



**UNAUDITED FINANCIAL RESULTS
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2010**

I. CONSOLIDATED RESULTS :

Rs in Crores

Particulars	Three Months Ended 30 th Sept'10	Three Months Ended 30 th Sept'09	Six Months Ended 30 th Sept'10	Six Months Ended 30 th Sept'09	Year Ended 31 st Mar.'10 (Audited)
Net Sales / Income from Operations	4,438.97	4,674.39	9,494.16	9,757.62	19,933.36
Other Operating Income	64.46	67.06	127.77	117.56	261.35
Total Operating Income	4,503.43	4,741.45	9,621.93	9,875.18	20,194.71
Expenditure :					
- Decrease / (Increase) in stock in trade and work in progress	(23.07)	(115.88)	(163.14)	(59.12)	(22.02)
- Raw Material Consumed	952.58	820.67	1,956.59	1,767.47	3,624.49
- Purchases of Finished Goods	35.71	41.70	64.66	71.67	139.23
- Payment to and Provision for Employees	309.92	254.54	586.25	514.83	1,064.65
- Power and Fuel Cost	981.34	824.32	2,003.65	1,682.61	3,522.36
- Freight and Handling Expenses	684.69	653.66	1,473.95	1,320.66	2,749.13
- Depreciation	272.73	242.35	539.89	482.34	994.71
- Other Expenditure	776.71	714.64	1,547.10	1,401.00	3,068.16
Total Expenditure	3,990.61	3,436.00	8,008.95	7,181.46	15,140.71
Profit from Operations before Other Income and Interest	512.82	1,305.45	1,612.98	2,693.72	5,054.00
Other Income	98.01	82.58	194.34	135.01	273.56
Profit Before Interest and Tax	610.83	1,388.03	1,807.32	2,828.73	5,327.56
Interest	97.43	83.12	188.66	165.44	334.55
Profit from Ordinary Activities before Tax	513.40	1,304.91	1,618.66	2,663.29	4,993.01
Tax Expense	150.75	423.07	470.60	863.94	1,570.48
Net Profit from Ordinary Activities after Tax	362.65	881.84	1,148.06	1,799.35	3,422.53
Extraordinary Item :					
Profit (Net of Tax) on Sale of Sponge Iron unit	-	-	-	336.07	336.07
Net Profit (before profit of Associates and adjustment for Minority Interest)	362.65	881.84	1,148.06	2,135.42	3,758.60
Add : Share in Profit of Associates	7.49	10.66	18.66	27.26	51.05
Less : Minority Share	46.78	111.73	268.30	301.88	714.12
Net Profit	323.36	780.77	898.42	1,860.80	3,095.53
Paid up Equity Share Capital (Face Value Rs. 10 per share)	91.70	91.69	91.70	91.69	91.70
Reserves					12,382.66
Basic EPS for the period before Extraordinary Item (Rs.)	35.26	85.15	97.98	166.29	300.94
Diluted EPS for the period before Extraordinary Item (Rs.)	35.25	85.13	97.94	166.26	300.83
Basic EPS for the period after Extraordinary Item (Rs.)	35.26	85.15	97.98	202.95	337.60
Diluted EPS for the period after Extraordinary Item (Rs.)	35.25	85.13	97.94	202.90	337.47
Total Public Shareholding					
- Number of Shares (000's)	58,219	58,824	58,219	58,824	58,401
- Percentage of Shareholding	63.50%	64.17%	63.50%	64.17%	63.70%
Promoter & promoter group shareholding					
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)	23,381	23,089	23,381	23,089	23,381
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of Shares (as a % of the total share capital of the Company)	25.50%	25.19%	25.50%	25.19%	25.50%

