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OFFICE OF INTERNAL
CORPORATE FINANCE

July 7, 2008

BY AIR MAIL

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

082-03322

SUPL

Dear Sirs,

As informed to the Stock Exchanges on 10th June, 2008, the Board of Directors of the Company had approved the transfer/ sale of its Sponge Iron Manufacturing Unit "Vikram Ispat", situated at Village: Salav, District: Raigad, Maharashtra ("Business Undertaking"), to a subsidiary to be formed, by way of "Slump Sale" pursuant to a Scheme of Arrangement to be sanctioned by the Court under Sections 391-394 of the Companies Act, 1956.

This is further to inform you that the Company has incorporated a new subsidiary "Vikram Sponge Iron Limited" for the said transfer of the Business Undertaking by way of "Slump Sale".

Thanking you,

Yours faithfully,

Ashok Malu

Ashok Malu
Company Secretary

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GRASIM INDUSTRIES LIMITED

(Corporate Finance Division)

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