



**UNAUDITED FINANCIAL RESULTS  
FOR THE QUARTER ENDED 30th SEPTEMBER 2008**

**I. CONSOLIDATED RESULTS :**

Rs in Crores

	Three Months ended 30th September 2008	Three Months ended 30th September 2007	Six Months ended 30th September 2008	Six Months ended 30th September 2007	Year ended 31st March 2008 (Audited)
<b>Net Sales / Income from Operations</b>	<b>4,452.45</b>	<b>3,925.22</b>	<b>8,855.50</b>	<b>7,955.61</b>	<b>16,973.74</b>
Other Operating Income	36.67	38.67	88.16	70.48	152.66
<b>Total Operating Income</b>	<b>4,489.12</b>	<b>3,963.89</b>	<b>8,943.66</b>	<b>8,026.09</b>	<b>17,126.40</b>
Expenditure :					
- Decrease / ( Increase ) in Stock	(0.26)	(65.55)	(159.83)	(34.82)	(174.28)
- Raw Material Consumed	1,109.75	872.94	2,081.72	1,689.62	3,703.27
- Purchases of Finished Goods	34.79	23.61	57.35	33.09	74.30
- Payment to & Provision for Employees	230.18	212.23	456.16	383.58	849.32
- Power & Fuel	884.55	636.39	1,738.90	1,299.36	2,907.37
- Freight , Handling & Other Expenses	537.76	473.46	1,109.48	986.24	2,088.94
- Depreciation	210.88	163.10	410.45	321.75	670.31
- Other Expenditure	735.69	607.51	1,414.88	1,179.78	2,559.02
<b>Total Expenditure</b>	<b>3,743.34</b>	<b>2,923.69</b>	<b>7,109.11</b>	<b>5,858.60</b>	<b>12,678.25</b>
<b>Profit from Operations before Other Income, Interest &amp; Exceptional Items</b>	<b>745.78</b>	<b>1,040.20</b>	<b>1,834.55</b>	<b>2,167.49</b>	<b>4,448.15</b>
Other Income	68.18	66.23	138.11	151.51	310.22
<b>Profit Before Interest &amp; Exceptional Items</b>	<b>813.96</b>	<b>1,106.43</b>	<b>1,972.66</b>	<b>2,319.00</b>	<b>4,758.37</b>
Interest	77.22	56.42	145.68	114.44	228.73
<b>Profit after Interest but before Exceptional Items</b>	<b>736.74</b>	<b>1,050.01</b>	<b>1,826.98</b>	<b>2,204.56</b>	<b>4,529.64</b>
Writeback of provision for diminution in value of investments	-	-	-	-	45.68
<b>Profit from Ordinary Activities before Tax</b>	<b>736.74</b>	<b>1,050.01</b>	<b>1,826.98</b>	<b>2,204.56</b>	<b>4,575.32</b>
Provision for Current Tax	(101.50)	(315.57)	(294.05)	(638.55)	(1,472.76)
Provision for Deferred Tax	(72.30)	(28.96)	(178.57)	(61.68)	6.97
<b>Net Profit from Ordinary Activities after Tax</b>	<b>562.94</b>	<b>705.48</b>	<b>1,354.36</b>	<b>1,504.33</b>	<b>3,109.53</b>
<b>Extra Ordinary Items :</b>					
Profit on Sale of Shares of Subsidiary company	-	-	-	-	236.68
<b>Net Profit for the period</b>	<b>562.94</b>	<b>705.48</b>	<b>1,354.36</b>	<b>1,504.33</b>	<b>3,346.21</b>
Less : Minority Share	76.82	84.53	196.65	214.14	456.53
Add : Share in Profit / (Loss) of Associates	0.31	(0.94)	0.61	(0.51)	1.76
<b>Net Profit ( After Minority Share )</b>	<b>486.43</b>	<b>620.01</b>	<b>1,158.32</b>	<b>1,289.68</b>	<b>2,891.44</b>
Paid up Equity Share Capital (Face Value Rs. 10 per share)	91.69	91.69	91.69	91.69	91.69
Reserves excluding Revaluation Reserve					9,013.03
<b>Basic EPS for the period before Extra Ordinary Items ( Rupees )</b>	<b>53.05</b>	<b>67.62</b>	<b>126.33</b>	<b>140.66</b>	<b>289.54</b>
<b>Diluted EPS for the period before Extra Ordinary Items( Rupees )</b>	<b>53.05</b>	<b>67.62</b>	<b>126.33</b>	<b>140.66</b>	<b>289.44</b>
<b>Basic EPS for the period after Extra Ordinary Items( Rupees )</b>	<b>53.05</b>	<b>67.62</b>	<b>126.33</b>	<b>140.66</b>	<b>315.35</b>
<b>Diluted EPS for the period after Extra Ordinary Items ( Rupees )</b>	<b>53.05</b>	<b>67.62</b>	<b>126.33</b>	<b>140.66</b>	<b>315.25</b>

