



**GRASIM, THE ADITYA BIRLA GROUP'S
FLAGSHIP COMPANY
REPORTS GOOD PERFORMANCE
For Q2 - FY 2001**

**Net Profit: Rs. 83 Crores, Up by 11%
Turnover: Rs. 1192 Crores, Up by 16%**

	Quarter ended 30.09.2000 (Un-audited)	Quarter ended 30.09.1999 (Un-audited)	Variation	(Rs. Crores) Year Ended 31.03.2000 (Audited)
Turnover	1192.15	1030.46	16%	4289.72
PBIDT	218.88	211.22	4%	756.32
Interest	60.49	72.09	- 16%	256.08
Gross Profit	158.39	139.13	14%	500.24
Depreciation	62.97	58.43	8%	236.98
Employees' separation cost	6.45	0.85		17.81
Tax	6.00	5.00	20%	12.35
Profit after Tax	82.97	74.85	11%	233.10

Grasim, the flagship company of the Aditya Birla Group, has reported a turnover of Rs. 1192 crores (Rs.1030 crores) for the quarter ended September, 2000, reflecting a 16% increase over the corresponding quarter of the previous year. Gross profit was higher by 14% at Rs.158 crores. Profit after tax for the period was higher by 11% at Rs.83 crores despite higher depreciation charge of the new cement plant commissioned in April this year.

Higher production and turnover volumes were the key drivers of the Company's enhanced performance during the quarter. Interest costs which reduced by 16% from Rs.72 crores to Rs.60 crores due to effective fund management and restructuring of high cost debts contributed to the profits as well.

Grasim continues its efforts towards rationalization of its manpower. During the quarter under review, 311 persons opted for voluntary retirement, who were paid Rs.6.45 crores, besides their normal retirement benefits.

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

Products		Q2 FY2001	Q2 FY2000	Variation	FY 2000
Production Volumes –					
Viscose Staple Fibre	M.T.	54581	46622	17%	188002
Cement	MN. M.T.	2.15	1.76	22%	8.40
White Cement	M.T.	61676	52185	18%	240492
Sponge Iron	M.T.	171008	197582	-13%	709094
Sales Volumes –					
Viscose Staple Fibre	M.T.	52889	46194	14%	192451
Cement	MN. M.T.	2.13	1.82	17%	8.42
White Cement	M.T.	60344	54059	12%	240014
Sponge Iron	M.T.	163786	197867	-17%	822995

REALISATION - Net of Excise Duty (Rupees per tonne)

Products	Q2 FY2001	Q2 FY2000	Variation	FY 2000
Viscose Staple Fibre	68472	65356	5%	64484
Cement	1848	1880	-2%	1784
White Cement	5313	5013	6%	5078
Sponge Iron	5847	5159	13%	5037

VSF Business

Production and Sales volumes were higher by 17% and 14% at 54581 MT and 52889 MT respectively during the quarter. Realisations were up by 5% during the quarter under review.

The superior quality of VSF produced by the Company has become the preferred choice of the spinners producing export quality yarn. Products of this plant have helped the Company in establishing a strong presence in the new market segments.

Grasim continues its leadership position in this sector. It continues to enjoy the distinction of being the world's leading lowest cost producer.

The VSF business will continue to be a consistent and stable contributor to the Company's earnings.

Cement Business

Grasim outperformed the industry average in this business, both with regard to production and sales volumes. Capacity utilisation during the quarter under review has been significantly higher at 94% as compared to 86% in the corresponding quarter of the previous year. Sales volumes too registered a handsome growth of 17% despite the drought that afflicted some of the states. The much-expected improvement in realisation of cement prices has unfortunately not materialized in the first half. This has impacted margins, despite support from higher volumes. Post monsoon, prices have started showing signs of firming up. This improved realisation coupled with volume growth should enable the company to improve its operating profits in the remaining two quarters of this year.

Grasim's new cement plant at Reddipalayam, near Trichy (Tamil Nadu), which was commissioned in April this year, achieved a capacity utilization of 70% in this quarter. To increase the volume of value added products, Grasim is setting up four more Ready Mix Concrete plants at an estimated cost of Rs.32 crores. These are slated for completion in the 1st half of next year. Alongside, plans for setting up a 8 lac TPA capacity grinding unit at Bhatinda at a cost of Rs.83 crores have been finalised as well. Grasim has already acquired the land required for the project and has so far spent Rs. 5 crores on this project. The Bhatinda plant is expected to go on stream in the 2nd half of next year.

Sponge Iron Business

Capacity utilisation during the quarter was down at 76% mainly due to poor supply of natural gas. In the current quarter, the division's turnover has been lower in line with its production. Realisations recorded a significant jump at Rs. 5847 per MT mainly due to firming up of domestic and global scrap prices. This translates into a growth of 13% over the corresponding quarter. Coupled with cost reduction and higher operational efficiency, this has helped the Company to improve margins in this business.

Chemical Business

As prices of Caustic Soda as well as ancillary products, Chlorine and Hydro Chloric Acid, have risen significantly, Grasim's Chemical business gained substantially. Despite lower capacity utilization and sales volumes during the quarter, the division posted excellent results.

Outlook

Given Grasim's inherent strength, a continual stress on operational excellence, cost optimisation measures, strategic planning, effective financial management and expected improvement in cement prices, the prospects for Grasim continue to be bright.

