

**ADITYA BIRLA**



January 24, 2012

**Bombay Stock Exchange Limited**  
**Department of Corporate Services**  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P J Towers, Dalal Street,  
Fort, Mumbai - 400 001  
Fax: 022-22723121/ 3719/ 2037/ 2039/ 2041/ 2061  
Email: [corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)

Dear Sir,

In terms of Clause 41 of the Listing Agreement, we are pleased to enclose herewith the Unaudited Financial Results of Grasim Industries Limited for the quarter ended 31<sup>st</sup> December, 2011, which have been approved by the Board of Directors of the Company at its meeting held today.

As required under Clause 41 of the Listing Agreement, the Statutory Auditors of the Company have done the Limited Review of the aforesaid results and a copy of their certificate of date is sent herewith.

A copy of the Press Release being issued in the above connection is also enclosed herewith.

Thanking you,

Yours faithfully,

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

encl : as above



**UNAUDITED CONSOLIDATED FINANCIAL RESULTS  
FOR THE PERIOD ENDED 31-12-2011**

₹ Crore

Particulars	Three Months Ended			Nine Months Ended		Year Ended
	31-12-2011	30-09-2011	31-12-2010	31-12-2011	31-12-2010	31-03-2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Net Sales / Income from Operations</b>	<b>6,260.07</b>	<b>5,647.61</b>	<b>5,389.88</b>	<b>17,780.25</b>	<b>14,898.35</b>	<b>21,294.39</b>
Other Operating Income	104.00	124.94	71.33	291.13	184.79	290.79
<b>Total Operating Income</b>	<b>6,364.07</b>	<b>5,772.55</b>	<b>5,461.21</b>	<b>18,071.38</b>	<b>15,083.14</b>	<b>21,585.18</b>
Expenditure :						
a. Decrease / (Increase) in Stock in Trade and Work in Progress	(83.20)	66.57	(45.52)	(260.55)	(208.66)	(159.18)
b. Raw Materials Consumed	1,379.76	1,313.90	1,220.54	3,949.43	3,177.13	4,501.94
c. Purchases of Traded Goods	67.17	70.05	37.80	189.08	102.46	152.29
d. Employees Cost	363.12	339.58	321.70	1,014.12	907.95	1,237.52
e. Power and Fuel Cost	1,414.49	1,240.81	1,122.54	3,954.57	3,149.74	4,375.10
f. Freight and Handling Expenses	877.52	785.01	761.31	2,460.55	2,235.26	3,091.68
g. Depreciation	288.73	283.73	299.17	853.93	839.06	1,138.37
h. Other Expenditure	932.24	928.86	845.98	2,683.59	2,369.53	3,386.44
<b>Total Expenditure</b>	<b>5,239.83</b>	<b>5,028.51</b>	<b>4,563.52</b>	<b>14,844.72</b>	<b>12,572.47</b>	<b>17,724.16</b>
<b>Profit from Operations before Other Income and Interest</b>	<b>1,124.24</b>	<b>744.04</b>	<b>897.69</b>	<b>3,226.66</b>	<b>2,510.67</b>	<b>3,861.02</b>
Other Income	140.91	106.81	70.51	356.25	264.85	397.35
<b>Profit Before Interest and Tax</b>	<b>1,265.15</b>	<b>850.85</b>	<b>968.20</b>	<b>3,582.91</b>	<b>2,775.52</b>	<b>4,258.37</b>
Interest	49.71	89.39	108.77	233.25	297.43	405.57
<b>Profit from Ordinary Activities before Tax</b>	<b>1,215.44</b>	<b>761.46</b>	<b>859.43</b>	<b>3,349.66</b>	<b>2,478.09</b>	<b>3,852.80</b>
Tax Expense	330.21	237.35	260.36	940.11	730.96	957.61
<b>Net Profit (before profit of Associates and adjustment for Minority Interest)</b>	<b>885.23</b>	<b>524.11</b>	<b>599.07</b>	<b>2,409.55</b>	<b>1,747.13</b>	<b>2,895.19</b>
Add : Share in Profit of Associates	18.63	(4.07)	12.72	28.70	31.38	43.78
Less : Minority Share	234.79	102.10	110.03	599.57	378.33	659.96
<b>Net Profit</b>	<b>669.07</b>	<b>417.94</b>	<b>501.76</b>	<b>1,838.68</b>	<b>1,400.18</b>	<b>2,279.01</b>
Paid up Equity Share Capital (Face Value ₹ 10 per share)	91.72	91.72	91.70	91.72	91.70	91.72
Reserves						14,429.19
<b>Basic EPS for the period (₹)</b>	<b>72.95</b>	<b>45.57</b>	<b>54.71</b>	<b>200.47</b>	<b>152.69</b>	<b>248.52</b>
<b>Diluted EPS for the period (₹)</b>	<b>72.90</b>	<b>45.54</b>	<b>54.69</b>	<b>200.33</b>	<b>152.61</b>	<b>248.35</b>
<b>Total Public Shareholding *</b>						
Number of Shares (000's)	58,108	58,211	58,312	58,108	58,312	58,175
Percentage of Shareholding	63.36%	63.48%	63.59%	63.36%	63.59%	63.44%
<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)	23,429	23,429	23,386	23,429	23,386	23,412
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of Shares (as a % of the total share capital of the Company)	25.55%	25.55%	25.50%	25.55%	25.50%	25.53%