**II. STANDALONE RESULTS :**

Rs. in Crores

	Three Months ended 30th September 2008	Three Months ended 30th September 2007	Six Months ended 30th September 2008	Six Months ended 30th September 2007	Year ended 31st March 2008 (Audited)
<b>Net Sales / Income from Operations</b>	<b>2,685.26</b>	<b>2,477.59</b>	<b>5,263.45</b>	<b>4,895.15</b>	<b>10,215.05</b>
Other Operating Income	15.27	30.79	53.40	50.83	100.26
<b>Total Operating Income</b>	<b>2,700.53</b>	<b>2,508.38</b>	<b>5,316.85</b>	<b>4,945.98</b>	<b>10,315.31</b>
Expenditure :					
- Decrease / ( Increase ) in Stock	(32.15)	(28.05)	(109.82)	(13.30)	(130.22)
- Raw Material Consumed	874.12	670.90	1,592.20	1,297.48	2,828.25
- Purchases of Finished Goods	13.94	24.59	29.39	57.81	97.40
- Payment to & Provision for Employees	146.55	142.81	288.18	259.08	550.07
- Power & Fuel	466.67	348.51	906.47	672.62	1,476.51
- Freight, Handling & Other Expenses	283.32	245.59	580.79	501.56	1,047.88
- Depreciation	106.86	87.53	211.86	172.53	353.27
- Other Expenditure	353.66	288.47	659.21	560.91	1,298.51
<b>Total Expenditure</b>	<b>2,212.97</b>	<b>1,780.35</b>	<b>4,158.28</b>	<b>3,508.69</b>	<b>7,521.67</b>
<b>Profit from Operations before Other Income, Interest &amp; Exceptional Items</b>	<b>487.56</b>	<b>728.03</b>	<b>1,158.57</b>	<b>1,437.29</b>	<b>2,793.64</b>
Other Income	84.38	47.51	142.63	113.12	277.58
<b>Profit Before Interest &amp; Exceptional Items</b>	<b>571.94</b>	<b>775.54</b>	<b>1,301.20</b>	<b>1,550.41</b>	<b>3,071.22</b>
Interest	28.82	27.96	59.28	56.43	107.00
<b>Profit after Interest but before Exceptional Items</b>	<b>543.12</b>	<b>747.58</b>	<b>1,241.92</b>	<b>1,493.98</b>	<b>2,964.22</b>
Write back of provision for diminution in value of Investment					45.68
<b>Profit from Ordinary Activities before Tax</b>	<b>543.12</b>	<b>747.58</b>	<b>1,241.92</b>	<b>1,493.98</b>	<b>3,009.90</b>
Provision for Current Tax	(73.06)	(223.73)	(204.93)	(429.43)	(952.71)
Provision for Deferred Tax	(50.56)	(24.07)	(103.30)	(53.11)	(9.62)
<b>Net Profit from Ordinary Activities after Tax</b>	<b>419.50</b>	<b>499.78</b>	<b>933.69</b>	<b>1,011.44</b>	<b>2,047.57</b>
<b>Extra Ordinary Items:</b>					
Profit on transfer of Textile units at Bhiwani					4.76
Profit on Sale of Shares of a Subsidiary Company					180.27
<b>Net Profit for the period</b>	<b>419.50</b>	<b>499.78</b>	<b>933.69</b>	<b>1,011.44</b>	<b>2,232.60</b>
Paid up Equity Share Capital (Face Value Rs. 10 per share)	91.69	91.69	91.69	91.69	91.69
Reserves excluding Revaluation Reserve					8,040.52
<b>Basic EPS for the period before Extra Ordinary Items ( Rupees )</b>	<b>45.75</b>	<b>54.51</b>	<b>101.83</b>	<b>110.31</b>	<b>223.31</b>
<b>Diluted EPS for the period before Extra Ordinary Items ( Rupees )</b>	<b>45.75</b>	<b>54.51</b>	<b>101.83</b>	<b>110.31</b>	<b>223.24</b>
<b>Basic EPS for the period after Extra Ordinary Items ( Rupees )</b>	<b>45.75</b>	<b>54.51</b>	<b>101.83</b>	<b>110.31</b>	<b>243.49</b>
<b>Diluted EPS for the period after Extra Ordinary Items ( Rupees )</b>	<b>45.75</b>	<b>54.51</b>	<b>101.83</b>	<b>110.31</b>	<b>243.42</b>
<b>Total Public Shareholding*</b>					
- Number of Shares (000's)			56,698	58,441	57,966
- Percentage of Shareholding			61.85%	63.75%	63.23%

