

ADITYA BIRLA



May 11, 2011

**The Secretary**  
**National Stock Exchange of India Ltd.**  
Exchange Plaza  
Bandra-Kurla Complex, Bandra ( East)  
Mumbai - 400 051

Dear Sir,

**Sub: Audited Annual Accounts of Grasim for the year ended 31<sup>st</sup> March, 2011**

This is further to our letter and email of date on the aforesaid subject.

We are attaching herewith a copy of the Presentation on the audited Annual Accounts of our Company for the year ended 31<sup>st</sup> March, 2011, which will be presented to our investors and also posted on our website.

Thanking you,

Yours faithfully,

**Ashok Malu**  
**Company Secretary**

encl: as above

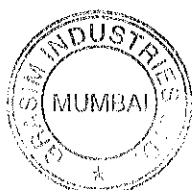


**AUDITED FINANCIAL RESULTS  
FOR THE YEAR ENDED 31-03-2011**

**I. CONSOLIDATED RESULTS :**

₹ in Crores

| Particulars                                                                            | Three Months Ended |                 | Year Ended       |                  |
|----------------------------------------------------------------------------------------|--------------------|-----------------|------------------|------------------|
|                                                                                        | 31-03-2011         | 31-03-2010      | 31-03-2011       | 31-03-2010       |
| <b>Net Sales / Income from Operations</b>                                              | <b>6,390.34</b>    | <b>5,385.68</b> | <b>21,269.02</b> | <b>19,933.42</b> |
| Other Operating Income                                                                 | 111.70             | 88.67           | 316.16           | 261.34           |
| <b>Total Operating Income</b>                                                          | <b>6,502.04</b>    | <b>5,474.35</b> | <b>21,585.18</b> | <b>20,194.76</b> |
| Expenditure :                                                                          |                    |                 |                  |                  |
| a. Decrease / (Increase) in stock in trade and work in progress                        | 46.60              | 139.57          | (162.06)         | (21.76)          |
| b. Raw Material Consumed                                                               | 1,327.69           | 968.91          | 4,504.82         | 3,624.49         |
| c. Purchases of Finished Goods                                                         | 49.83              | 29.03           | 152.29           | 139.23           |
| d. Payment to and Provision for Employees                                              | 329.57             | 272.37          | 1,237.52         | 1,060.96         |
| e. Power and Fuel Cost                                                                 | 1,220.88           | 928.12          | 4,362.93         | 3,522.35         |
| f. Freight and Handling Expenses                                                       | 856.42             | 758.87          | 3,091.68         | 2,749.13         |
| g. Depreciation                                                                        | 299.31             | 257.65          | 1,138.37         | 994.71           |
| h. Other Expenditure                                                                   | 1,021.39           | 944.06          | 3,398.61         | 3,071.65         |
| <b>Total Expenditure</b>                                                               | <b>5,151.69</b>    | <b>4,298.58</b> | <b>17,724.16</b> | <b>15,140.76</b> |
| <b>Profit from Operations before Other Income and Interest</b>                         | <b>1,350.35</b>    | <b>1,175.77</b> | <b>3,861.02</b>  | <b>5,054.00</b>  |
| Other Income                                                                           | 132.50             | 66.66           | 397.35           | 273.56           |
| <b>Profit Before Interest and Tax</b>                                                  | <b>1,482.85</b>    | <b>1,242.43</b> | <b>4,258.37</b>  | <b>5,327.56</b>  |
| Interest                                                                               | 108.14             | 89.76           | 405.57           | 334.55           |
| <b>Profit from Ordinary Activities before Tax</b>                                      | <b>1,374.71</b>    | <b>1,152.67</b> | <b>3,852.80</b>  | <b>4,993.01</b>  |
| Tax Expense                                                                            | 226.65             | 297.35          | 957.61           | 1,570.48         |
| <b>Net Profit from Ordinary Activities after Tax</b>                                   | <b>1,148.06</b>    | <b>855.32</b>   | <b>2,895.19</b>  | <b>3,422.53</b>  |
| <b>Extraordinary Item :</b>                                                            |                    |                 |                  |                  |
| Profit (Net of Tax) on Sale of Sponge Iron unit                                        | -                  | -               | -                | 336.07           |
| <b>Net Profit (before profit of Associates and adjustment for Minority Interest)</b>   | <b>1,148.06</b>    | <b>855.32</b>   | <b>2,895.19</b>  | <b>3,758.60</b>  |
| Add : Share in Profit of Associates (Refer Note 5)                                     | (1.82)             | 13.88           | 29.56            | 51.05            |
| Less : Minority Share                                                                  | 281.63             | 214.72          | 659.96           | 714.12           |
| <b>Net Profit</b>                                                                      | <b>864.61</b>      | <b>654.48</b>   | <b>2,264.79</b>  | <b>3,095.53</b>  |
| Paid up Equity Share Capital (Face Value ₹ 10 per share)                               | 91.72              | 91.70           | 91.72            | 91.70            |
| Reserves                                                                               |                    |                 | 14,414.40        | 12,382.66        |
| <b>Basic EPS for the period before Extraordinary Item (₹)</b>                          | <b>94.27</b>       | <b>71.37</b>    | <b>246.97</b>    | <b>300.94</b>    |
| <b>Diluted EPS for the period before Extraordinary Item (₹)</b>                        | <b>94.22</b>       | <b>71.35</b>    | <b>246.80</b>    | <b>300.83</b>    |
| <b>Basic EPS for the period after Extraordinary Item (₹)</b>                           | <b>94.27</b>       | <b>71.37</b>    | <b>246.97</b>    | <b>337.60</b>    |
| <b>Diluted EPS for the period after Extraordinary Item (₹)</b>                         | <b>94.22</b>       | <b>71.35</b>    | <b>246.80</b>    | <b>337.47</b>    |
| <b>Total Public Shareholding *</b>                                                     |                    |                 |                  |                  |
| Number of Shares (000's)                                                               | 58,175             | 58,401          | 58,175           | 58,401           |
| Percentage of Shareholding                                                             | 63.44%             | 63.70%          | 63.44%           | 63.70%           |
| <b>Promoter &amp; promoter group shareholding *</b>                                    |                    |                 |                  |                  |
| a) Pledged / Encumbered                                                                |                    |                 |                  |                  |
| Number of Shares (000's)                                                               | -                  | -               | -                | -                |
| Percentage of Shares (as a % of the total shareholding of promoter and promoter group) | -                  | -               | -                | -                |
| Percentage of Shares (as a % of the total share capital of the Company)                | -                  | -               | -                | -                |
| b) Non-encumbered                                                                      |                    |                 |                  |                  |
| Number of Shares (000's)                                                               | 23,412             | 23,381          | 23,412           | 23,381           |
| Percentage of Shares (as a % of the total shareholding of promoter and promoter group) | 100.00%            | 100.00%         | 100.00%          | 100.00%          |
| Percentage of Shares (as a % of the total share capital of the Company)                | 25.53%             | 25.50%          | 25.53%           | 25.50%           |
| * Excludes shares represented by Global Depository Receipts.                           |                    |                 |                  |                  |