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**UNAUDITED FINANCIAL RESULTS
FOR THE THREE MONTHS ENDED 30TH SEPTEMBER, 2000**

Rs in crores

	Three Months Ended 30th September 2000	Three Months ended 30th September 1999	Six Months ended 30th September 2000	Six Months ended 30th September 1999	Year ended 31st March 2000 (Audited)
Net Sales / Income from Operations	1,192.15	1,030.46	2,388.03	2,126.76	4,289.72
Other Income	21.24	26.75	33.48	32.51	71.23
Total expenditure					
- Decrease / (Increase) in Stock	-47.76	-1.09	-26.22	43.35	(12.61)
- Raw Material Consumed	387.79	330.91	763.38	640.95	1,317.69
- Purchases of Finished Goods	103.13	45.23	180.07	108.30	287.31
- Payment to & Provision for Employees	81.94	76.75	156.79	147.19	298.87
- Power & Fuel	183.99	151.53	368.26	312.60	650.76
- Freight , Handling & Other expenses	114.27	90.30	248.79	199.09	448.53
- Other Expenditure	171.15	152.36	323.21	304.29	614.08
Total Expenditure	994.51	845.99	2,014.28	1,755.77	3,604.63
Interest	60.49	72.09	121.77	142.75	256.08
Gross profit	158.39	139.13	285.46	260.75	500.24
Depreciation	62.97	58.43	125.23	116.84	236.98
Profit before Employee separation cost and tax	95.42	80.70	160.23	143.91	263.26
Employees separation cost	6.45	0.85	7.83	1.35	17.81
Provision for tax	6.00	5.00	10.00	8.75	12.35
Net Profit	82.97	74.85	142.40	133.81	233.10
Paid up Equity Share Capital (Face Value Rs. 10 per share)	91.69	91.69	91.69	91.69	91.69
Reserves excluding Revaluation Reserve					2,684.95
Basic & Diluted EPS for the period (Rupees)	9.05	8.16	15.53	14.59	25.42

Notes:

- The Company had filed separate applications with the State Government of Kerala seeking permission for closure of Pulp Plant and Fibre Plant at Mavoor (the Mavoor Units). The State Government has refused permission for closure of these units against which the Company will be preferring an appeal to Industrial Tribunal shortly. Meanwhile, the operations at the Mavoor Units remain suspended. The Company has filed a Scheme of Arrangement under sections 391/394 of the Companies Act, 1956 in the High Court of Madhya Pradesh, Indore (the Court) on 3rd October, 2000 inter alia providing for sale/transfer of assets of the Mavoor units. Pending disposal of application by the Court, no provision has been made for the possible loss which may arise on sale/transfer of the assets, which with reference to the terms of the Scheme is presently estimated at Rs.36.50 Crs. Such loss, if it arises, will be in the nature of an extra-ordinary non-cash item not affecting the normal operating profits of the Company.
- Previous quarter / half year/ year's figures have been regrouped / rearranged wherever necessary to confirm to this quarter's classification.
- The above quarterly and half yearly results have been taken on record at the meeting of the Board of Directors held on 20th October, 2000. The half yearly results are subject to a "Limited Review" by the auditors of the Company and the review report will be submitted to the concerned stock exchanges with in the stipulated time.

For and on behalf of Board of Directors

Place : Mumbai
Date : 20th October, 2000

Kumar Mangalam Birla
Chairman

GRASIM INDUSTRIES LIMITED

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

An Aditya Birla Group Company

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Performance Review – Q2/FY2001

20th October 2000



Grasim Industries Limited

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

Financial Performance – Q2/FY2001

Rs. Crores

	Q2/FY01	Q2/FY00	% Change	FY 2000
NET TURNOVER / OPERATIONAL INCOME	1,192.1	1,030.5	16%	4,289.7
OTHER INCOME	21.2	26.8	-21%	71.2
PBIDT	218.9	211.2	4%	756.3
INTEREST	60.5	72.1	-16%	256.1
GROSS PROFIT	158.4	139.1	14%	500.2
DEPRECIATION	63.0	58.4	8%	237.0
PBT(before employee separation cost)	95.4	80.7	18%	263.2
EMPLOYEE SEPARATION COST	6.4	0.8	-	17.8
PBT(after employee separation cost)	89.0	79.9	11%	245.4
TAX	6.0	5.0	20%	12.3
PAT	83.0	74.9	11%	233.1
EPS for the period (Rs.)	9.0	8.2	10%	25.4
EPS - Annualised (Rs.)	36.0	32.65	10%	25.4