\*Total public shareholding as defined under Clause 40 A of the listing agreement(excludes shares held by Promoters and Global Depository Receipt holders)

**III. SEGMENT REPORTING - CONSOLIDATED**

	Rs. in Crores				
	Three Months ended 30th September 2008	Three Months ended 30th September 2007	Six Months ended 30th September 2008	Six Months ended 30th September 2007	Year ended 31st March 2008 ( Audited )
<b>1. SEGMENT REVENUE</b>					
a Fibre & Pulp	825.46	901.07	1,617.69	1,718.29	3,456.61
b Cement	3,034.25	2,600.87	6,159.06	5,426.71	11,782.44
c Sponge Iron	303.58	209.78	552.50	430.61	950.70
d Chemicals	145.29	113.64	271.94	205.98	417.62
e Textiles	95.50	88.25	167.98	146.18	289.62
f Others	138.37	101.71	279.84	197.67	437.76
<b>TOTAL</b>	<b>4,542.45</b>	<b>4,015.32</b>	<b>9,049.01</b>	<b>8,125.44</b>	<b>17,334.75</b>
(Less) : Inter Segment Revenue	(53.33)	(51.43)	(105.35)	(99.35)	(208.35)
<b>Total Operating Income</b>	<b>4,489.12</b>	<b>3,963.89</b>	<b>8,943.66</b>	<b>8,026.09</b>	<b>17,126.40</b>
<b>2. SEGMENT RESULTS</b>					
a Fibre & Pulp	120.85	302.78	293.30	525.06	1,011.53
b Cement	564.84	695.24	1,389.32	1,565.85	3,310.69
c Sponge Iron	23.70	21.21	89.09	47.77	125.55
d Chemicals	44.88	34.37	79.38	56.62	114.01
e Textiles	2.39	(0.34)	2.81	(2.18)	(2.88)
f Others	26.70	22.87	57.02	49.07	103.79
<b>TOTAL</b>	<b>783.36</b>	<b>1,076.13</b>	<b>1,910.92</b>	<b>2,242.19</b>	<b>4,662.69</b>
Add / (Less) :					
Interest	(77.22)	(56.42)	(145.68)	(114.44)	(228.73)
Net Unallocable Income / (Expenditure )	30.60	30.30	61.74	76.81	95.68
Write back of provision for diminution in value of Investment					45.68
<b>Profit before Extra Ordinary Items and Tax Expenses</b>	<b>736.74</b>	<b>1,050.01</b>	<b>1,826.98</b>	<b>2,204.56</b>	<b>4,575.32</b>
<b>3. CAPITAL EMPLOYED</b>					
a Fibre & Pulp			2,517.55	1,622.49	2,108.11
b Cement			14,278.81	10,202.75	12,462.75
c Sponge Iron			543.97	480.83	458.84
d Chemicals			360.46	304.41	332.14
e Textiles			182.06	163.20	172.81
f Others			1,191.24	524.49	674.06
<b>TOTAL</b>			<b>19,074.09</b>	<b>13,298.17</b>	<b>16,208.71</b>
g Unallocated Corporate Capital Employed			434.56	1,424.34	945.71
<b>TOTAL CAPITAL EMPLOYED</b>			<b>19,508.65</b>	<b>14,722.51</b>	<b>17,154.42</b>