## II. STANDALONE RESULTS :

₹ in Crores

| Particulars                                                     | Three Months Ended |                 | Year Ended      |                 |
|-----------------------------------------------------------------|--------------------|-----------------|-----------------|-----------------|
|                                                                 | 31-03-2011         | 31-03-2010      | 31-03-2011      | 31-03-2010<br>@ |
| <b>Net Sales / Income from Operations</b>                       | <b>1,425.81</b>    | <b>1,103.66</b> | <b>4,517.04</b> | <b>8,172.11</b> |
| Other Operating Income                                          | 35.83              | 37.24           | 128.90          | 140.51          |
| <b>Total Operating Income</b>                                   | <b>1,461.64</b>    | <b>1,140.90</b> | <b>4,645.94</b> | <b>8,312.62</b> |
| <b>Expenditure :</b>                                            |                    |                 |                 |                 |
| a. Decrease / (Increase) in stock in trade and work in progress | 28.49              | 27.14           | (12.97)         | 10.98           |
| b. Raw Material Consumed                                        | 594.22             | 450.06          | 1,952.58        | 2,168.07        |
| c. Purchases of Finished Goods                                  | -                  | -               | -               | 30.91           |
| d. Payment to and Provision for Employees                       | 66.59              | 72.99           | 300.01          | 480.93          |
| e. Power and Fuel Cost                                          | 139.34             | 117.81          | 498.93          | 1,165.64        |
| f. Freight and Handling Expenses                                | 16.09              | 14.90           | 52.75           | 729.41          |
| g. Depreciation                                                 | 42.27              | 40.79           | 176.29          | 351.14          |
| h. Other Expenditure                                            | 119.08             | 117.04          | 335.33          | 989.62          |
| <b>Total Expenditure</b>                                        | <b>1,006.08</b>    | <b>840.73</b>   | <b>3,302.92</b> | <b>5,926.70</b> |
| <b>Profit from Operations before Other Income and Interest</b>  | <b>455.56</b>      | <b>300.17</b>   | <b>1,343.02</b> | <b>2,385.92</b> |
| Other Income                                                    | 85.07              | 55.27           | 297.77          | 235.25          |
| <b>Profit Before Interest and Tax</b>                           | <b>540.63</b>      | <b>355.44</b>   | <b>1,640.79</b> | <b>2,621.17</b> |
| Interest                                                        | 13.34              | 11.19           | 45.59           | 120.39          |
| <b>Profit from Ordinary Activities before Tax</b>               | <b>527.29</b>      | <b>344.25</b>   | <b>1,595.20</b> | <b>2,500.78</b> |
| Tax Expenses                                                    | 131.75             | 54.90           | 413.49          | 744.75          |
| <b>Net Profit from Ordinary Activities after Tax</b>            | <b>395.54</b>      | <b>289.35</b>   | <b>1,181.71</b> | <b>1,756.03</b> |
| <b>Extraordinary Item:</b>                                      |                    |                 |                 |                 |
| Profit (Net of Tax) on Sale of Sponge Iron unit                 | -                  | -               | -               | 336.07          |
| <b>Net Profit</b>                                               | <b>395.54</b>      | <b>289.35</b>   | <b>1,181.71</b> | <b>2,092.10</b> |
| Paid up Equity Share Capital (Face Value ₹ 10 per share)        | 91.72              | 91.70           | 91.72           | 91.70           |
| <i>Reserves</i>                                                 |                    |                 | 8,032.07        | 7,044.16        |
| <b>Basic EPS for the period before Extraordinary Item (₹)</b>   | <b>43.13</b>       | <b>31.55</b>    | <b>128.86</b>   | <b>191.51</b>   |
| <b>Diluted EPS for the period before Extraordinary Item (₹)</b> | <b>43.10</b>       | <b>31.54</b>    | <b>128.77</b>   | <b>191.44</b>   |
| <b>Basic EPS for the period after Extraordinary Item (₹)</b>    | <b>43.13</b>       | <b>31.55</b>    | <b>128.86</b>   | <b>228.16</b>   |
| <b>Diluted EPS for the period after Extraordinary Item (₹)</b>  | <b>43.10</b>       | <b>31.54</b>    | <b>128.77</b>   | <b>228.08</b>   |

