

Governance Philosophy

Corporate governance refers to a set of laws, regulations and good practices that enable an organisation to perform efficiently and ethically generate long-term wealth and create value for all its stakeholders.

We, at **Grasim Industries Limited**, are committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our governance practices are self-driven, reflecting the culture of the trusteeship that is deeply ingrained in our value system and reflected in our strategic growth process. Our governance philosophy rests on five basic tenets, viz.,

- Board accountability to the Company and stakeholders,
- Equitable treatment to all shareholders,
- Strategic guidance and effective monitoring by the Board,
- Protection of minority interests and rights, and
- Transparency and timely disclosure.

In line with the above philosophy, your Company continuously strives for excellence through adoption of best governance and disclosure practices. In terms of Clause 49 of the Listing Agreement executed with the stock exchanges, the details of compliance for the year ended 31st March, 2011, are as follows:

Compliance with Corporate Governance Guidelines

I. BOARD OF DIRECTORS

(A) Composition of Board

Your Company's Board comprises of 12 Directors, 6 of whom are Independent Directors, 4 are Non-Executive Directors and 2 are Whole-Time Directors with considerable experience in their respective fields.

| Name of Director | Executive/Non-Executive/Independent# | No. of Equity Shares Held as on 31st March, 2011 | No. of Outside Directorships Held ¹ | | | No. of Board Meetings | | Attended Last AGM \$ |
|---------------------------------|--------------------------------------|--|--|--------|----------|-----------------------|----------|----------------------|
| | | | Public | Member | Chairman | Held | Attended | |
| Mr. Kumar Mangalam Birla | Non-Executive | 23,915 | 10 | - | - | 4 | 4 | No |
| Mrs. Rajashree Birla | Non-Executive | 72,280 | 6 | 1 | - | 4 | 2 | No |
| Mr. M.L. Apte | Independent | 130 | 8 | 5 | - | 4 | 3 | No |
| Mr. B.V. Bhargava | Independent | 357 | 9 | 4 | 4 | 4 | 4 | Yes |
| Mr. R.C. Bhargava | Independent | 227 | 9 | 4 | 4 | 4 | 4 | No |
| Mr. A.K. Dasgupta | Independent (LIC Nominee) | 100 | 4 | - | - | 4 | 3 | Yes |
| Dr. Thomas Martin Connelly Jr.* | Independent | 100 | - | - | - | 2 | 1 | No |
| Mr. Cyril Shroff | Independent | 137 | - | - | - | 4 | 1 | No |
| Mr. S.G. Subrahmanyam@ | Independent | 100 | N.A. | N.A. | N.A. | 2 | 2 | No |
| Mr. Shailendra K. Jain | Non-Executive | 1,591 | 4 | - | - | 4 | 3 | No |
| Mr. D.D. Rathi | Non-Executive | 100 | 1 | 1 | - | 4 | 4 | No |
| Mr. Adesh Gupta | Whole-Time Director | 980 | 9 | 2 | - | 4 | 4 | Yes |
| Mr. K.K. Maheshwari** | Whole-Time Director | 14 | 2 | 2 | 1 | 4 | 4 | No |

Independent Director means a Director defined as such under Clause 49 of the Listing Agreement.

\$ AGM held on 20th August, 2010, at the Registered Office of the Company at Nagda, M.P.

* Appointed as an Independent Director w.e.f. 20th August, 2010.

** Appointed as Whole-Time Director w.e.f. 20th May, 2010.

@ Mr. S.G. Subrahmanyam retired as an Independent Director, w.e.f. 20th August, 2010.

Notes:

1. Excluding Directorship held in private companies, foreign companies and companies under Section 25 of the Companies Act, 1956.
2. Only two Committees of the Board, viz., the Audit Committee and the Shareholders' Grievance/ Allotment and Transfer Committee are considered.

Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla are related as Son and Mother respectively. No other Director is related to any other Director on the Board.

(B) Non-Executive Directors' Compensation and Disclosures

All fees/compensation paid to the Non-Executive Directors and Independent Directors are approved by the Board of Directors and have shareholders' approval. Details of sitting fees/ compensation paid to them are given at respective places in this report.