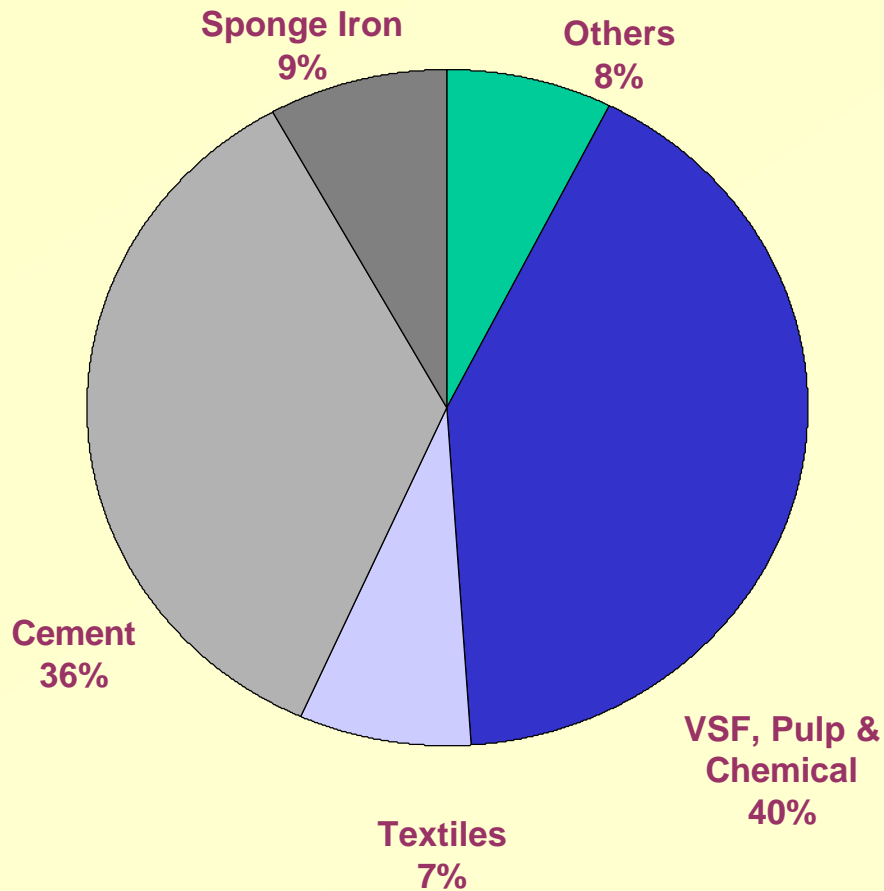
Performance Highlights

- **Good performance despite challenging environment in Cement and Textile sectors**
- **Net profit increased to Rs. 83 crores from Rs.75 crores (QoQ)**
- **Operating profits higher at Rs. 219 crores (up 4%), Operating margins however lower at 18.4% (previous quarter 20.5%)**
- **Interest charges down 16% due to continuing impact of debt repayment, debt restructuring and raising of low cost funds**
- **Depreciation up 8% due to commissioning of new cement plant during April 2000**
- **Other income lower at Rs.21 crores (Q2/FY2000 – Rs. 27 crores)**
 - ⇒ **Q2 FY2000 – Other income included Interest on IT refund Rs. 14 crores (Q2 FY01 - Nil)**

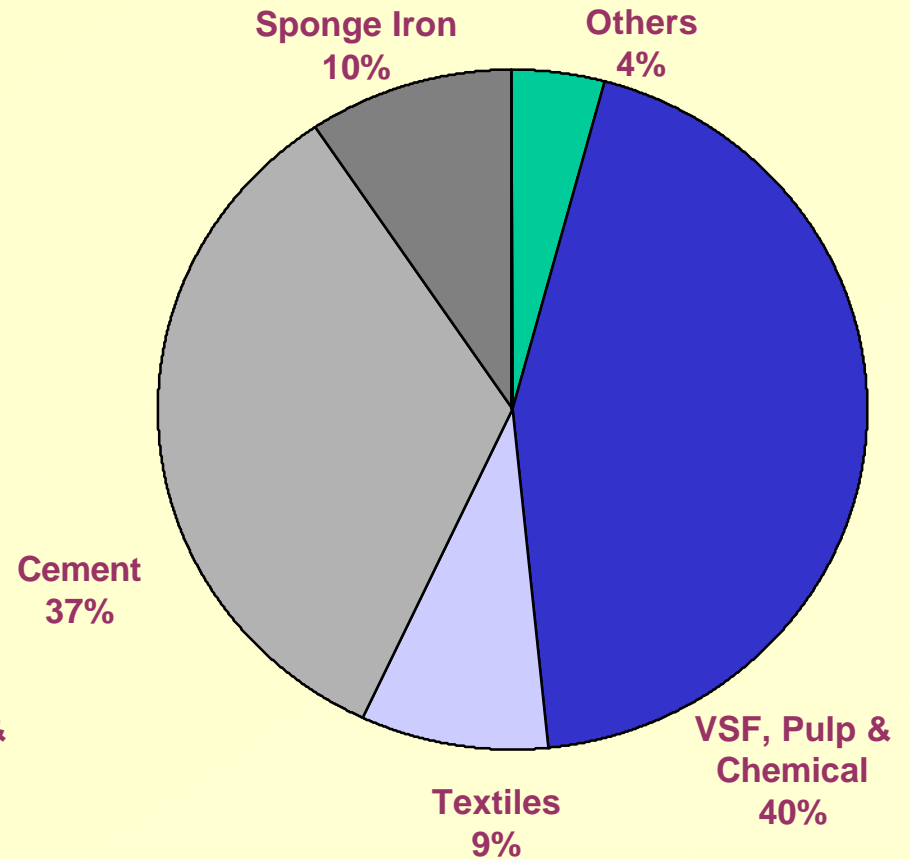
Divisional Turnover – Q2/FY2001

	Rs. Crores					
	Q2-FY2001		Q2-FY2000		FY2000	
NET TURNOVER	Amount	% Share	Amount	% Share	Amount	% Share
FIBRE						
Viscose Staple Fibre	376	32	313	31	1,290	30
Pulp	42	3	38	4	161	4
	418	35	351	35	1,451	34
Chemicals	62	5	50	5	195	4
	480	40	401	40	1,646	38
CEMENT						
Grey Cement	394	33	349	34	1,461	34
White Cement	32	3	27	3	121	3
	426	36	376	37	1,582	37
TEXTILE (YARN AND FABRIC)	85	7	96	9	301	7
SPONGE IRON	100	9	104	10	418	10
OTHERS	93	8	48	4	326	8
Total Net Turnover	1,184	100	1,025	100	4,273	100
Gross Turnover	1,369		1,187		4,982	