@ Refer Note 2



### III. SEGMENT REPORTING - CONSOLIDATED

₹ in Crores

| Particulars                                       | Three Months Ended |                 | Year Ended        |                   |
|---------------------------------------------------|--------------------|-----------------|-------------------|-------------------|
|                                                   | 31-03-2011         | 31-03-2010      | 31-03-2011        | 31-03-2010        |
| <b>1. SEGMENT REVENUE</b>                         |                    |                 |                   |                   |
| a Viscose Staple Fibre and Wood Pulp              | 1,533.17           | 1,145.77        | 4,829.59          | 3,940.18          |
| b Cement - Grey, White and Allied Products        | 4,762.03           | 4,161.46        | 15,969.13         | 15,474.96         |
| c Sponge Iron *                                   | -                  | -               | -                 | 110.77            |
| d Chemicals - Caustic Soda and Allied Chemicals   | 156.14             | 120.06          | 542.34            | 492.80            |
| e Textiles - Fabric and Yarn                      | 104.56             | 92.24           | 418.94            | 350.60            |
| f Others #                                        | 0.28               | 0.22            | 1.03              | 0.88              |
| <b>TOTAL</b>                                      | <b>6,556.18</b>    | <b>5,519.75</b> | <b>21,761.03</b>  | <b>20,370.19</b>  |
| (Less) : Inter Segment Revenue                    | (54.14)            | (45.40)         | (175.85)          | (175.43)          |
| <b>Total Operating Income</b>                     | <b>6,502.04</b>    | <b>5,474.35</b> | <b>21,585.18</b>  | <b>20,194.76</b>  |
| <b>2. SEGMENT RESULTS</b>                         |                    |                 |                   |                   |
| a Viscose Staple Fibre and Wood Pulp              | 532.05             | 359.30          | 1,492.06          | 1,194.79          |
| b Cement - Grey, White and Allied Products        | 863.83             | 840.48          | 2,422.18          | 3,907.67          |
| c Sponge Iron *                                   | -                  | -               | -                 | (43.90)           |
| d Chemicals - Caustic Soda and Allied Chemicals   | 21.13              | 16.42           | 90.41             | 92.80             |
| e Textiles - Fabric and Yarn                      | 4.73               | 4.43            | 17.53             | 15.46             |
| f Others #                                        | 0.29               | 0.43            | 1.68              | 3.71              |
| <b>TOTAL</b>                                      | <b>1,422.03</b>    | <b>1,221.06</b> | <b>4,023.86</b>   | <b>5,170.53</b>   |
| Add / (Less) :                                    |                    |                 |                   |                   |
| Interest                                          | (108.14)           | (89.76)         | (405.57)          | (334.55)          |
| Net Unallocable Income / (Expenditure )           | 60.82              | 21.37           | 234.51            | 157.03            |
| <b>Profit from Ordinary Activities before Tax</b> | <b>1,374.71</b>    | <b>1,152.67</b> | <b>3,852.80</b>   | <b>4,993.01</b>   |
| <b>3. CAPITAL EMPLOYED</b>                        |                    |                 |                   |                   |
| (Segment Assets - Segment Liabilities)            |                    |                 | <b>As on</b>      | <b>As on</b>      |
|                                                   |                    |                 | <b>31-03-2011</b> | <b>31-03-2010</b> |
| a Viscose Staple Fibre and Wood Pulp              |                    |                 | 2,665.61          | 2,419.43          |
| b Cement - Grey, White and Allied Products        |                    |                 | 16,558.61         | 14,409.69         |
| c Sponge Iron *                                   |                    |                 | -                 | -                 |
| d Chemicals - Caustic Soda and Allied Chemicals   |                    |                 | 439.66            | 408.58            |
| e Textiles - Fabric and Yarn                      |                    |                 | 180.35            | 175.76            |
| f Others #                                        |                    |                 | 26.19             | 24.72             |
| <b>TOTAL</b>                                      |                    |                 | <b>19,870.42</b>  | <b>17,438.18</b>  |
| Add: Unallocated Corporate Capital Employed       |                    |                 | 7,783.82          | 6,446.23          |
| <b>TOTAL CAPITAL EMPLOYED</b>                     |                    |                 | <b>27,654.24</b>  | <b>23,884.41</b>  |