II. STANDALONE RESULTS :
Rs. in Crores

Particulars	Three Months Ended 30 th Sept.'10	Three Months Ended 30 th Sept.'09	Six Months Ended 30 th Sept.'10	Six Months Ended 30 th Sept.'09	Year Ended 31 st Mar.'10 (Audited)
Net Sales / Income from Operations	932.64	2,982.63	1,877.56	6,038.29	8,172.11
Other Operating Income	29.87	41.50	49.42	75.42	140.51
Total Operating Income	962.51	3,024.13	1,926.98	6,113.71	8,312.62
Expenditure :					
- Decrease / (Increase) in stock in trade and work in progress	(20.33)	(48.87)	(40.14)	(8.70)	10.98
- Raw Material Consumed	408.76	602.95	821.86	1,334.76	2,168.07
- Purchases of Finished Goods	-	16.82	-	30.91	30.91
- Payment to and Provision for Employees	82.69	160.34	153.23	328.62	480.93
- Power and Fuel Cost	113.27	479.65	219.00	930.41	1,165.64
- Freight and Handling Expenses	10.62	353.49	22.46	703.96	729.41
- Depreciation	45.31	135.89	89.78	272.88	351.14
- Other Expenditure	73.85	400.45	136.19	815.24	989.62
Total Expenditure	714.17	2,100.72	1,402.38	4,408.08	5,926.70
Profit from Operations before Other Income and Interest	248.34	923.41	524.60	1,705.63	2,385.92
Other Income	132.39	100.00	172.17	128.05	235.25
Profit Before Interest and Tax	380.73	1,023.41	696.77	1,833.68	2,621.17
Interest	10.28	50.53	20.51	98.05	120.39
Profit from Ordinary Activities before Tax	370.45	972.88	676.26	1,735.63	2,500.78
Tax Expenses	90.83	298.63	172.81	530.86	744.75
Net Profit from Ordinary Activities after Tax	279.62	674.25	503.45	1,204.77	1,756.03
Extraordinary Item:					
Profit (Net of Tax) on Sale of Sponge Iron unit	-	-	-	336.07	336.07
Net Profit	279.62	674.25	503.45	1,540.84	2,092.10
Paid up Equity Share Capital (Face Value Rs. 10 per share)	91.70	91.69	91.70	91.69	91.70
Reserves					7,044.16
Basic EPS for the period before Extraordinary Item (Rs)	30.49	73.54	54.90	131.40	191.51
Diluted EPS for the period before Extraordinary Item (Rs)	30.48	73.52	54.88	131.37	191.44
Basic EPS for the period after Extraordinary Item (Rs)	30.49	73.54	54.90	168.05	228.16
Diluted EPS for the period after Extraordinary Item (Rs)	30.48	73.52	54.88	168.01	228.08
Total Public Shareholding					
- Number of Shares (000's)	58,219	58,824	58,219	58,824	58,401
- Percentage of Shareholding	63.50%	64.17%	63.50%	64.17%	63.70%
Promoter and promoter group shareholding					
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)	23,381	23,089	23,381	23,089	23,381
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of Shares (as a % of the total share capital of the Company)	25.50%	25.19%	25.50%	25.19%	25.50%

III. SEGMENT REPORTING - CONSOLIDATED

Rs. in Crores

Particulars	Three Months Ended 30th Sept.'10	Three Months Ended 30th Sept.'09	Six Months Ended 30th Sept.'10	Six Months Ended 30th Sept.'09	Year Ended 31st Mar.'10 (Audited)
1. SEGMENT REVENUE					
a Viscose Staple Fibre and Wood Pulp	1,017.61	937.82	1,985.23	1,744.14	3,940.18
b Cement - Grey,White and Allied Products	3,284.51	3,614.49	7,258.14	7,675.90	15,474.91
c Sponge Iron *	-	-	-	110.77	110.77
d Chemicals - Caustic Soda and Allied Chemicals	120.04	131.28	238.67	251.46	492.80
e Textiles - Fabric and Yarn	117.87	101.71	211.22	174.28	350.60
f Others #	0.25	0.22	0.47	0.45	0.88
TOTAL	4,540.28	4,785.52	9,693.73	9,957.00	20,370.14
(Less) : Inter Segment Revenue	(36.85)	(44.07)	(71.80)	(81.82)	(175.43)
Total Operating Income	4,503.43	4,741.45	9,621.93	9,875.18	20,194.71
2. SEGMENT RESULTS					
a Viscose Staple Fibre and Wood Pulp	284.66	321.66	565.60	459.74	1,194.79
b Cement - Grey,White and Allied Products	225.86	972.80	1,057.22	2,260.35	3,907.67
c Sponge Iron *	-	-	-	(43.90)	(43.90)
d Chemicals - Caustic Soda and Allied Chemicals	23.70	27.81	46.35	56.03	92.80
e Textiles - Fabric and Yarn	4.59	4.49	8.58	7.73	15.46
f Others #	0.48	2.77	0.87	2.97	3.71
TOTAL	539.29	1,329.53	1,678.62	2,742.92	5,170.53
Add / (Less) :					
Interest	(97.43)	(83.12)	(188.66)	(165.44)	(334.55)
Net Unallocable Income / (Expenditure)	71.54	58.50	128.70	85.81	157.03
Profit before Extraordinary Item and Tax Expenses	513.40	1,304.91	1,618.66	2,663.29	4,993.01
3. CAPITAL EMPLOYED					
a Viscose Staple Fibre and Wood Pulp	2,468.22	2,208.52	2,468.22	2,208.52	2,415.39
b Cement - Grey,White and Allied Products	16,123.81	14,784.75	16,123.81	14,784.75	14,329.71
c Sponge Iron *	-	-	-	-	-
d Chemicals - Caustic Soda and Allied Chemicals	422.20	395.66	422.20	395.66	408.58
e Textiles - Fabric and Yarn	182.43	176.90	182.43	176.90	175.76
f Others #	25.44	24.16	25.44	24.16	24.72
TOTAL	19,222.10	17,589.99	19,222.10	17,589.99	17,354.16
Unallocated Corporate Capital Employed	6,714.82	4,635.51	6,714.82	4,635.51	6,530.25
TOTAL CAPITAL EMPLOYED	25,936.92	22,225.50	25,936.92	22,225.50	23,884.41