**IV. SEGMENT REPORTING - STANDALONE**

	Rs. in Crores				
	Three Months ended 30th September 2008	Three Months ended 30th September 2007	Six Months ended 30th September 2008	Six Months ended 30th September 2007	Year ended 31st March 2008 ( Audited )
<b>1. SEGMENT REVENUE</b>					
a Fibre & Pulp	691.10	790.81	1,335.52	1,497.55	3,010.66
b Cement	1,591.14	1,357.30	3,216.73	2,763.94	5,946.37
c Sponge Iron	303.58	209.78	552.50	430.61	950.70
d Chemicals	145.29	113.64	271.94	205.98	417.62
e Textiles	16.26	88.25	31.92	146.18	173.25
<b>TOTAL</b>	<b>2,747.37</b>	<b>2,559.78</b>	<b>5,408.61</b>	<b>5,044.26</b>	<b>10,498.60</b>
(Less) : Inter Segment Revenue	(46.84)	(51.40)	(91.76)	(98.28)	(183.29)
<b>Total Operating Income</b>	<b>2,700.53</b>	<b>2,508.38</b>	<b>5,316.85</b>	<b>4,945.98</b>	<b>10,315.31</b>
<b>2. SEGMENT RESULTS</b>					
a Fibre & Pulp	120.86	294.68	291.35	530.88	1,012.02
b Cement	316.56	394.78	741.80	839.44	1,677.64
c Sponge Iron	23.70	21.21	89.09	47.77	125.55
d Chemicals	44.88	34.37	79.38	56.62	114.01
e Textiles	0.14	(0.34)	0.85	(2.18)	(0.72)
<b>TOTAL</b>	<b>506.14</b>	<b>744.70</b>	<b>1,202.47</b>	<b>1,472.53</b>	<b>2,928.50</b>
Add / (Less) :					
Interest	(28.82)	(27.96)	(59.28)	(56.43)	(107.00)
Net Unallocable Income / (Expenditure )	65.80	30.84	98.73	77.88	142.72
Write back of provision for diminution in value of Investment					45.68
<b>Profit before Extra Ordinary Items and Tax Expenses</b>	<b>543.12</b>	<b>747.58</b>	<b>1,241.92</b>	<b>1,493.98</b>	<b>3,009.90</b>
<b>3. CAPITAL EMPLOYED</b>					
a Fibre & Pulp			1,914.08	1,358.26	1,681.93
b Cement			6,321.21	3,996.78	5,459.27
c Sponge Iron			543.87	480.83	458.84
d Chemicals			360.46	304.41	332.14
e Textiles			22.30	163.20	23.16
<b>TOTAL</b>			<b>9,161.92</b>	<b>6,303.48</b>	<b>7,955.34</b>
g Unallocated Corporate Capital Employed			3,496.82	4,341.23	3,994.11
<b>TOTAL CAPITAL EMPLOYED</b>			<b>12,658.74</b>	<b>10,644.71</b>	<b>11,949.45</b>