\* Excludes shares represented by Global Depository Receipts.

**UNAUDITED CONSOLIDATED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED  
FOR THE PERIOD ENDED 31-12-2011**

₹ Crore

Particulars	Three Months Ended			Nine Months Ended		Year Ended
	31-12-2011	30-09-2011	31-12-2010	31-12-2011	31-12-2010	31-03-2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. SEGMENT REVENUE</b>						
a Viscose Staple Fibre and Wood Pulp	1,247.17	1,293.05	1,311.19	3,642.13	3,296.42	4,829.59
b Cement - Grey, White and Allied Products	4,864.82	4,208.85	3,948.96	13,691.01	11,207.10	15,969.13
c Chemicals - Caustic Soda and Allied Chemicals	209.09	191.49	147.53	554.02	386.20	542.34
d Textiles - Fabric and Yarn	115.82	140.29	103.16	364.95	314.38	418.94
e Others #	0.83	0.29	0.28	1.40	0.75	1.03
<b>TOTAL</b>	<b>6,437.73</b>	<b>5,833.97</b>	<b>5,511.12</b>	<b>18,253.51</b>	<b>15,204.85</b>	<b>21,761.03</b>
(Less) : Inter Segment Revenue	(73.66)	(61.42)	(49.91)	(182.13)	(121.71)	(175.85)
<b>Total Operating Income</b>	<b>6,364.07</b>	<b>5,772.55</b>	<b>5,461.21</b>	<b>18,071.38</b>	<b>15,083.14</b>	<b>21,585.18</b>
<b>2. SEGMENT RESULTS</b>						
a Viscose Staple Fibre and Wood Pulp	270.44	299.06	394.41	917.95	960.01	1,492.06
b Cement - Grey, White and Allied Products	818.22	423.91	501.13	2,240.16	1,558.35	2,422.18
c Chemicals - Caustic Soda and Allied Chemicals	38.15	37.99	22.93	102.34	69.28	90.41
d Textiles - Fabric and Yarn	6.68	9.75	4.22	22.26	12.80	17.53
e Others #	(1.49)	0.07	0.52	(1.20)	1.39	1.68
<b>TOTAL</b>	<b>1,132.00</b>	<b>770.78</b>	<b>923.21</b>	<b>3,281.51</b>	<b>2,601.83</b>	<b>4,023.86</b>
Add / (Less) :						
Interest	(49.71)	(89.39)	(108.77)	(233.25)	(297.43)	(405.57)
Net Unallocable Income / (Expenditure )	133.15	80.07	44.99	301.40	173.69	234.51
<b>Profit from Ordinary Activities before Tax</b>	<b>1,215.44</b>	<b>761.46</b>	<b>859.43</b>	<b>3,349.66</b>	<b>2,478.09</b>	<b>3,852.80</b>
	<b>As on</b>	<b>As on</b>	<b>As on</b>	<b>As on</b>	<b>As on</b>	<b>As on</b>
	<b>31-12-2011</b>	<b>30-09-2011</b>	<b>31-12-2010</b>	<b>31-12-2011</b>	<b>31-12-2010</b>	<b>31-03-2011</b>
<b>3. CAPITAL EMPLOYED</b>						
(Segment Assets - Segment Liabilities)						
a Viscose Staple Fibre and Wood Pulp	3,369.10	3,027.05	2,435.93	3,369.10	2,435.93	2,665.61
b Cement - Grey, White and Allied Products	18,898.65	17,930.18	16,434.12	18,898.65	16,434.12	16,558.61
c Chemicals - Caustic Soda and Allied Chemicals	527.44	484.26	416.81	527.44	416.81	439.66
d Textiles - Fabric and Yarn	175.53	171.28	175.49	175.53	175.49	180.35
e Others #	45.19	39.40	25.89	45.19	25.89	26.19
<b>TOTAL</b>	<b>23,015.91</b>	<b>21,652.17</b>	<b>19,488.24</b>	<b>23,015.91</b>	<b>19,488.24</b>	<b>19,870.42</b>
Add: Unallocated Corporate Capital Employed	7,689.61	7,543.67	7,140.26	7,689.61	7,140.26	7,798.61
<b>TOTAL CAPITAL EMPLOYED</b>	<b>30,705.52</b>	<b>29,195.84</b>	<b>26,628.50</b>	<b>30,705.52</b>	<b>26,628.50</b>	<b>27,669.03</b>

