs. 10 each of Harish Cement Limited at a price of Rs. 20 per share, thus making it a wholly owned subsidiary of the Company.
- 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 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)
- 6 No investor complaint was pending at the beginning of the quarter. During the quarter, six complaints were received, all of which have been attended by the Company and no complaints were pending at the end of the quarter.
- 7 Previous period's figures have been regrouped / rearranged wherever necessary to conform to the current period's classification.
- 8 The above Unaudited results for the quarter ended 30th September, 2006 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 18th October, 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 : 18th October, 2006

D. D. Rathi
Whole-time Director

GRASIM INDUSTRIES LIMITED

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

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