Revenue Mix – Q2/FY 2001

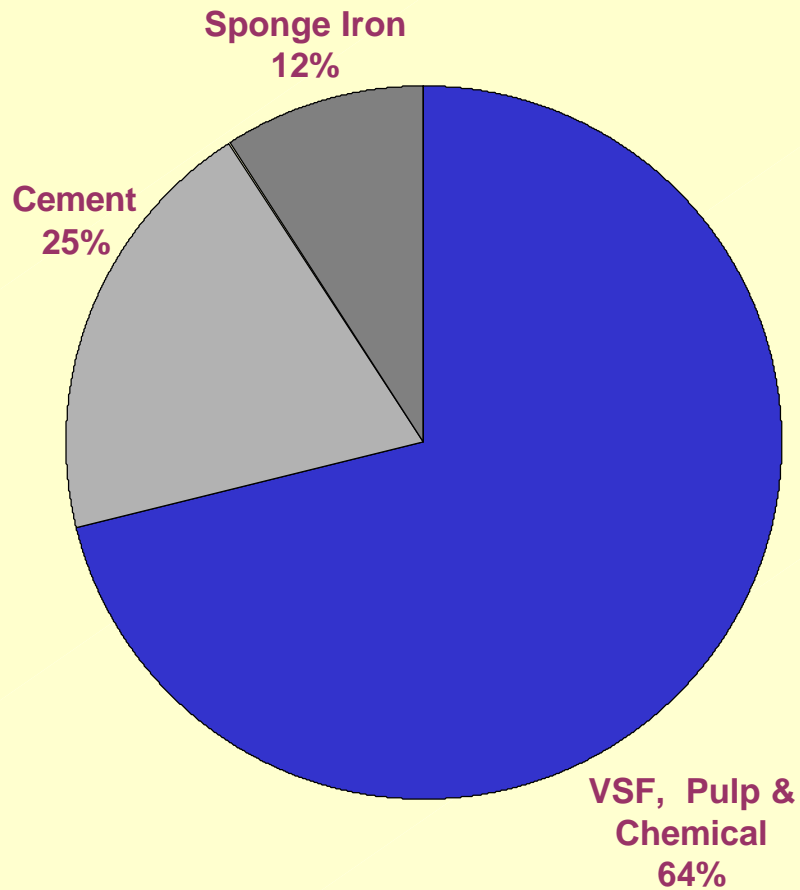


Q2 FY 2001 (Rs. 1184 Crs.)

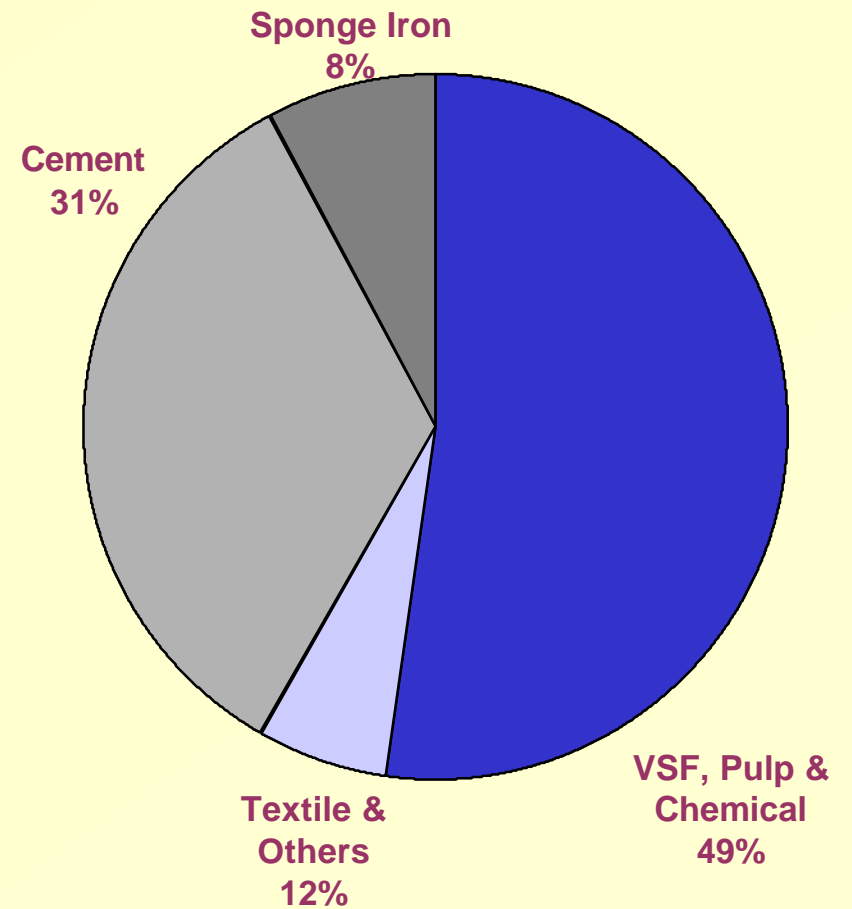


Q2 FY 2000 (Rs. 1025 Crs.)