# Others' segment represents mainly Investment Subsidiaries.

# GRASIM INDUSTRIES LIMITED

## **NOTES:**

1. a. The Company has opted to publish Consolidated Financial Results. The Standalone Financial Results are available at the Company's websites, [www.grasim.com](http://www.grasim.com) and [www.adityabirla.com](http://www.adityabirla.com)
- b. The Financial Results were reviewed by the Audit Committee of the Board of Directors ("Board") and approved by the Board at their meetings held on 24th January, 2012. The limited review has been completed by the auditors of the Company and the related report is being submitted to the concerned stock exchanges.
2. The Financial Results for the current period are not strictly comparable with the corresponding period due to :
  - a. Consolidation of Results of subsidiaries of UltraTech Cement Middle East Investments Limited (Star Cement Co. LLC., UAE and its associate companies) from 1st October, 2010 when acquisition was completed.
  - b. Consolidation of pro-rata Results of Aditya Holding AB, Sweden (AHS) and its subsidiaries including Domsjo Fabriker AB as an 'Associate' of the Company from the date of acquisition of 1/3 equity interest by the Company in June 2011.
3. In terms of State Investment Promotion Scheme, the state government has granted subsidies to the Company's subsidiary, UltraTech Cement Ltd. in respect of the cement plants set up in the recent past. Accordingly, Consolidated Results of the Company for three months and nine months ended 31st December, 2011, include gross subsidies related to earlier years of ₹ 66.63 Crore and ₹ 96.59 Crore respectively, as a part of Other Operating Income.

Further, Interest for three months and nine months ended 31st December, 2011, is net of subsidy of ₹ 38.41 Crore and ₹ 49.69 Crore respectively in terms of the said scheme.

Applicable tax provisions have been made against the said subsidies and towards minority share for consolidated net profit.

4. Key numbers of Standalone Financial Results of the Company are as under:

Particulars	₹ Crore					
	Three Months ended (Unaudited)			Nine Months ended (Unaudited)		Year ended (Audited)
	31-12-2011	30-09-2011	31-12-2010	31-12-2011	31-12-2010	31-03-2011
Total Operating Income	1,266.27	1,248.52	1,257.32	3,558.73	3,184.30	4,645.94
Profit from Ordinary Activities before Tax	350.93	459.88	391.65	1,219.03	1,067.91	1,595.20
Net Profit from Ordinary Activities after Tax	274.48	344.84	282.72	933.45	786.17	1,181.71

5. The Company has, during the quarter, invested ₹ 56.67 Crore towards 1/3rd equity shares of Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi (ABES), Turkey a joint venture with two other Aditya Birla Group Companies which plans to set up a greenfield Viscose Staple Fibre Plant in Turkey.

