

December 27, 2006

Shri Umesh Srivastava <u>Planning & Budgeting</u>

Please note that as per communication received from Corporate, the cost of capital for Cement Business has been worked out to 12% per annum for the year 2004-05.

This is for your information please.

Regards,

M B Agarwal Vice President (F & C)

GRASIM INDUSTRIES LIMITED (CEMENT DIVISION - MANUFACTURING)