(C) Other Provisions as to Board and Committees

Your Company's Board of Directors play primary role in ensuring good governance and functioning of the Company. The Board's role, functions, responsibility and accountability are clearly defined. All relevant information as specified in Annexure IA to Clause 49 of the Listing Agreement with the Stock Exchanges is regularly placed before the Board. Agenda and Notes on Agenda are circulated to the Directors in advance of each meeting of the Board of Directors. Where it is not practical to attach or send the relevant information as a part of agenda papers, the same are tabled at the meeting and the presentations are made to the Board. The Members of the Board have complete freedom to express their opinion and the decisions are taken after detailed discussions.

The Board meets at least once in a quarter to review the quarterly financial results and operations of your Company. Apart from the above, additional Board Meetings are convened by giving appropriate notice to address the specific needs of the Company.

During the year under review, the Board met 4 times. The details of Board Meetings held during FY 2010-11 are as under:

| Sl. No. | Date of Board Meeting | City | No. of Directors Present |
|---------|-----------------------|--------|--------------------------|
| 1. | 20.05.2010 | Mumbai | 9 |
| 2. | 31.07.2010 | Mumbai | 10 |
| 3. | 28.10.2010 | Mumbai | 8 |
| 4. | 25.01.2011 | Mumbai | 11 |

(D) Code of Conduct

The Board of Directors plays an important role in ensuring good governance and has laid down the Code of Conduct ("the Code") applicable to all Board Members and Senior Management of the Company. The Code is also posted on the website of the Company. A declaration by Whole-Time Directors affirming the compliance of the Code by Board Members and Senior Management Executives is given at the end of the report.

II. AUDIT COMMITTEE

(A) Qualified and Independent Audit Committee

Your Company has an Audit Committee at the Board level, with the powers and the role that are in accordance with the Clause 49 II (C) and (D) of the Listing Agreement, which acts as a link between the management, the statutory and internal auditors and the Board of Directors and oversees the financial reporting process.

The composition of the Audit Committee is as follows:

1. Mr. B.V. Bhargava, Chairman
2. Mr. R.C. Bhargava, Member
3. Mr. M.L. Apte, Member

All the members of the Audit Committee are Independent Directors and are financially literate. Whole-Time Directors and CFO are permanent invitees to the Audit Committee Meetings. The statutory as well as internal auditors of the Company are also invited to the Audit Committee Meetings.

Mr. Ashok Malu, Company Secretary, acts as the Secretary to the Audit Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 20th August, 2010.

(B) Meetings of Audit Committee

During the year under review, the Audit Committee met 7 times to deliberate on various matters and the details of the composition, attendance by the Committee Members and sitting fees paid to them are as follows:

| Name of Committee Member | No. of Meetings | | Sitting Fees Paid (₹) |
|--------------------------|-----------------|----------|-----------------------|
| | Held | Attended | |
| Mr. B.V. Bhargava | 7 | 7 | 70,000 |
| Mr. R.C. Bhargava | 7 | 7 | 70,000 |
| Mr. M.L. Apte | 7 | 6 | 60,000 |

(C) Powers of Audit Committee

The Audit Committee is endowed with the following powers:

1. To investigate any activity within its terms of reference,
2. To seek information from any employee,
3. To obtain outside legal or other professional advice,
4. To secure attendance of outsiders with relevant expertise, if it considers necessary, and
5. To review the risk management and mitigation plans.

(D) Role of Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.

- c. Major accounting entries involving estimates based on the exercise of judgement by the management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report, if any.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 8. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 9. Discussion with internal auditors any significant findings and follow up thereon.
 10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 12. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.
 13. Approval of appointment of CFO after assessing the qualifications, experience and background, etc., of the candidate.
 14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee, including reviewing the Risk Management and minimisation plans.

(E) Review of Information by Audit Committee

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor; and
6. Risk assessment and minimisation procedures.

Other Committees

i) ESOS Compensation Committee:

The ESOS Compensation Committee comprises of the following Directors, viz., Mr. Kumar Mangalam Birla, Mr. M.L. Apte and Mr. Cyril Shroff. The Committee was formed to implement, administer and supervise the Employee Stock Option Scheme–2006 (the Scheme). The Committee has granted 2,89,437 Options (inclusive of Options lapsed and re-issued) to the eligible management cadre employees of the Company, subject to the provisions of the Scheme and other applicable statutory provisions, out of which 42,909 Options have vested during the year.

ii) Finance Committee:

The Company has a Finance Committee to look into various matters, *inter alia*, to approve opening and operation of Bank Accounts, execution of Power of Attorneys, to authorise officers of the Company in the matter of availment of secured and unsecured loans, to approve signing of agreements with the regulatory authorities and to authorise officers of the Company for performing acts required under various laws.