## GRASIM INDUSTRIES LIMITED

6. During the current year, production of Viscose Staple Fibre at Nagda Plant remained suspended from 3rd June, 2011 to 29th June, 2011 on account of water shortage. The Chemical plant at Nagda was operating at almost 50% capacity during the said period. In the previous year too the operations of the said plants were impacted from 31st May, 2010 to 26th July, 2010.
7. During the quarter, the Company has allotted 3,895 fully paid up equity shares of ₹ 10 each upon exercise of stock options granted under the Employee Stock Option Scheme, 2006.
8. Previous periods' figures have been regrouped/rearranged wherever necessary to conform to the current periods' classification.
9. The status of investors' complaints is as under :  
Opening - 0, Received - 4, Resolved - 4, Closing – 0

For and on behalf of Board of Directors

Place : Mumbai  
Date : 24th January, 2012

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

**GRASIM INDUSTRIES LIMITED**  
**Regd. Office: Birlagram, Nagda 456 331 (M.P.)**  
*An Aditya Birla Group Company*  
**[www.grasim.com](http://www.grasim.com) and [www.adityabirla.com](http://www.adityabirla.com)**



**UNAUDITED STANDALONE FINANCIAL RESULTS  
FOR THE PERIOD ENDED 31-12-2011**

₹ Crore

Particulars	Three Months Ended			Nine Months Ended		Year Ended
	31-12-2011	30-09-2011	31-12-2010	31-12-2011	31-12-2010	31-03-2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Net Sales / Income from Operations</b>	<b>1,238.13</b>	<b>1,203.46</b>	<b>1,213.67</b>	<b>3,464.98</b>	<b>3,091.23</b>	<b>4,517.04</b>
Other Operating Income	28.14	45.06	43.65	93.75	93.07	128.90
<b>Total Operating Income</b>	<b>1,266.27</b>	<b>1,248.52</b>	<b>1,257.32</b>	<b>3,558.73</b>	<b>3,184.30</b>	<b>4,645.94</b>
Expenditure :						
a. Decrease / (Increase) in Stock in Trade and Work in Progress	(57.55)	(51.63)	0.04	(252.14)	(39.62)	(10.09)
b. Raw Materials Consumed	651.25	606.30	535.14	1,775.22	1,356.52	1,949.70
c. Purchases of Traded Goods	3.96	4.14	-	8.10	-	-
d. Employees Cost	84.59	80.85	80.19	241.83	233.42	300.01
e. Power and Fuel Cost	180.25	175.06	140.59	493.43	359.59	498.93
f. Freight and Handling Expenses	17.17	16.96	14.20	45.24	36.66	52.75
g. Depreciation	36.57	35.63	44.24	107.27	134.02	176.29
h. Other Expenditure	77.81	81.30	80.06	229.26	216.25	335.33
<b>Total Expenditure</b>	<b>994.05</b>	<b>948.61</b>	<b>894.46</b>	<b>2,648.21</b>	<b>2,296.84</b>	<b>3,302.92</b>
<b>Profit from Operations before Other Income and Interest</b>	<b>272.22</b>	<b>299.91</b>	<b>362.86</b>	<b>910.52</b>	<b>887.46</b>	<b>1,343.02</b>
Other Income	85.87	170.65	40.53	336.95	212.70	297.77
<b>Profit Before Interest and Tax</b>	<b>358.09</b>	<b>470.56</b>	<b>403.39</b>	<b>1,247.47</b>	<b>1,100.16</b>	<b>1,640.79</b>
Interest	7.16	10.68	11.74	28.44	32.25	45.59
<b>Profit from Ordinary Activities before Tax</b>	<b>350.93</b>	<b>459.88</b>	<b>391.65</b>	<b>1,219.03</b>	<b>1,067.91</b>	<b>1,595.20</b>
Tax Expenses	76.45	115.04	108.93	285.58	281.74	413.49
<b>Net Profit</b>	<b>274.48</b>	<b>344.84</b>	<b>282.72</b>	<b>933.45</b>	<b>786.17</b>	<b>1,181.71</b>
Paid up Equity Share Capital (Face Value ₹ 10 per share)	91.72	91.72	91.70	91.72	91.70	91.72
Reserves						8,032.07
<b>Basic EPS for the period (₹)</b>	<b>29.93</b>	<b>37.60</b>	<b>30.83</b>	<b>101.77</b>	<b>85.73</b>	<b>128.86</b>
<b>Diluted EPS for the period (₹)</b>	<b>29.90</b>	<b>37.57</b>	<b>30.81</b>	<b>101.70</b>	<b>85.69</b>	<b>128.77</b>
<b>Total Public Shareholding *</b>						
- Number of Shares (000's)	<b>58,108</b>	<b>58,211</b>	<b>58,312</b>	<b>58,108</b>	<b>58,312</b>	<b>58,175</b>
- Percentage of Shareholding	<b>63.36%</b>	<b>63.48%</b>	<b>63.59%</b>	<b>63.36%</b>	<b>63.59%</b>	<b>63.44%</b>
<b>Promoter and 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)	<b>23,429</b>	<b>23,429</b>	<b>23,386</b>	<b>23,429</b>	<b>23,386</b>	<b>23,412</b>
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
- Percentage of Shares (as a % of the total share capital of the Company)	<b>25.55%</b>	<b>25.55%</b>	<b>25.50%</b>	<b>25.55%</b>	<b>25.50%</b>	<b>25.53%</b>
* Excludes shares represented by Global Depository Receipts.						