\* Sponge Iron unit has been sold w.e.f. 22-05-2009.

# Others' segment represents mainly investment subsidiaries.



**IV. SEGMENT REPORTING - STANDALONE**
**₹ in Crores**

| Particulars                                       | Three Months Ended |                 | Year Ended                  |                             |
|---------------------------------------------------|--------------------|-----------------|-----------------------------|-----------------------------|
|                                                   | 31-03-2011         | 31-03-2010      | 31-03-2011                  | 31-03-2010<br>@             |
| <b>1. SEGMENT REVENUE</b>                         |                    |                 |                             |                             |
| a Viscose Staple Fibre                            | 1,328.65           | 1,044.65        | 4,169.53                    | 3,574.15                    |
| b Cement - Grey, White and Allied Products *      | -                  | -               | -                           | 4,220.59                    |
| c Sponge Iron **                                  | -                  | -               | -                           | 110.77                      |
| d Chemicals - Caustic Soda and Allied Chemicals   | 156.14             | 120.06          | 542.34                      | 492.80                      |
| e Textiles - Yarn                                 | 21.91              | 15.84           | 77.80                       | 63.02                       |
| <b>TOTAL</b>                                      | <b>1,506.70</b>    | <b>1,180.55</b> | <b>4,789.67</b>             | <b>8,461.33</b>             |
| (Less) : Inter Segment Revenue                    | (45.06)            | (39.65)         | (143.73)                    | (148.71)                    |
| <b>Total Operating Income</b>                     | <b>1,461.64</b>    | <b>1,140.90</b> | <b>4,645.94</b>             | <b>8,312.62</b>             |
| <b>2. SEGMENT RESULTS</b>                         |                    |                 |                             |                             |
| a Viscose Staple Fibre                            | 486.86             | 334.97          | 1,372.78                    | 1,203.98                    |
| b Cement - Grey, White and Allied Products *      | -                  | -               | -                           | 1,227.97                    |
| c Sponge Iron **                                  | -                  | -               | -                           | (43.90)                     |
| d Chemicals - Caustic Soda and Allied Chemicals   | 21.13              | 16.42           | 90.41                       | 92.80                       |
| e Textiles - Yarn                                 | 2.43               | 1.76            | 5.76                        | 4.58                        |
| <b>TOTAL</b>                                      | <b>510.42</b>      | <b>353.15</b>   | <b>1,468.95</b>             | <b>2,485.43</b>             |
| Add / (Less) :                                    |                    |                 |                             |                             |
| Interest                                          | (13.34)            | (11.19)         | (45.59)                     | (120.39)                    |
| Net Unallocable Income / (Expenditure)            | 30.21              | 2.29            | 171.84                      | 135.74                      |
| <b>Profit from Ordinary Activities before Tax</b> | <b>527.29</b>      | <b>344.25</b>   | <b>1,595.20</b>             | <b>2,500.78</b>             |
| <b>3. CAPITAL EMPLOYED</b>                        |                    |                 |                             |                             |
| (Segment Assets - Segment Liabilities)            |                    |                 | <b>As on<br/>31-03-2011</b> | <b>As on<br/>31-03-2010</b> |
| a Viscose Staple Fibre                            |                    |                 | 1,832.34                    | 1,741.99                    |
| b Cement - Grey, White and Allied Products *      |                    |                 | -                           | -                           |
| c Sponge Iron **                                  |                    |                 | -                           | -                           |
| d Chemicals - Caustic Soda and Allied Chemicals   |                    |                 | 439.66                      | 408.58                      |
| e Textiles - Yarn                                 |                    |                 | 23.36                       | 24.69                       |
| <b>TOTAL</b>                                      |                    |                 | <b>2,295.36</b>             | <b>2,175.26</b>             |
| Add: Unallocated Corporate Capital Employed       |                    |                 | 6,881.95                    | 6,259.89                    |
| <b>TOTAL CAPITAL EMPLOYED</b>                     |                    |                 | <b>9,177.31</b>             | <b>8,435.15</b>             |