During the year under review, the Committee met 4 times to deliberate on various matters referred above. Details of the attendance by Directors at the Committee meeting and sitting fees paid to them are as follows:

| Name of Committee Member | No. of Meetings | | Sitting Fees Paid (₹) |
|-------------------------------------|-----------------|----------|-----------------------|
| | Held | Attended | |
| Mr. B.V. Bhargava, Chairman | 4 | 4 | 20,000 |
| Mr. D.D. Rathi | 4 | 4 | 20,000 |
| Mr. S.G. Subrahmanyans [§] | 2 | 2 | 10,000 |
| Mr. Adesh Gupta* | 2 | 2 | — |

[§] Mr. S.G. Subrahmanyans ceased to be a member of the Finance Committee, w.e.f. 20th August, 2010.

* Mr. Adesh Gupta was appointed as a member of the Finance Committee, w.e.f. 20th August, 2010.

iii) Cement Demerger Committee

The Board had constituted “Cement Demerger Committee” of the Board to look into various matters, *inter alia*, pertaining to the Scheme of Arrangement (Scheme) for demerger of the Cement Business of the Company with Samruddhi Cement Limited, a subsidiary of the Company and to authorise officers of the Company for performing various acts required for making the Scheme effective.

During the year under review, the Committee met 3 times to deliberate on various matters referred above. Details of the attendance by Directors at the Committee meeting and sitting fees paid to them are as follows:

| Name of Committee Member | No. of Meetings | | Sitting Fees Paid (₹) |
|-----------------------------|-----------------|----------|-----------------------|
| | Held | Attended | |
| Mr. B.V. Bhargava, Chairman | 3 | 3 | 15,000 |
| Mr. D.D. Rathi | 3 | 2 | 10,000 |
| Mr. Adesh Gupta | 3 | 3 | — |

III. SUBSIDIARY COMPANIES

Your Company does not have any material non-listed Indian Subsidiary Company. The Audit Committee reviews the financial statements and, in particular, the investments made by the unlisted subsidiary companies. The minutes of the Board meetings as well as statements of all significant transactions of the unlisted subsidiary companies are placed before the Board of Directors of the Company for its review.

IV. DISCLOSURES

(A) Basis of Related Party Transactions:

Your Company places all the relevant details before the Audit Committee periodically.

A comprehensive list of related party transactions as required by the Accounting Standard (AS) 18 issued by the Institute of Chartered Accountants of India, forms part of the Note No. 19 of Part B of Schedule 22 to the Accounts in the Annual Report. These transactions are not likely to have any conflict with the interests of the Company at large.

(B) Disclosure of Accounting Treatment

Your Company follows all relevant Accounting Standards while preparing the Financial Statements.

(C) Risk Management

Your Company has a comprehensive risk management policy. Your Company has laid down procedures to inform Board Members about the risk assessment and minimisation procedures. These procedures are periodically reviewed to ensure that executive management controls the risks through properly defined framework.

The Audit Committee, which has been designated by the Board for the purpose, reviews the adequacy of the risk management framework of the Company, the key risks associated with the businesses of the Company and the measures and steps in place to minimise the same and, thereafter, the details are presented to and discussed at the Board Meeting. The risk management issues are discussed in the Management Discussion and Analysis Report.

(D) Proceeds from Public Issues, Rights Issues, Preferential Issues, etc.

During the year under review, the Company has not raised any proceeds from public issue, rights issue or preferential issue.

(E) Remuneration of Directors

All decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company in accordance with the Shareholders' approval, wherever necessary. Sitting fee to the Non-Executive/Independent Directors for attending Board Meetings was paid @ ₹ 20,000/- per meeting. In the AGM held on 25th August, 2006, the shareholders had approved payment of commission not exceeding 1% per annum of the net profits of the Company to the Non-Executive Directors. Each year, the Board fixes the amount to be paid as commission. For FY 2010-11, the Board has approved the payment of ₹ 11 crore as commission to the Non-Executive Directors. The amount of commission payable is determined after assigning weightage to attendance, type and significance of the meetings to the overall functioning of the Company.

Sitting fee to the Members of the Audit Committee for attending the meetings of the Committee was paid @ ₹ 10,000/- per meeting.