PBIDT Mix – Q2/FY 2001



Q2 FY 2001 (Rs. 219 Crs.)



Q2 FY 2000 (Rs. 211 Crs.)



Divisional Review

Viscose Staple Fibre

		Q2 FY2001	Q2 FY2000	% Change	FY2000
Capacity *	TPA	220,775	220,775		220,775
Production	MT	54,581	46,622	17%	188,002
Sales Volumes	MT	52,889	46,194	14%	192,452
Net Turnover	Rs.Crs.	376	313	20%	1,290
Avg. Realisation	Rs. / MT	68,472	65,356	5%	64,484
PBIDT Margin	%	31%	32%		31%

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

Viscose Staple Fibre (Contd.)

Highlights

- Capacity utilisation at record high of 99%
- Sales volumes up 14%
 - ⇒ Quantum jump in deemed export volumes with acceptability of Birla Cellulosic Fibre in International Market
 - ⇒ Aggressive marketing and promotional efforts
 - ⇒ Value added technical services to yarn manufacturers
- Realisation up 5% QoQ from Rs. 65.4 /Kg to Rs.68.5/Kg.
- Operating margins slightly lower at 31% in Q2 FY01 (Q2 FY00- 32%)
 - ⇒ Substantial increase in global pulp prices.

VSF To Remain Stable Performer

Outlook

- **Outlook remains positive**
 - ⇒ **Growth in deemed exports volume to continue -**
 - **Indian Spinners will remain competitive**
- **Profitability will be driven by volumes. Rise in global pulp prices however remains a concern**
 - ⇒ **Global pulp prices up from US\$500-550/MT in Q2/FY00 to US\$750/MT in Q2/FY01 – Likely to hover around current levels**
- **Grasim will continue to focus on**
 - ⇒ **Enlarging use of VSF through Product/Application development**
 - ⇒ **Promotion of Deemed and Direct Exports**
 - ⇒ **High quality of service to customers**
 - ⇒ **Economy in costs to ensure stable margins**
- **Operations at Mavoor remain suspended on value creation criteria**
 - ⇒ **Plans to hive-off of the units thru a Scheme of Arrangement**

Cement

		Q2/FY01	Q2/ FY00	% Change	FY 2000
<u>Grey Cement</u>					
Capacity	Mn TPA	9.10	8.20	11%	8.20
Production	Mn MT	2.15	1.76	22%	8.40
Sales Volumes	Mn MT	2.13	1.82	17%	8.42
Turnover	Rs. Crs.	394	349	13%	1,461
Net Realisation	Rs./MT	1,848	1,880	-2%	1,784
<u>White Cement</u>					
Capacity	TPA	360,000	360,000	-	360,000
Production	MT	61,676	52,185	18%	240,492
Sales Volumes	MT	60,344	54,059	12%	240,014
Turnover	Rs. Crs.	32	27	16%	121
Net Realisation	Rs./MT	5,313	5,013	6%	5,078
PBIDT Margin (%)		13%	17%		13%

Cement (Contd..)

Highlights

- **Aggregate capacity utilisation improved from 86% to 94%**
- **Strong sales volume growth of 17%, against industry growth of 2%**
 - ⇒ **Volume growth in south (45%)**
 - **Penetration into new southern markets following commissioning of new plant**
 - **Capacity utilisation at the new plant reached 71% in Q2 FY01**
 - **New plant's utilisation targetted at 75% for the full year**
 - ⇒ **Volume growth in East (37%), West (15%) and North (2%)**
 - ⇒ **Concerted marketing efforts and improved logistics**
- **Average realisation lower by 2% at Rs.1848/MT**
- **PBIDT margin declined from 17% to 13% due to lower realisation and increased input cost**
 - ⇒ **Power and fuel up by 7%**

Cement (Contd..)

Outlook

- **Margins expected to improve marginally during H2-FY01**
 - ⇒ **Prices expected to improve to set off increase in input costs**
 - ⇒ **Volumes expected to improve due to seasonal factor**

- **Industry outlook positive**
 - ⇒ **Industry demand estimated to grow by 6 - 7 % in FY 01**
 - ⇒ **Cement demand expected to grow 10% annually over next 3 years**
 - **GDP growth estimated to be around 6% to 6.5% over next 3 years**
 - **Renewed focus on infrastructure sector by the Government**
 - **Expected strong growth in housing sector**

Cement (Contd..)

Outlook (Contd..)

- **Grasim will focus on**

- ⇒ **Its core markets**

- **Increasing market share in profitable segments/regions**
 - **Grinding Unit at Bhatinda underway**
- **Better penetration into newer markets**
- **Improving presence in the profitable retail segment**

- ⇒ **Continuous cost reduction/optimisation of capacities**

- **Reduction in distribution and operating costs**
- **Value added products (RMC)**
 - **Additional plants being setup**
- **Plan to increase in proportion of Thermal Captive Power to optimise power cost**
- **Plans to merge wholly owned subsidiary Dharni Cement to rationalise operations**