@ Refer Note 2

\* Cement Business has been demerged into Samruddhi Cement Limited (a subsidiary of the Company) w.e.f. 01-10-2009.

\*\* Sponge Iron unit has been sold w.e.f. 22-05-2009.



**NOTES:**

1. a. Pursuant to Clause 41 of the Listing Agreement, the Company has opted to publish Consolidated Financial Results. The Standalone Financial Results are available at the Company's websites, viz., [www.grasim.com](http://www.grasim.com) and [www.adityabirla.com](http://www.adityabirla.com) and on websites of the Stock Exchanges, viz., BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).
- b. The above financial results for the quarter and year ended 31<sup>st</sup> March, 2011 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their respective meetings held on 11<sup>th</sup> May, 2011.
- c. The Financial Results of current year are not comparable with the previous year for the reasons elaborated in Notes 2 to 5.
2. Key numbers of Standalone Financial Results of the Company for the quarter and year ended 31<sup>st</sup> March, 2011 are as under:

₹ in Crores

| Particulars                                   | Three Months ended |            | Year ended |                      |                         |          |
|-----------------------------------------------|--------------------|------------|------------|----------------------|-------------------------|----------|
|                                               | 31-03-2011         | 31-03-2010 | 31-03-2011 | 31-03-2010           |                         |          |
|                                               |                    |            |            | Continued Businesses | Discontinued Businesses | Total    |
| Total Operating Income                        | 1,461.64           | 1,140.90   | 4,645.94   | 3,981.26             | 4,331.36                | 8,312.62 |
| Profit from Ordinary Activities before Tax    | 527.29             | 344.25     | 1,595.20   | 1,388.47             | 1,112.31                | 2,500.78 |
| Net Profit from Ordinary Activities after Tax | 395.94             | 289.35     | 1,181.71   | 986.20               | 769.83                  | 1,756.03 |

Sponge Iron and Cement Businesses of the Company were sold/demerged during the Financial Year 2009-10, effective from 22<sup>nd</sup> May, 2009 and 1<sup>st</sup> October, 2009 respectively, therefore they are shown as discontinued businesses for the Financial Year ended 31<sup>st</sup> March, 2010 in the standalone results. The results for the Financial Year ended 31<sup>st</sup> March, 2011 are comparable with the results of the continued businesses for the year ended 31<sup>st</sup> March, 2010 as shown above.

3. The Consolidated net profit (after Minority Share) for the year ended 31<sup>st</sup> March, 2011 is not comparable with previous year due to demerger of erstwhile Cement business of the Company to Samruddhi Cement Ltd. (SCL) and subsequent amalgamation of SCL with UltraTech Cement Ltd. (UltraTech) w.e.f. 1<sup>st</sup> July, 2010 and the consequent issue of equity shares by SCL and UltraTech. The pro-rata earning on these shares has been reduced as minority interest in accounts after demerger.
4. UltraTech Cement Middle East Investments Limited, a subsidiary of UltraTech, acquired controlling interest of Star Cement and other associate companies, in a phased manner during the

year ended 31<sup>st</sup> March, 2011. The operations of these subsidiaries have been consolidated in the accounts of the Company in the current year from the respective dates of transfer of control.

5. The Financial Statements of Idea Cellular Limited (Idea), an associate of the Company, for the quarter/year ended 31<sup>st</sup> March, 2011 are yet to be adopted by Idea due to certain exceptional circumstances.

In the absence of Financial Statements, the Consolidated Financial Statements of Idea for the period ended 31<sup>st</sup> December, 2010 duly subjected to limited review by their auditors, have been considered in the Consolidated Financial Statements of the Company, for the year ended 31<sup>st</sup> March, 2011, and no effect has been given for the profit/loss of Idea for the quarter ended 31<sup>st</sup> March, 2011. In the previous year, the share of profit of Idea accounted for in the Consolidated Financial Statements of the Company amounted to ₹ 13.82 Crores for the quarter ended 31<sup>st</sup> March, 2010.