Sitting fee to the Members of the Shareholders' Grievance/Allotment and Transfer Committee for attending the meetings of the Committee was paid @ ₹ 5,000/- per meeting.

Sitting fee to the Members of the Finance Committee for attending the meetings of the Committee was paid @ ₹ 5,000/- per meeting.

Details of remuneration paid/to be paid to the Directors for the year under review is as under:

a. Non-Executive/Independent Directors:

| Name of Director | Commission (₹) | Sitting Fees (for Board & its Committees) (₹) |
|-----------------------------------|----------------|--|
| Mr. Kumar Mangalam Birla* | 9,70,00,000 | 80,000 |
| Mrs. Rajashree Birla* | 48,00,000 | 40,000 |
| Mr. M.L. Apte | 15,00,000 | 1,20,000 |
| Mr. B.V. Bhargava | 22,00,000 | 1,85,000 |
| Mr. R.C. Bhargava | 17,00,000 | 1,50,000 |
| Mr. A.K. Dasgupta** | 2,50,000 | 60,000 |
| Dr. Thomas Martin Connelly Jr.*** | 1,00,000 | 20,000 |
| Mr. Cyril Shroff | 6,00,000 | 20,000 |
| Mr. S.G. Subrahmanyans\$ | 8,00,000 | 50,000 |
| Mr. Shailendra K. Jain | 8,50,000 | 60,000 |
| Mr. D.D. Rathi | 2,00,000 | 1,15,000 |
| Total | 11,00,00,000 | 9,00,000 |

* Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla are related as Son and Mother respectively. No other Director is related to any other Director on the Board.

** Paid/Payable to Life Insurance Corporation of India.

*** Appointed as an Independent Director w.e.f. 20th August, 2010.

\$ Mr. S.G. Subrahmanyans retired as an Independent Director w.e.f. 20th August, 2010.

Mr. Adesh Gupta and Mr. K.K. Maheshwari are Whole-Time Directors of the Company and as such no sitting fee was paid to them. Details of sitting fees paid for meetings of the Committees of the Board are also given at the respective places in this report.

b. Whole-Time Directors:

| Whole-Time Director | Relationship with other Directors, if any | Business relationship with the Company | Remuneration paid during 2010-11 | | |
|---|---|--|---|--|---|
| | | | Salary, benefits, bonus, etc., paid during the year | Performance linked incentive paid during the year for FY 2009-10 | Service contracts, notice period, severance fee |
| Mr. Adesh Gupta | None | Manager, Whole-Time Director & CFO | ₹ 183.70 lacs | ₹47.08 lacs | Upto 2nd October, 2014 Refer Note (b) |
| Mr. K.K. Maheshwari (w.e.f. 20th May, 2010) | None | Whole-Time Director | ₹ 366.77 lacs | N.A. | Upto 19th May, 2015 Refer Note (b) |

Notes:

- a) The Board has approved payment of performance linked variable pay for FY 2009-10 to the Whole-Time Director(s) on achieving of the targets.

- b) Whole-Time Directors' appointment is subject to termination by three months' notice in writing on either side.
- c) Details of stock options granted to the Whole-Time Directors during the year are set out in Annexure to the Directors' Report.

No significant/material transactions have been made with the Non-Executive Directors vis-à-vis the Company.

All Non-Executive Directors have disclosed their shareholding in the Company. Details of shareholding of Non-Executive and/or Independent Directors have been disclosed herein above.

(F) Management

- i) The Management Discussion and Analysis Report forms part of the Annual Report and is in accordance with the requirements laid out in Clause 49 of the Listing Agreement.
- ii) No material transaction has been entered into by the Company with the Promoters, Directors or the Management, their subsidiaries or relatives, etc., which may have a potential conflict with the interest of the Company.

(G) Shareholders

- i) The Company has provided the details of the Directors seeking reappointment at the end of this Report.
- ii) Copies of the Press Release and Quarterly Presentations on Company's performance are hosted on the website of the Company www.grasim.com and the Group's website www.adityabirla.com
- iii) Shareholders' Grievance Committee:

The Company has a "Shareholders' Grievance/Allotment and Transfer Committee" at the Board level to look into various issues relating to shareholders/investors including transfer and transmission of shares as well as non-receipt of dividend, Annual Report, shares after transfers and delays in transfer of shares. In addition, the Committee looks into other issues including status of dematerialisation/rematerialisation of shares and debentures as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

The Committee comprises of the following Directors, viz., Mr. Cyril Shroff, Mr. D.D. Rathi and Mr. Adesh Gupta.