Textiles

Operational Data		Q2 FY2001	Q2 FY 2000	% Change	FY2000
<u>Fabric</u>					
Capacity (222 looms)	Lac Mtr.	146	180	-	180
Production	Lac Mtr.	41	45	-9%	177
Sales Volume	Lac Mtr.	51	53	-4%	176
Turnover	Rs. Crs.	48	53	-9%	163
Realisation	Rs./Mtr.	93	99	-6%	93
<u>Synthetic Yarn</u>					
Capacity (34656 Spndl.)	MT	9,000	9,000	-	9,000
Production	MT	2,419	2,711	-11%	10,737
Sales Volume	MT	2,627	2,896	-9%	10,850
Turnover	Rs.Crs.	29	34	-15%	109
Realisation	Rs./Kg.	109	118	-8%	103
<u>Worsted Yarn</u>					
Capacity (8832 Spndl.)	MT	1,250	1,250	-	1,250
Production	MT	299	303	-1%	1,197
Sales Volume	MT	333	339	-2%	1,171
Turnover	Rs.Crs.	9	9	-	29
Realisation	Rs./Kg.	262	258	2%	248
Divisional Revenue	Rs. Crs	85	96	-11%	301
* PBDIT Margin	%	(-) 4%	13%		8%

* Before employees separation cost

Textiles (contd.)

Highlights

- **Divisional performance remain subdued**
 - ⇒ **Sluggish market conditions**
 - ⇒ **Intense price competition from un-organised sector**
 - ⇒ **Inflow of spurious materials**
 - ⇒ **Increased cheap imports**
- **Lower volumes, higher promotional expenses and sharp rise in input costs (fibre and wages) dragged margin down substantially**

Textiles (contd.)

Outlook

- **Fabric sales volumes and prices to remain under pressure**
 - ⇒ **Over capacity, commoditisation of suiting fabrics market and gradual shift towards ready-to-wear products**
 - ⇒ **Price competition from unorganised sector & cheaper imports**
- **Grasim to focus on improving efficiency and leveraging brand equity for stable returns**
 - ⇒ **Improve market share and strengthen distribution network**
 - **Re-launched brands recently**
 - ⇒ **Focus on product innovation and design development**
 - **Setting up a new design studio in New Delhi**
 - ⇒ **Move up the value chain for better price realisation and overcome competition from smaller producers**
 - ⇒ **Downsizing of weaving section and rightsizing of work force**
 - **No. of hands reduced by 350 in H1/FY01**
 - **No. of looms reduced by 56 in April 2000**

Sponge Iron

		Q2 FY2001	Q2 FY 2000	% Change	FY2000
Capacity	TPA	900,000	900,000		900,000
Production	TPA	171,008	197,582	-13%	709,094
Sales Volumes	MT	163,786	197,867	-17%	822,995
Net Turnover	Rs. Crores	100	104	-4%	418
Avg.Realisation	Rs. / MT	5,847	5,159	13%	5,037
PBIDT Margin	%	25%	16%		13%

Sponge Iron (Contd.)

Highlights

- Improved performance despite lower production and sales volume
- Capacity utilisation lower at 76% from 88%
 - ⇒ Restricted Natural Gas supplies from GAIL
 - ⇒ Discontinued use of Naphtha since Mid July due to high costs
- Average realisation up by 13%
 - ⇒ Improved demand and better steel sector performance
 - ⇒ Reduced competition in the domestic market
 - ⇒ Global steel scrap prices at higher level (FOB \$ 91)
- Improved realisation and production efficiencies led to substantially improved PBIDT margins from 16% to 25%

Sponge Iron (Contd.)

Outlook

- **To benefit from upturn in steel sector and firm global scrap prices**
 - ⇒ **Global scrap prices expected to be stable**
 - ⇒ **Domestic demand outlook remains firm**
 - ⇒ **Competition to remain subdued**
 - ⇒ **Gas based producers at an advantage due to increasing acceptance for Electric Arc Furnace in steel making**

- **Grasim will focus on**
 - ⇒ **Asset sweating**
 - ⇒ **Leveraging on strategic advantages**
 - **Product flexibility - DRI share to be 67% by FY02 as compared to 44% in FY00 (18% in FY99)**
 - **Locational advantages**
 - ⇒ **Ongoing cost reduction measures**
 - ⇒ **Strategies to ensure stable and adequate supply of natural gas**

Caustic Soda

(Rs. Crores)

		Q2 FY2001	Q2 FY2000	% Change	FY2000
Capacity	MT	1,60,600	1,60,600		1,60,600
Production	MT	32,522	34,935	-7%	1,35,260
Turnover	MT	32,046	34,227	-6%	1,34,021
Realisation	(Rs. PMT)	10,348	9,473	9%	9261
Net Turnover	Rs. Crs.	62	50	25%	195
PBIDT Margin	%	39	10	-	17

Highlights

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

	<u>Q2/FY01</u>	<u>Q2/FY00</u>	<u>%Change</u>
Chlorine -Turnover (MT)	23,128	23,441	-1%
Chlorine – Realisation(Rs./PMT)	6,259	2,842	120%
HCl-Turnover (MT)	5,630	7,528	-25%
HCl - Realisation(Rs./PMT)	5,512	800	589%

Capex Plans

(Rs. Crores)

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

Capex Plan (Contd..)

