



August 4, 2004

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BY AIR MAIL

Securities & Exchange Commission
Division of Corporate Finance
450, Fifth Street
Washington DC 20459
USA

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OFFICE OF INTERMEDIATE
CORPORATE FINANCE

Dear Sir,

We write this to inform you that due to the flash floods in Bharuch and Surat Districts, the overflow of river Kim which is passing by the side of our Birla Cellulosic Plant at Kharach (Gujarat) has flooded some areas of our said Plant. As a result, we had to shutdown the operations of the said Plant today. As soon as the water recedes, the operations will be resumed after required repairs to the Plant & Machinery. All properties are duly covered under Flood Risk Insurance including "Loss of Profit". This suspension of operation is not likely to impact Company's overall profitability.

Thanking you,

Yours faithfully,

Ashok Malu
Ashok Malu
Company Secretary

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GRASIM INDUSTRIES LIMITED

(Corporate Finance Division)