The Consolidated Financial results of the company for the quarter and year ended 31<sup>st</sup> March, 2011 are not comparable to the extent as mentioned above. The impact of non inclusion of Idea results for the quarter, is not expected to be material considering the size of the company and trend so far. In case the Company receives the Consolidated Financial Statements of Idea for the quarter/year before the Company's Consolidated Financial Statements are sent to the shareholders for their approval, the Company will consider to recast these accounts.

6. The Board of Directors of the Company has, on 3<sup>rd</sup> May 2011 approved an investment of SEK 380 Mn. (equivalent to ₹ 280 Crores), subject to required regulatory approvals, for acquiring 1/3rd stake in Aditya Holding AB, Sweden, which, through it's wholly owned subsidiary, has recently acquired 100% control in Domsjö Fabriker AB, Sweden, a leading manufacturer of speciality pulp used in the manufacture of VSF. This move would enable the Company to have assured supply of Pulp, including for its VSF expansion projects currently under implementation.

The investment will be made by the Company at the same price at which PT Indo Bharat Rayon, Indonesia and Thai Rayon Public Company Ltd., Thailand has recently invested in Aditya Holding AB.

7. During the quarter, the Company has allotted 2,089 (15,207 during the year) fully paid up equity shares of ₹ 10 each upon exercise of stock options granted under the Employee Stock Option Scheme, 2006.
8. The Board of Directors has recommended a dividend of ₹ 20 per share aggregating to ₹ 197.06 Crores (including corporate dividend tax).
9. Previous periods' figures have been regrouped/rearranged wherever necessary to conform to the current periods' classification.



# GRASIM INDUSTRIES LIMITED

10. The status of investors' complaints is as under :

Opening - 0, Received - 5, Resolved - 5, Closing - 0

11. Statement of Assets and Liabilities as on 31<sup>st</sup> March, 2011:

₹ in Crores

| Particulars                                      | Standalone (Audited) |                 | Consolidated (Audited) |                  |
|--------------------------------------------------|----------------------|-----------------|------------------------|------------------|
|                                                  | As on                |                 | As on                  |                  |
|                                                  | 31-03-2011           | 31-03-2010      | 31-03-2011             | 31-03-2010       |
| <b>SOURCES OF FUNDS</b>                          |                      |                 |                        |                  |
| <b>Shareholders' Funds:</b>                      |                      |                 |                        |                  |
| Share Capital                                    | 91.72                | 91.70           | 91.72                  | 91.70            |
| Other Share Capital                              | -                    | -               | 37.73                  | 36.26            |
| Employee Stock Option Outstanding                | 9.95                 | 9.51            | 14.73                  | 14.02            |
| Reserves and Surplus                             | 8,032.07             | 7,044.16        | 14,414.40              | 12,382.66        |
| Minority Interest                                | -                    | -               | 4,351.39               | 3,754.84         |
| Loan Funds                                       | 813.75               | 1,037.62        | 6,782.72               | 5,599.23         |
| Deferred Tax Liabilities (Net)                   | 229.82               | 252.16          | 1,961.57               | 2,005.72         |
| <b>TOTAL</b>                                     | <b>9,177.31</b>      | <b>8,435.15</b> | <b>27,654.26</b>       | <b>23,884.43</b> |
| <b>APPLICATION OF FUNDS</b>                      |                      |                 |                        |                  |
| Fixed Assets                                     | 1,642.77             | 1,829.04        | 15,789.43              | 14,552.71        |
| Investments                                      | 6,910.25             | 6,324.79        | 7,918.46               | 6,675.86         |
| Goodwill                                         | -                    | -               | 2,419.07               | 2,007.06         |
| <b>Current Assets:</b>                           |                      |                 |                        |                  |
| Inventories                                      | 421.65               | 417.24          | 2,722.86               | 2,183.48         |
| Sundry Debtors                                   | 478.70               | 345.01          | 1,434.63               | 880.28           |
| Cash and Bank Balances                           | 14.65                | 15.92           | 284.35                 | 237.00           |
| Loans and Advances                               | 538.58               | 386.07          | 1,437.81               | 1,237.14         |
| <b>Less: Current Liabilities and Provisions:</b> |                      |                 |                        |                  |
| Current Liabilities                              | 370.87               | 302.37          | 3,575.28               | 3,036.96         |
| Provisions                                       | 458.42               | 580.55          | 777.09                 | 852.16           |
| <b>Net Current Assets</b>                        | <b>624.29</b>        | <b>281.32</b>   | <b>1,527.28</b>        | <b>648.78</b>    |
| Miscellaneous Expenses                           | -                    | -               | 0.02                   | 0.02             |
| <b>TOTAL</b>                                     | <b>9,177.31</b>      | <b>8,435.15</b> | <b>27,654.26</b>       | <b>23,884.43</b> |