**UNAUDITED STANDALONE SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED  
FOR THE PERIOD ENDED 31-12-2011**

₹ Crore

Particulars	Three Months Ended			Nine Months Ended		Year Ended
	31-12-2011	30-09-2011	31-12-2010	31-12-2011	31-12-2010	31-03-2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. SEGMENT REVENUE</b>						
a Viscose Staple Fibre	1,085.07	1,082.03	1,129.25	3,068.73	2,840.88	4,169.53
b Chemicals - Caustic Soda and Allied Chemicals	209.09	191.49	147.53	554.02	386.20	542.34
c Textiles - Yarn	27.97	27.62	19.48	80.65	55.89	77.80
<b>TOTAL</b>	<b>1,322.13</b>	<b>1,301.14</b>	<b>1,296.26</b>	<b>3,703.40</b>	<b>3,282.97</b>	<b>4,789.67</b>
(Less) : Inter Segment Revenue	(55.86)	(52.62)	(38.94)	(144.67)	(98.67)	(143.73)
<b>Total Operating Income</b>	<b>1,266.27</b>	<b>1,248.52</b>	<b>1,257.32</b>	<b>3,558.73</b>	<b>3,184.30</b>	<b>4,645.94</b>
<b>2. SEGMENT RESULTS</b>						
a Viscose Staple Fibre	251.48	281.85	361.83	857.55	885.92	1,372.78
b Chemicals - Caustic Soda and Allied Chemicals	38.15	37.99	22.93	102.34	69.28	90.41
c Textiles - Yarn	2.47	2.31	1.18	7.30	3.33	5.76
<b>TOTAL</b>	<b>292.10</b>	<b>322.15</b>	<b>385.94</b>	<b>967.19</b>	<b>958.53</b>	<b>1,468.95</b>
Add / (Less) :						
Interest	(7.16)	(10.68)	(11.74)	(28.44)	(32.25)	(45.59)
Net Unallocable Income / (Expenditure )	65.99	148.41	17.45	280.28	141.63	171.84
<b>Profit from Ordinary Activities before Tax</b>	<b>350.93</b>	<b>459.88</b>	<b>391.65</b>	<b>1,219.03</b>	<b>1,067.91</b>	<b>1,595.20</b>
	<b>As on</b>	<b>As on</b>	<b>As on</b>	<b>As on</b>	<b>As on</b>	<b>As on</b>
	<b>31-12-2011</b>	<b>30-09-2011</b>	<b>31-12-2010</b>	<b>31-12-2011</b>	<b>31-12-2010</b>	<b>31-03-2011</b>
<b>3. CAPITAL EMPLOYED</b>						
(Segment Assets - Segment Liabilities)						
a Viscose Staple Fibre	2,358.64	2,181.30	1,685.74	2,358.64	1,685.74	1,832.34
b Chemicals - Caustic Soda and Allied Chemicals	527.44	484.26	416.81	527.44	416.81	439.66
c Textiles - Yarn	33.16	27.33	18.56	33.16	18.56	23.36
<b>TOTAL</b>	<b>2,919.24</b>	<b>2,692.89</b>	<b>2,121.11</b>	<b>2,919.24</b>	<b>2,121.11</b>	<b>2,295.36</b>
Add: Unallocated Corporate Capital Employed	7,022.18	7,059.50	6,875.45	7,022.18	6,875.45	6,881.95
<b>TOTAL CAPITAL EMPLOYED</b>	<b>9,941.42</b>	<b>9,752.39</b>	<b>8,996.56</b>	<b>9,941.42</b>	<b>8,996.56</b>	<b>9,177.31</b>