* Sponge Iron unit has been sold w.e.f. 22nd May, 2009.

Others' segment represents insignificant business segments not separately reportable

IV. SEGMENT REPORTING - STANDALONE
Rs. in Crores

Particulars	Three Months Ended 30 th Sept. '10	Three Months Ended 30 th Sept. '09	Six Months Ended 30 th Sept. '10	Six Months Ended 30 th Sept. '09	Year Ended 31 st Mar. '10 (Audited)
1. SEGMENT REVENUE					
a Viscose Staple Fibre	855.50	850.86	1,711.63	1,567.07	3,574.15
b Cement - Grey, White and Allied Products *	-	2,064.21	-	4,220.59	4,220.59
c Sponge Iron **	-	-	-	110.77	110.77
d Chemicals - Caustic Soda and Allied Chemicals	120.02	131.28	238.67	251.46	492.80
e Textiles - Yarn	17.81	15.52	36.41	31.33	63.02
TOTAL	993.33	3,061.87	1,986.71	6,181.22	8,461.33
(Less) : Inter Segment Revenue	(30.82)	(37.74)	(59.73)	(67.51)	(148.71)
Total Operating Income	962.51	3,024.13	1,926.98	6,113.71	8,312.62
2. SEGMENT RESULTS					
a Viscose Staple Fibre	246.11	327.19	524.09	497.22	1,203.98
b Cement - Grey, White and Allied Products *	-	584.14	-	1,227.97	1,227.97
c Sponge Iron **	-	-	-	(43.90)	(43.90)
d Chemicals - Caustic Soda and Allied Chemicals	23.70	27.81	46.35	56.03	92.80
e Textiles - Yarn	0.90	0.79	2.15	1.59	4.58
TOTAL	270.71	939.93	572.59	1,738.91	2,485.43
Add / (Less) :					
Interest	(10.28)	(50.53)	(20.51)	(98.05)	(120.39)
Net Unallocable Income / (Expenditure)	110.02	83.48	124.18	94.77	135.74
Profit before Extraordinary Item and Tax Expenses	370.45	972.88	676.26	1,735.63	2,500.78
3. CAPITAL EMPLOYED					
a Viscose Staple Fibre	1,760.52	1,576.03	1,760.52	1,576.03	1,741.99
b Cement - Grey, White and Allied Products *	-	6,971.54	-	6,971.54	-
c Sponge Iron **	-	-	-	-	-
d Chemicals - Caustic Soda and Allied Chemicals	422.20	395.66	422.20	395.66	408.58
e Textiles - Yarn	19.31	21.46	19.31	21.46	24.69
TOTAL	2,202.03	8,964.69	2,202.03	8,964.69	2,175.26
Unallocated Corporate Capital Employed	6,538.46	6,048.03	6,538.46	6,048.03	6,259.89
TOTAL CAPITAL EMPLOYED	8,740.49	15,012.72	8,740.49	15,012.72	8,435.15

* Cement Business has been demerged into Samruddhi Cement Limited (a subsidiary of the Company) w.e.f. 1st October, 2009.