- Financing - FY2001 :

	<u>Rs. Crs.</u>
Debt (Already raised)	
10.75% NCD(5 Yr. Bullet)	120
Internal Accruals	70
	<u>190</u>

PROFITABILITY (FY 1998 – H1/FY2001)

Rs Crores

		FY 1998	FY 1999	FY 2000	H1FY01
GROSS TURNOVER	Rs. Crs.	4,022.6	4,325.1	4,982.3	2,746.9
NET TURNOVER	Rs. Crs.	3,499.8	3,756.9	4,272.7	2,374.9
PBIDT	Rs. Crs.	698.5	678.3	756.3	407.2
PBIDT Margin	%	20.0	18.1	17.7	17.1
PBDT	Rs. Crs.	442.8	386.5	500.2	285.5
PAT	Rs. Crs.	230.8	163.8**	233.1**	142.4**
PAT Margin	%	7.0	4.3	5.5	6.0
EPS (Rs.)	Rs.	31.9	19.6	25.4	31.1*
CEPS (Rs.)	Rs.	55.0	44.7	51.3	58.4*
DPS (Rs.)	Rs.	6.75	6.75	7.00*	-
Interest Cover	Ratio	2.7	2.3	2.9	3.3

* Annualised

** After employees separation costs

FINANCIAL SNAPSHOT

Rs Crores

		FY 1998	FY 1999	FY 2000
GROSS BLOCK	Rs. Crs.	3,549	4,704	4,911
EQUITY	Rs. Crs.	72.3	91.7*	91.7
NET WORTH	Rs. Crs.	2,316	2,616	2,777
AVG.CAPITAL EMPLOYED	Rs. Crs.	4,069	4,572**	4,759
DEBT : EQUITY	Ratio	0.92	0.93	0.82
BOOK VALUE	Rs.	320	285	303
ROCE (PBIT)	%	13.1%	10.1%	10.5%
RONW	%	10.4%	6.6%	8.6%

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

** Adjusted for IRIL's Cement Business

Focus And Strategy

- **Focus**

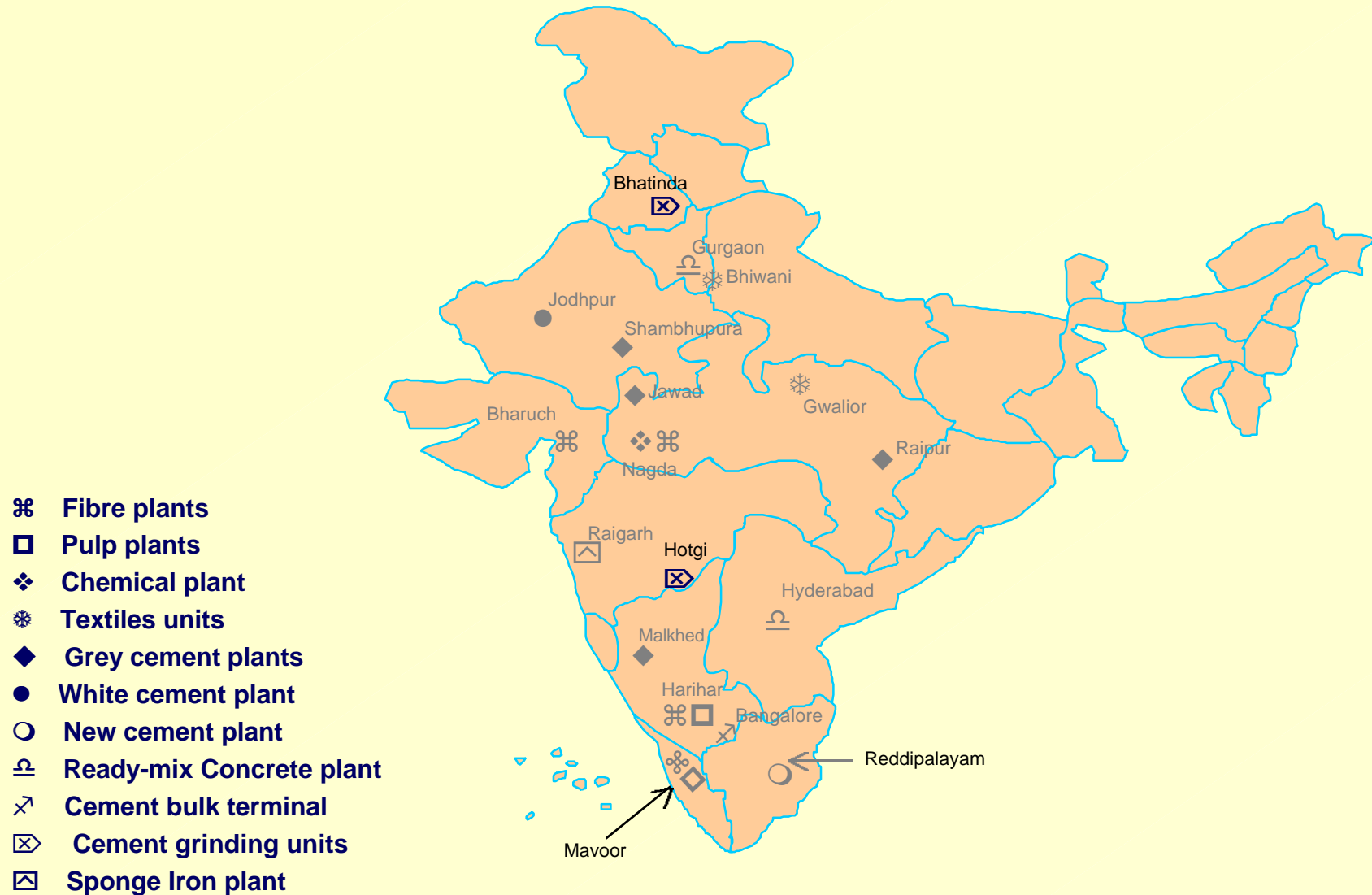
- ⇒ **Deliver enhanced value to shareholders on a sustained basis**
- ⇒ **Value creation and not asset creation**