## GRASIM INDUSTRIES LIMITED

### **NOTES:**

1. The Financial Results were reviewed by the Audit Committee of the Board of Directors (“Board”) and approved by the Board at their meetings held on 24th January, 2012. The limited review has been completed by the auditors of the Company and the related report is being submitted to the concerned stock exchanges.
2. During the quarter, the Company has allotted 3,895 fully paid up equity shares of ₹ 10 each upon exercise of stock options granted under the Employee Stock Option Scheme, 2006.
3. The Company has, during the quarter, invested ₹ 56.67 Crore towards 1/3rd equity shares of Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi (ABES), Turkey a joint venture with two other Aditya Birla Group Companies which plans to set up a greenfield Viscose Staple Fibre Plant in Turkey.
4. During the current year, production of Viscose Staple Fibre at Nagda Plant remained suspended from 3rd June, 2011 to 29th June, 2011 on account of water shortage. The Chemical plant at Nagda was operating at almost 50% capacity during the said period. In the previous year too, the operations of the said plants were impacted from 31st May, 2010 to 26th July, 2010.
5. Previous periods’ figures have been regrouped/rearranged wherever necessary to conform to the current periods’ classification.
6. The status of investors' complaints is as under :  
Opening - 0, Received - 4, Resolved - 4, Closing – 0

For and on behalf of Board of Directors

Place : Mumbai  
Date : 24th January, 2012

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

**GRASIM INDUSTRIES LIMITED**  
**Regd. Office: Birlagram, Nagda 456 331 (M.P.)**  
*An Aditya Birla Group Company*

**[www.grasim.com](http://www.grasim.com) and [www.adityabirla.com](http://www.adityabirla.com)**

Deloitte Haskins & Sells  
Chartered Accountants,  
12, Dr. Annie Besant Road,  
Opp. Shiv Sagar Estate,  
Worli,  
Mumbai 400 018

G. P. Kapadia & Co.  
Chartered Accountants,  
Hamam House,  
Ambalal Doshi Marg,  
Fort,  
Mumbai 400 001

**AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF  
GRASIM INDUSTRIES LIMITED**

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results ("the Statement") of GRASIM INDUSTRIES LIMITED ("the Company") and its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") and its share of the profit of the associate companies for the quarter and nine months ended 31<sup>st</sup> December, 2011. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.
3. The Statement includes the results of the following entities:

<b>Name of the Entity</b>	<b>Relationship</b>
Samruddhi Swastik Trading And Investments Limited	Wholly owned subsidiary
Sun God Trading And Investments Limited	Wholly owned subsidiary
Grasim Bhiwani Textiles Limited	Wholly owned subsidiary
Aditya Birla Power Ventures Limited	Wholly owned subsidiary
UltraTech Cement Limited	Subsidiary
Dakshin Cement Limited	Subsidiary
UltraTech Cement Lanka Private Limited	Subsidiary
Harish Cement Limited	Subsidiary
UltraTech Cement Middle East Investment Limited	Subsidiary
Star Cement Co LLC, UAE	Subsidiary
Star Cement Co LLC, RAK, Ras-Al-Khaimah, UAE	Subsidiary
Al Nakhla Crusher, LLC, Fujairah, UAE	Subsidiary
Arabian Cement Industry LLC, Abu Dhabi, UAE	Subsidiary
Arabian Gulf Cement Co W.L.L., Bahrain	Subsidiary
Emirates Power Company Limited, Bangladesh	Subsidiary
Emirates Cement Bangladesh Limited, Bangladesh	Subsidiary
PT UltraTech Mining, Indonesia	Subsidiary
UltraTech Cement SA, (PTY)	Subsidiary
AV Cell Inc., Canada	Joint Venture
AV Nackawick Inc., Canada	Joint Venture

<b>Name of the Entity</b>	<b>Relationship</b>
Birla Jingwei Fibre Co. Limited	Joint Venture
Birla Lao Pulp & Plantation Co. Limited	Joint Venture
Bhubaneswari Coal Mining Limited	Joint Venture
Bhaskarpara Coal Company Limited	Joint Venture
Madanpura (North) Coal Company Private Limited	Joint Venture
Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey	Joint Venture
Idea Cellular Limited	Associate
Aditya Birla Science & Technology Limited	Associate
Aditya Holding AB	Associate