** Sponge Iron unit has been sold w.e.f. 22nd May, 2009.

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NOTES

1. Samruddhi Cement Limited (SCL), a subsidiary of the Company, into which the erstwhile Cement Business of the Company was demerged w.e.f. 1st October, 2009 has been amalgamated with UltraTech Cement Ltd. (UltraTech), another subsidiary of the Company, w.e.f. 1st July, 2010. Accordingly, the shareholders of SCL have been issued shares by UltraTech in lieu of shares of SCL. As a result, the shareholders of the Company have direct participation in UltraTech and also shareholding of the Company in UltraTech stand increased to 60.34%. The Net Profit (after Minority Share) for the quarter and half year ended 30th September, 2010 is therefore not strictly comparable with that of the corresponding periods of the previous year.
2. UltraTech's wholly-owned subsidiary 'UltraTech Cement Middle East Investments Limited', has completed the acquisition of ETA Star Cement (Star) and has acquired management control of its operations in the UAE, Bahrain and Bangladesh.
3. The operations at the Company's Viscose Staple Fibre Plant at Nagda which were suspended in the previous quarter (from 31st May, 2010) on account of water shortage, have been resumed fully with effect from 26th July, 2010. The Chemical plant at Nagda, which was operating at lower capacity during the above period, has also resumed normal operations.
4. 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: www.grasim.com and www.adityabirla.com.
b. Key numbers of Stand-alone Financial Results of the Company for the quarter and half year ended 30th September, 2010 are as under:

Rs. in Crores

	Quarter Ended			Half Year Ended		
	30 th Sept'10	30 th Sept'09*		30 th Sept'10	30 th Sept'09*	
		Reported	Restated		Reported	Restated
Total Operating Income	962.51	3,024.13	959.92	1,926.98	6,113.71	1,782.35
Profit from Ordinary Activities before Tax	370.45	972.88	425.01	676.26	1,735.63	623.32
Profit from Ordinary Activities after Tax	279.62	674.25	294.83	503.45	1,204.77	432.78

*** The reported numbers for the quarter and half year ended 30th September, 2009 are not comparable as the same includes 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. For better comparison the restated results for the quarter and half year ended 30th September, 2009 have also been given excluding the results of the Sponge Iron and Cement Businesses.**

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5. a) During the quarter, the Company has allotted 1,441 fully paid up equity shares of Rs.10 each upon exercise of stock options granted under the Employee Stock Options Scheme, 2006 (ESOS-2006).
- b) On 30th August, 2010, the Company has granted 71,297 stock options to certain eligible Officers / Whole Time Directors of the Company as per ESOS - 2006.
6. Statement of Assets and Liabilities as on 30th September, 2010:

Rs. in Crores

Particulars	Standalone (Unaudited)*		Consolidated (Unaudited)	
	30th Sept'10	30th Sept'09	30th Sept'10	30th Sept'09 **
SOURCES OF FUNDS				
<u>Shareholders' Funds:</u>				
Share Capital	91.70	91.69	91.70	91.69
Other Share Capital	-	-	36.03	36.94
Employee Stock Option Outstanding	9.55	11.79	14.15	13.71
Reserves and Surplus	7,547.95	10,913.48	13,239.34	13,253.92
Minority Interest	-	-	3,970.75	1,943.08
Loan Funds	837.52	3,003.74	6,567.11	5,082.54
Deferred Tax Liabilities (Net)	253.77	992.02	2,017.84	1,803.62
TOTAL	8,740.49	15,012.72	25,936.92	22,225.50
APPLICATION OF FUNDS				
Fixed Assets	1,796.55	8,312.73	15,458.18	14,149.44
Investments	6,178.67	5,816.55	6,631.94	4,618.82
Goodwill	-	-	2,389.34	2,000.98
<u>Current Assets:</u>				
Inventories	553.50	1,077.87	2,888.29	2,111.68
Sundry Debtors	360.93	595.10	1,177.80	903.12
Cash and Bank Balances	33.10	225.95	451.63	355.38
Loans and Advances	564.83	1,129.22	1,427.86	1,495.44
<u>Less: Current Liabilities and Provisions</u>				
Current Liabilities	424.11	1,778.12	3,642.14	2,919.42
Provisions	322.98	366.58	845.98	489.94
<u>Net Current Assets:</u>				
TOTAL	8,740.49	15,012.72	25,936.92	22,225.50

* Stand-alone Statement of Assets and Liabilities as on 30th September, 2010 is not comparable with that as on 30th September, 2009 on account of the demerger of the Cement Business of the Company w.e.f. 1st October, 2009.

** Not reviewed by the Statutory Auditors

7. Previous period's figures have been regrouped / rearranged wherever necessary to conform to the current period's classification.

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8. The status of investors' complaints is as under :
Opening - 0, Received - 10, Resolved - 10, Closing – 0
9. The above Unaudited financial results for the quarter and half year ended 30th September, 2010 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their respective meetings held on 28th October, 2010. The limited review, as required under Clause 41 of the 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 : 28th October, 2010

Adesh Gupta
Whole-Time Director & CFO

GRASIM INDUSTRIES LIMITED
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An Aditya Birla Group Company
www.grasim.com and www.adityabirla.com