## V. NOTES

- 1 Consolidated Results have been prepared in accordance with Accounting Standard on Consolidated Financial Statements (AS-21), Accounting Standard on Accounting for Investments in Associates (AS-23) and Accounting Standard on Financial Reporting of Interest in Joint Ventures (AS-27) issued by the Institute of Chartered Accountants of India (ICAI).
- 2 Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organisational structure as well as differential risks and return of these segments. Details of products included in each of the segments are as under:

Fibre & Pulp	- Viscose Staple Fibre & Wood Pulp
Cement	- Grey & White Cement
Sponge Iron	- Sponge Iron
Chemicals	- Caustic Soda & Allied Chemicals
Textiles	- Fabric & Yarn ( Refer note 7(a) and (b) below)
Others	- Mainly Telecom (in consolidated results)
- 3 No investor complaint was pending at the beginning of the quarter. During the quarter, five complaints were received, which have been attended by the company and no complaints were pending at the end of the quarter.
- 4 The matter of implementation of the Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 to transfer Company's sponge iron business to it's subsidiary Vikram Sponge Iron Ltd., as reported in previous quarter, is progressing. The equity shareholders, secured creditors (including debenture holders) and the unsecured creditors of the company have approved the Scheme unanimously at their respective court convened meetings held on 13th October, 2008. Company Petitions have been filed by both the Companies in the Hon'ble High Court of Madhya Pradesh, Indore Bench for seeking its approval for the Scheme.
- 5 During the Quarter, the Company has started commercial production of clinker from expansion line at Aditya Cement, Shambhupura, of cement from grinding unit at Dadri and power from Thermal Power Plants at Grasim Cement, Raipur and Vikram Cement, Khor.
- 6 The company has revised estimated useful life of some of the assets, on account of which depreciation is higher by Rs 3.66 Crs for three months ended 30th September, 2008 and by Rs. 12.66 Crs for six months ended 30th September, 2008.
- 7 (a) The standalone financial results of the company for three/ six months ended 30th September, 2008 do not include the financial results of the erstwhile textile units at Bhiwani, as the same have been transferred to Grasim Bhiwani Textiles Ltd. (GBTL), a subsidiary of the company, w.e.f. 1st October, 2007. The impact of the same is not material on the company's standalone financial results for three months ended 30th September, 2008.
- (b) The financial results of GBTL for three/ six months ended 30th September 2008 are included in the consolidated financial results of the Company for the said period of three months/ six months.
- 8 The consolidated financial results of the company for three/ six months ended 30th September, 2008 do not include the financial results of Shree Digvijay Cement Company Ltd. (SDCCL), as it ceased to be a subsidiary of the company w.e.f. 25th March, 2008. The net profit (after minority share) of SDCCL included in the company's consolidated net profit for the three and six months ended 30th September, 2007 were Rs. 0.81 Crs and Rs.8.90 Crs respectively.
- 9 Previous period's figures have been regrouped / rearranged wherever necessary to conform to the current period's classification.
- 10 The above Unaudited results for the quarter ended 30th September, 2008 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at the meeting held on 23rd October, 2008. The limited review, as required under Clause 41 of Listing Agreement has been completed by the auditors of the Company and the related report is being submitted to the concerned Stock Exchanges.

For and on behalf of Board of Directors

Place : Mumbai  
Date : 23rd October, 2008

**D. D. Rathi**  
Whole-time Director

### GRASIM INDUSTRIES LIMITED

Regd. Office: Birlagram, Nagda 456 331 (M.P.)

*An Aditya Birla Group Company*

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