4. The review report of the branch auditors of Vikram Woollens Division of the Company has been submitted to us and the same has been considered by us in preparing this report.
5. The Consolidated Financial Results contained in the Statement reflect the Group's share of revenues of ₹ 79.17 Crores and ₹ 258.05 Crores for the quarter and nine months ended 31<sup>st</sup> December, 2011 respectively and Profit after tax (net) of ₹ 3.30 Crores and ₹ 6.68 Crores for the quarter and nine months ended 31<sup>st</sup> December, 2011 respectively of three subsidiaries whose results have been reviewed by M/s G. P. Kapadia & Co., one of the joint auditors of the Company and the Group's share of Profit after tax of ₹ 10.82 Crores and ₹ 25.07 Crores for the quarter and nine months ended 31<sup>st</sup> December, 2011 respectively of one associate whose results have been reviewed by M/s Deloitte Haskins & Sells, one of the joint auditors of the Company.
6. The Consolidated Financial Results contained in the Statement reflect the Group's share of revenues of ₹ 267.08 Crores and ₹ 781.45 Crores for the quarter and nine months ended 31<sup>st</sup> December, 2011 respectively and Loss after tax (net) of ₹ 15.57 Crores and ₹ 49.02 Crores for the quarter and nine months ended 31<sup>st</sup> December, 2011 respectively of nine subsidiaries and three jointly controlled entities whose results have been reviewed by other auditors. Accordingly, our assurance on the Statement in so far as it relates to the amounts included in respect of these subsidiaries and jointly controlled entities is based solely on the reports of such other auditors which have been furnished to us.
7. The Consolidated Financial Results contained in the Statement reflect the Group's share of revenues of ₹ 164.28 Crores and ₹ 583.05 Crores for the quarter and nine months ended 31<sup>st</sup> December, 2011 respectively and Profit after tax (net) of ₹ 13.72 Crores and ₹ 46.62 Crores for the quarter and nine months ended 31<sup>st</sup> December, 2011 respectively of five subsidiaries and five jointly controlled entities and the Group's share of Profit after tax (net) of ₹ 8.22 Crores and ₹ 3.63 Crores for the quarter and nine months ended 31<sup>st</sup> December, 2011 respectively of two associates whose results have not been reviewed by their auditors and are based on management accounts.
8. Based on our review and read with our comments in paragraphs 4, 5 and 6 above and subject to our comments in paragraph 7 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

9. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoter and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to the undisputed investor complaints from the details furnished by the Management.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 117366W)



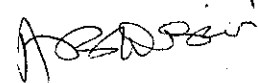
**B. P. Shroff**  
Partner  
Membership No.: 34382



**MUMBAI**  
Date : 24<sup>th</sup> January, 2012



For **G. P. KAPADIA & CO.**  
Chartered Accountants  
(Registration No. 104768W)



**Atul Desai**  
Partner  
Membership No.: 30850



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Mumbai 400 018

G. P. Kapadia & Co.  
Chartered Accountants,  
Hamam House,  
Ambalal Doshi Marg,  
Fort,  
Mumbai 400 001

**AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF  
GRASIM INDUSTRIES LIMITED**

We have reviewed the accompanying statement of Unaudited Standalone Financial Results of **GRASIM INDUSTRIES LIMITED** ("the Company") for the quarter and nine months ended on 31<sup>st</sup> December, 2011 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an opinion.

Based on our review conducted as stated above and the limited review report received from the Branch Auditors for Vikram Woollens Division, which has been considered by us in preparing this report, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the stock exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to undisputed investor complaints from the details furnished by the Management.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 117366W)

For **G. P. KAPADIA & CO.**  
Chartered Accountants  
(Registration No. 104768W)



**B.P. Shroff**  
Partner  
Membership No.: 34382



**Atul Desai**  
Partner  
Membership No.: 30850

**MUMBAI**  
Date : 24<sup>th</sup> January, 2012





### GRASIM REPORTS BETTER PERFORMANCE FOR Q3FY12

- |                                   |                      |
|-----------------------------------|----------------------|
| • <b>Consolidated Net Revenue</b> | : ₹ 6,364 Cr. up 17% |
| • <b>Consolidated Net Profit</b>  | : ₹ 669 Cr. up 33%   |