During the year under review, the Committee met once to deliberate on various matters referred above. Details of attendance by Directors at the Committee meeting and sitting fees paid to them are as follows:

| Name of Committee Member | No. of Meetings | | Sitting Fees Paid (₹) |
|----------------------------|-----------------|----------|-----------------------|
| | Held | Attended | |
| Mr. Cyril Shroff, Chairman | 1 | — | — |
| Mr. D.D. Rathi | 1 | 1 | 5,000 |
| Mr. Adesh Gupta | 1 | 1 | — |

Mr. Ashok Malu, Company Secretary, acts as Secretary to the Committee.

- iv) The Company's shares are compulsorily traded and delivered in the dematerialised form in all Stock Exchanges. To expedite the transfer in the physical segment, necessary authority has been delegated by your Board to the Officers and Directors of the Company, who are authorised to approve the share transfers/transmissions. Details of share transfers/transmissions approved by the Officers and Directors are placed before the Committee/Board.

Name and Designation of Compliance Officer: Mr. Ashok Malu, Company Secretary.

- v) Details of shareholders' complaints received, number of shares transferred during the year and the time taken for effecting these transfers are furnished in the "Shareholder Information" section of this Annual Report.
- vi) Compliances by the Company

No strictures/penalties have been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets, during the last 3 years.

V. CEO/CFO CERTIFICATION

Mr. Adesh Gupta, Manager, Whole-Time Director & CFO and Mr. K.K. Maheshwari, Whole-Time Director of the Company have certified to the Board that:

- (a) They have reviewed the Financial Statements and the Cash Flow Statement for the year and that to the best of their knowledge and belief:
- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the Auditors and the Audit Committee :
- i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Grasim Industries Limited

Adesh Gupta
Manager, Whole-Time Director & CFO

K.K. Maheshwari
Whole-Time Director

Place: Mumbai
Date: 11th May, 2011

VI. REPORT ON CORPORATE GOVERNANCE

This Corporate Governance Report forms part of the Annual Report. The Company is fully compliant with all the provisions of Clause 49 of the Listing Agreement of the Stock Exchanges in India.

VII. COMPLIANCE

- i) Certificate from the Statutory Auditors confirming compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges in India is annexed to the Directors' Report and forms part of the Annual Report.
- ii) Status of Compliance of Non-mandatory Requirement:
 - a) The Company maintains a separate office for the Non-Executive Chairman. All necessary infrastructure and assistance are made available to enable him to discharge his responsibilities.
 - b) The Company does not have a Remuneration Committee. The remuneration of the Directors is decided and approved by the Board of Directors.
 - c) "Half Yearly Performance Update" consisting of financial and operational performance for the Half Year ending on 30th September is being sent to the shareholders since 2000-01 and this practice continued this year as well.

VIII. GENERAL BODY MEETINGS

Details of Annual General Meetings

Location and time, where last 3 Annual General Meetings (AGMs) were held:

| Year | Location | Date | Time |
|---------|--|------------|------------|
| 2007-08 | Registered Office, Birlagram, Nagda (M.P.) | 02.08.2008 | 12.30 p.m. |
| 2008-09 | - do - | 08.08.2009 | 12.30 p.m. |
| 2009-10 | - do - | 20.08.2010 | 12.30 p.m. |

All the resolutions, including the special resolution(s) set out in the respective Notices of the previous 3 AGMs were passed by the Shareholders.

Postal Ballot

No resolution has been passed last year through postal ballot.

IX. MEANS OF COMMUNICATION

- Quarterly results:

| | | |
|-------------------------------------|-------------------|------------------------------|
| Results are normally published in : | <i>Newspaper</i> | <i>Cities of Publication</i> |
| | Business Standard | All Editions |
| | Business Line | All Editions |
| | Nai Duniya | Indore |

Results are displayed on our websites : www.grasim.com & www.adityabirla.com
- Company's website displays all official news releases, and the presentation made to Institutional Investors/Analysts.
- There is a separate section for General Shareholder information which forms part of the Annual Report.

CODE OF CONDUCT

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, we confirm that the Board Members and Senior Management of the Company have confirmed compliance with the Code of Conduct for the year ended 31st March, 2011.