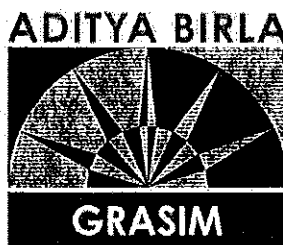
For and on behalf of Board of Directors

Place : Mumbai  
Date : 11-05-2011

**Adesh Gupta**  
Manager, Whole-Time Director & CFO

**GRASIM INDUSTRIES LIMITED**  
Regd. Office: Birlagram, Nagda 456 331 (M.P.)  
An Aditya Birla Group Company  
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### GRASIM REPORTS EXCELLENT RESULTS FOR Q4FY11

- Consolidated Net Revenue : ₹ 6,502 Crs. ↑ 19%
- Consolidated Net Profit : ₹ 865 Crs. ↑ 32%
- Capex under Implementation
  - VSF & Allied Chemicals : ₹ 3,400 Crs.
  - Cement : ₹ 11,000 Crs.

#### Consolidated Financial Performance:

Grasim Industries Limited, an Aditya Birla Group Company, today announced excellent results for the 4th quarter ended 31<sup>st</sup> March 2011 with the highest ever quarterly profit. The improved performance from VSF business whose quarterly sales were the highest during the year was a major driver. Cement business has also reported improved performance.

₹ Crores

|                                                            | Quarter ended |              |           | Twelve months ended |               |             |
|------------------------------------------------------------|---------------|--------------|-----------|---------------------|---------------|-------------|
|                                                            | 31.03.11      | 31.03.10     | % Change  | 31.03.11            | 31.03.10      | % Change    |
| <b>Net Revenue</b>                                         | <b>6,502</b>  | <b>5,474</b> | <b>19</b> | <b>21,585</b>       | <b>20,195</b> | <b>7</b>    |
| <b>PBIDT</b>                                               | <b>1,782</b>  | <b>1,500</b> | <b>19</b> | <b>5,397</b>        | <b>6,322</b>  | <b>(15)</b> |
| <b>Net Profit</b> (as reported, before extraordinary item) | <b>865</b>    | <b>654</b>   | <b>32</b> | <b>2,265</b>        | <b>2,759</b>  | <b>(18)</b> |
| <b>Adjustment:</b>                                         |               |              |           |                     |               |             |
| Idea Cellular \$                                           | -             | (14)         | -         | -                   | (14)          |             |
| Minority Interest related to UltraTech \$\$                | -             | -            |           | 132                 | -             |             |
| <b>Comparable Net Profit</b>                               | <b>865</b>    | <b>640</b>   | <b>35</b> | <b>2,397</b>        | <b>2,745</b>  | <b>(13)</b> |

\$ The results of Idea Cellular Ltd. for Q4FY11 are yet to be adopted by Idea, hence they are not consolidated and are accordingly adjusted in Q4FY10 for the purpose of comparison.

\$\$ Increase in minority interest due to direct participation of Grasim shareholder in Samruddhi/UltraTech on cement business restructuring, added back in FY11 for comparison.

#### Dividend

The Board of Directors of Grasim has recommended a dividend of ₹ 20 per share. The total outflow on account of the dividend would be ₹ 197 crores (including the corporate tax on dividend).



## **Production and Sales Volumes:**

|                        |          | Q4FY11  | Q4FY10  | % Change | FY 2011 | FY 2010 | % Change |
|------------------------|----------|---------|---------|----------|---------|---------|----------|
| <b>Production -</b>    |          |         |         |          |         |         |          |
| Viscose Staple Fibre   | M.T.     | 82,932  | 81,081  | 2        | 305,087 | 302,092 | 1        |
| Cement (Consolidated)* | Mn. M.T. | 11.07   | 10.24   | 8        | 39.67   | 37.02   | 7        |
| White Cement           | M.T.     | 151,478 | 138,893 | 9        | 540,844 | 514,291 | 5        |
| <b>Sales Volumes -</b> |          |         |         |          |         |         |          |
| Viscose Staple Fibre   | M.T.     | 85,650  | 85,714  | --       | 305,072 | 308,431 | (1)      |
| Cement (Consolidated)* | Mn. M.T. | 11.09   | 10.37   | 7        | 39.96   | 37.29   | 7        |
| White Cement           | M.T.     | 146,510 | 142,984 | 2        | 546,661 | 509,054 | 7        |

\* Including Star Cement Volumes

### **Viscose Staple Fibre (VSF)**

The shortage of cotton continued to drive prices of all textile fibres, including VSF. High spot pulp prices also contributed to the rise.