- |                                     |                |
|-------------------------------------|----------------|
| • <b>Capex under Implementation</b> |                |
| - <b>VSF &amp; Allied Chemicals</b> | : ₹ 3,400 Cr.  |
| - <b>Cement</b>                     | : ₹ 11,000 Cr. |

#### Consolidated Financial Performance:

Grasim Industries Limited, an Aditya Birla Group Company, today announced its results for the 3<sup>rd</sup> quarter ended 31<sup>st</sup> December 2011. The Company's performance has been encouraging. Cement business has been the major driver. Net Revenue increased by 17% at ₹ 6,364 crore (₹ 5,461 crore). PBIDT grew by 23% from ₹ 1,267 crore to ₹ 1,554 crore. Net profit at ₹ 669 crore (₹ 502 crore) rose by 33%.

#### Production and Sales Volumes:

Products		Production			Sales		
		Q3FY12	Q3FY11	% Change	Q3FY12	Q3FY11	% Change
Viscose Staple Fibre	M.T.	84,233	83,026	1	78,215	84,621	(8)
Cement (Consolidated)*	Mn. M.T.	10.44	9.90	5	10.44	9.93	5
White Cement	Lac M.T.	1.54	1.47	5	1.50	1.44	4

\* Including Star Cement Volumes

#### Viscose Staple Fibre (VSF)

The business performance was subdued due to the challenging environment. After witnessing an upturn in September, sentiments were affected during the quarter as cautious approach was adopted by the textile value chain given the Euro zone uncertainties. Consequently, demand and prices remained under pressure, impacting volumes by 8%. Increase in input costs due to rupee depreciation, has impacted operating margins.

#### Cement Subsidiary (UltraTech Cement)

UltraTech reported Revenue of ₹ 4,865 Crore and PAT of ₹ 598 Crore. The sector demand growth improved to around 10% during the quarter on account of a lower base effect in the corresponding quarter. The sector capacity utilization during the quarter improved to 73% as compared to 68% in the preceding quarter. Although post monsoon, the pricing scenario indicated some improvement, the pricing environment is expected to remain challenging.

Variable cost rose by 16%, mainly on account of increase in energy cost. This is attributable to 30% rise in the price of domestic coal during Q4 FY10 -11 and continuous increase in price of imported coal as also the rupee devaluation by ~ 14%.

## **Chemical Business**

The Chemical business continued to deliver good performance. Caustic production at 68,741 tons grew by 3% supported by full capacity utilization. Sales volumes were higher by 6%. Caustic prices remained firm in line with international trends.

## **VSF & Chemical Capex**

The VSF (120,000 TPA) and Chemical (182,500 TPA) greenfield projects at Vilayat, Gujarat and brownfield expansion (36,500 TPA) of VSF at Harihar, Karnataka are in line with the schedule. The construction activity is in full swing. These projects are slated for commissioning in FY13. A total capex of ₹ 3,400 crore has been earmarked for the VSF and Chemical business for expansion projects and modernization.

Further, plans are afoot to set up a 180K TPA greenfield VSF plant in Turkey in joint venture with Group companies. Grasim has invested 1/3<sup>rd</sup> of the initial capital required for acquiring land and meeting initial expenses.

## **Cement Capex**

The Chhattisgarh and Karnataka brownfield expansion projects aggregating 9.2 million TPA, are on track. Both these projects are expected to be operational by Q1FY14.

A total capex of ₹ 11,000 crore is under implementation in the Cement business towards the expansion projects, strengthening of logistic infrastructure, setting up captive thermal power plants, ready-mix concrete plants and modernization projects.

## **Outlook**

In VSF, the demand may remain volatile in the present macro economic conditions. In Cement, the surplus scenario should subside gradually over a period of 2-3 years with an expected growth in demand. The changed pricing mechanism by Coal India Limited w.e.f. Jan' 12 will lead to increase in energy costs. The rising energy cost is a challenge in both the businesses in the present context.

Capacity expansions under implementation will enable the Company to grow at a rapid pace and consolidate its leadership even further.

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### 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.

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## **Grasim Industries Limited**

Aditya Birla Centre, 'A' Wing, 2<sup>nd</sup> Floor, S. K. Ahire Marg, Worli, Mumbai - 400 030

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