For Grasim Industries Limited

Adesh Gupta
Manager, Whole-Time Director & CFO

K.K. Maheshwari
Whole-Time Director

Place: Mumbai
Date: 11th May, 2011

Details of the Directors seeking re-appointment in the ensuing Annual General Meeting

| Name of Director | Mr. M.L. Apte | Mr. R.C. Bhargava | Mrs. Rajashree Birla | Mr. Cyril Shroff |
|---|--|---|--|---|
| Date of Birth | 05.10.1932 | 30.07.1934 | 15.09.1945 | 07.11.1959 |
| Date of Appointment | 06.05.1987 | 25.07.2000 | 14.03.1996 | 25.07.2000 |
| Expertise in specific functional areas | Industrialist | Management Consultant | Industrialist | Solicitor |
| Qualification | B.A. | M.Sc. (Maths) M.A. (Dev. Economics) | B.A. | Solicitor |
| No. of Equity Shares held | 130 | 227 | 72,280 | 137 |
| List of outside Company Directorships held | <ol style="list-style-type: none"> 1 Apte Amalgamations Ltd. 2 Bajaj Hindustan Ltd. 3 Kulkarni Power Tools Ltd. 4 Standard Industries Ltd. 5 Tata Asset Management Ltd. 6 The Bombay Burmah Trading Corpn. Ltd. 7 The Raja Bahadur International Ltd. 8 Zodiac Clothing Co. Ltd. | <ol style="list-style-type: none"> 1 Aditya Birla Sunlife Asset Management Company Ltd. 2 Dabur India Ltd. 3 Idea Cellular Ltd. 4 Infrastructure Leasing & Financial Services Ltd. 5 Maruti Suzuki India Ltd. 6 Optimus Global Services Ltd. 7 Polaris Software Lab. Ltd. 8 Thomson Press Ltd. 9 UltraTech Cement Ltd. | <ol style="list-style-type: none"> 1 Aditya Birla Health Services Ltd. 2 Aditya Birla Nuvo Ltd. 3 Essel Mining & Industries Ltd. 4 Hindalco Industries Ltd. 5 Idea Cellular Ltd. 6 UltraTech Cement Ltd. | — |
| Chairman/Member of the Committees of the Board of Directors of the Company | <ol style="list-style-type: none"> 1 Audit Committee - Member 2 ESOS Compensation Committee - Member | <ol style="list-style-type: none"> 1 Audit Committee - Member | — | <ol style="list-style-type: none"> 1 Shareholders Grievance/ Allotment and Transfer Committee - Chairman 2 ESOS Compensation Committee - Member |
| Chairman/Member of the Committees of Directors of other Companies in which he/she is a Director | <ol style="list-style-type: none"> 1 Standard Industries Ltd. - Member 2 The Bombay Burmah Trading Corp. Ltd. - Member 3 Zodiac Clothing Co. Ltd. - Member | <ol style="list-style-type: none"> 1 Dabur India Ltd - Member 2 Infrastructure Leasing & Financial Services Ltd.-Chairman 3 Optimus Global Services Ltd. - Chairman 4 Polaris Software Lab. Ltd. - Member 5 Thomson Press Ltd. - Chairman 6 UltraTech Cement Ltd. - Chairman | <ol style="list-style-type: none"> 1 Aditya Birla Health Services Ltd. - Member | — |
| a) Audit Committee | <ol style="list-style-type: none"> 1 Standard Industries Ltd. - Member 2 The Bombay Burmah Trading Corp. Ltd. - Member 3 Zodiac Clothing Co. Ltd. - Member | <ol style="list-style-type: none"> 1 Dabur India Ltd - Member 2 Infrastructure Leasing & Financial Services Ltd.-Chairman 3 Optimus Global Services Ltd. - Chairman 4 Polaris Software Lab. Ltd. - Member 5 Thomson Press Ltd. - Chairman 6 UltraTech Cement Ltd. - Chairman | <ol style="list-style-type: none"> 1 Aditya Birla Health Services Ltd. - Member | — |
| b) Shareholders/Investors Grievance Committee/Share Transfer Committee | <ol style="list-style-type: none"> 1 The Bombay Burmah Trading Corp. Ltd. - Member 2 Zodiac Clothing Co. Ltd. - Member | <ol style="list-style-type: none"> 1 Maruti Suzuki India Ltd. - Member 2 UltraTech Cement Ltd. - Member | — | — |