- **Strategy**

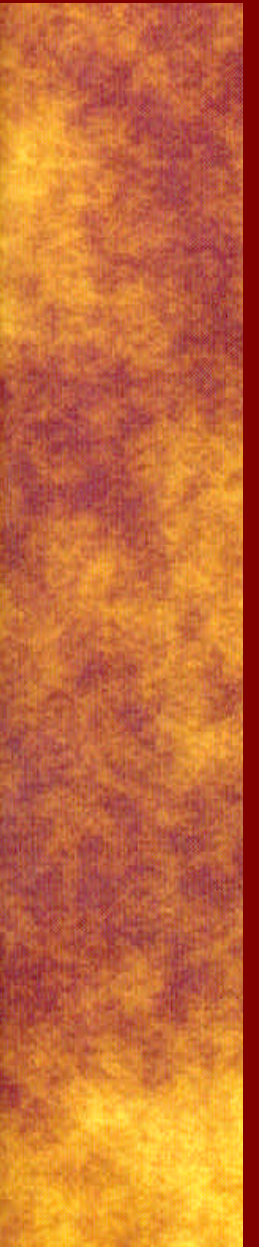
- ⇒ **Focus on core businesses - Fibre (VSF) and Cement**
- ⇒ **No unrelated diversification/ investments**
- ⇒ **Improve asset utilisation through market expansion and better penetration**
- ⇒ **Improve margins through better efficiency and stringent cost control**

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

Plant Locations



Thank You



Annexures

PRODUCTION DATA (MT) – Q2 on Q2

	Q2/FY 2001			Q2/FY 2000			FY 2000		
	Capacity TPA	Production	%	Capacity TPA	Production	%	Capacity TPA	Production	%
Viscose Fibre	2,20,775*	54,581	99%	2,20,775*	46,622	84%	2,20,775*	188,002	84%
Pulp	58,000*	18,470	127%	58,000*	18,333	126%	58,000*	73,283	109%
Chemical	1,60,600	32,522	81%	1,60,600	34,935	87%	1,60,000	135,260	84%
Grey Cement **	9.10	2.15	94%	8.20	1.76	86%	8.20	8.40	102%
White Cement	3,60,000	61,676	69%	360,000	52,185	58%	3,60,000	240,492	67%
Sponge Iron	900,000	171,008	76%	9,00,000	197,582	88%	9,00,000	709,094	79%

* Excludes installed capacity of Fibre (26000 TPA) and Pulp (72000 TPA) at Mavoor, closed since May '99

** Grey Cement numbers are in Mn.MT

DIVISIONAL TURNOVER - QTY AND REALISATION (Q2 on Q2)

Products	Quantity (MT)*			Realisation (Rs./MT)		
	FY 2001 Q2	FY 2000 Q2	FY 2000	FY 2001 Q2	FY 2000 Q2	FY 2000
Viscose Fibre	52,889	46,194	1,92,452	68,472	65,356	64,484
Pulp	18,686	18,103	74,429	22,500	21,000	21,551
Chemical	32,046	34,227	1,35,260	10,348	9,473	9,261
Grey Cement	2.13	1.82	8.42	1,848	1,880	1,784
White Cement	60,344	54,059	2,40,014	5,313	5,013	5,078
Sponge Iron	163,786	197,867	8,22,995	5,847	5,159	5,037

* Grey cement volumes are in Mn MT

PRODUCTION DATA (MT) – Q2 on Q1^{**}

	Q2/FY 2001			Q1/FY2001			FY 2000		
	Capacity TPA	Production	%	Capacity TPA	Production	%	Capacity TPA	Production	%
Viscose Fibre	2,20,775 *	54,581	99%	2,20,775 *	52,395	95%	2,20,775 *	188,002	84%
Pulp	58,000 *	18,470	127%	58,000 *	18,143	125%	58,000 *	73,283	109%
Chemical	1,60,600	32,522	81%	1,60,600	32,893	82%	1,60,000	135,260	84%
Grey Cement **	9.10	2.15	94%	9.10	2.46	108%	8.20	8.40	102%
White Cement	3,60,000	61,676	69%	360,000	53,173	59%	3,60,000	240,492	67%
Sponge Iron	900,000	171,008	76%	9,00,000	174,312	77%	9,00,000	709,094	79%

* Excludes installed capacity of Fibre (26000 TPA) and Pulp (72000 TPA) at Mavoor, closed since May '99

** Grey Cement numbers are in Mn.MT

DIVISIONAL TURNOVER - QTY AND REALISATION (Q2 on Q1)

Products	Quantity (MT)*			Realisation (Rs./MT)		
	FY 2001 Q2	FY 2001 Q1	FY 2000	FY 2001 Q2	FY 2001 Q1	FY 2000
Viscose Fibre	52,889	53,308	1,92,451	68,472	66,048	64,484
Pulp	18,686	18,405	74,429	22,500	22,450	21,551
Chemical	32,046	34,607	1,34,021	10,348	10,265	9,261
Grey Cement	2.13	2.47	8.42	1,848	1,723	1,784
White Cement	60,344	52,765	2,40,014	5,313	5,110	5,078
Sponge Iron	163,786	180,489	8,22,995	5,847	5,631	5,037

* Grey cement volumes are in Mn MT