Production during the quarter stood at 82,932 tons with full capacity utilization. Sales volume equalled the peak attained in the corresponding quarter. Revenue grew by 27% aided by better realisations. Input cost rose sharply with higher prices of pulp, caustic, sulphur and coal.

### **Capex**

The expansion projects at Vilayat, Gujarat (120,000 TPA) and Harihar, Karnataka (36,500 TPA) are on track. Both these projects are slated for commissioning in FY13. A total capex of ₹ 2,400 crores has been slated for the VSF business comprising of ₹ 2,100 crores on expansion projects and ₹ 350 crores towards modernization.

The Company has, subject to regulatory approval(s), decided to acquire 1/3<sup>rd</sup> stake in Aditya Holding AB, Sweden who acquired Domsjö Fabriker AB, Sweden, a leading manufacturer of specialty pulp at an enterprise value of Swedish Kroner (SEK) 2.12 Billion (approx. ₹1,570 crores). This will entail an investment of SEK 380 Million (approx. ₹ 280 crores) and will be funded out of internal accruals. This will enable the Company to have an assured supply of pulp including for its aforesaid expansion projects.

### **VSF Outlook**

Global VSF demand is expected to grow at 5-6% in both the textiles and non-woven segments in the long term.

However, profitability in the short term will be governed by the prices of competitive fibres, inputs and energy costs. Cotton production in the forthcoming season will be the key influencing factor.

### **Chemical Business**

The Chemical business achieved record sales volumes backed by capacity utilization of 103% and good demand from the end user industries such as aluminium and paper. ECU realizations grew by 13% on a YoY basis.

A 182,500 TPA Caustic plant and a 60 MW power plant at Vilayat, mainly for captive use, is on the anvil. This will entail an investment of ₹ 772 crores.

### **Cement Subsidiary (UltraTech Cement)**

Demand growth remained subdued during the quarter on account of lower infrastructure spending, slowdown in realty sector and non-availability of railway wagons. Cement volumes grew by 7% supported by the acquisition of Star Cement.

Operating costs spiralled due to the substantial increase in input and energy costs, which were partially passed on. While imported coal prices rose by 27% YoY, domestic coal prices shot up by 30% in March, 2011. The Net profit of UltraTech Cement stood at ₹ 716 crores, which included the reversal of income tax provision of the earlier years.



### **Cement Capex**

Brownfield expansions aggregating to 9.2 million TPA at Chhattisgarh and Karnataka units are expected to be operational from early FY14. Orders have been placed for major equipments.

A total capex of ₹ 11,000 crores has been slated for the cement business comprising of ₹ 5,150 crores on expansion projects and ₹ 5,850 crores towards augmentation of the grinding and evacuation facility, logistics infrastructure, captive thermal power plant, modernization etc.

### **Cement Outlook**

The cement industry is likely to grow over 8.5% per annum to sustain the growth in infrastructure, housing developments and government initiatives in rural development. Around 88 million tons of capacity has been added over the last two years resulting in a surplus scenario, which may last for the next 8 to 10 quarters. The pricing environment remains challenging due to surplus capacity. Margins may continue to remain under pressure.

### **Stand-alone Financial Performance**

The standalone performance for the quarter has been impressive. Revenues were higher by 28%. Net profit increased by 37%.

₹ Crores

|                                           | Quarter ended |          |          | Twelve months ended<br>(Continued Businesses – Like to Like) |           |          |
|-------------------------------------------|---------------|----------|----------|--------------------------------------------------------------|-----------|----------|
|                                           | 31.03.11      | 31.03.10 | % Change | 31.03.11                                                     | 31.03.10* | % Change |
| Net Revenue                               | 1,462         | 1,141    | 28       | 4,646                                                        | 3,981     | 17       |
| PBIDT                                     | 583           | 396      | 47       | 1,817                                                        | 1,588     | 14       |
| Net Profit<br>(Before Extraordinary Item) | 396           | 289      | 37       | 1,182                                                        | 986       | 20       |

\* The reported results for the year ended 31st March, 2010 are not comparable as the same include results of the Sponge Iron and Cement Businesses of the Company, sold / demerged during the Financial year 2009-10, effective from 22nd May, 2009 and 1st October, 2009 respectively. Hence, the restated results, excluding the results of the Sponge Iron and Cement Businesses, have been given for last year for better comparison.

### **Outlook**

Strong consumption as well as investment has supported India's growth story over the last decade and will continue to do so in future. Grasim with its presence in VSF and cement will immensely benefit from both rising consumption as well as investment. Large capacity expansions under implementation in both VSF and Cement businesses will enable the Company to grow at a rapid pace and further consolidate its leadership.

### **Cautionary Statement**

Statements in this "Press Release" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities law and regulations. Actual results could differ materially from those express 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.

### **Grasim Industries Limited**

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