



ADITYA BIRLA CHEMICALS (INDIA) LIMITED TO MERGE WITH GRASIM INDUSTRIES LIMITED

The Board of Directors of Grasim Industries Limited (“Grasim”) today approved the proposed merger of Aditya Birla Chemicals (India) Limited (“ABCIL”), an Aditya Birla Group Company with Grasim. The swap ratio approved by the Board is 1 (one) share of Rs. 10 each of Grasim for every 16 (sixteen) shares of Rs. 10 each of ABCIL.

Grasim will issue 14.62 Lakh new shares, which will increase its share capital to Rs. 93.31 crore.

Grasim is the leading manufacturer of caustic soda in India, with an installed capacity of ~ 452,500 tons per annum. Its plants are located at Nagda (Madhya Pradesh) and a unit which was recently commissioned at Vilayat (Gujarat). Caustic Soda is inter-alia used as an input in the manufacturing of viscose staple fibre, which is a major business of Grasim.

ABCIL is one of the leading Chlor-Alkali companies in India with three manufacturing plants located at Rehla (Jharkhand), Renukoot (U.P.) and Karwar (Karnataka) with an installed capacity of ~293,000 tons of caustic soda per annum and 110 MW of captive power plant.

The proposed merger will consolidate Aditya Birla Group’s Chlor – Alkali business into Grasim and strengthen its existing portfolio of viscose staple fibre, caustic soda and allied chemicals in Standalone company. The merger will enable the geographical diversification for Grasim through the addition of ABCIL’s manufacturing facilities spread across the country. It also enables the business to capitalize growth opportunities by bringing in operational and financial synergies, backed by Grasim’s strength. The consolidation is in line with Aditya Birla Group’s philosophy to unify similar business in one company.

Scheme of Amalgamation:

The proposed merger will be undertaken through a Court approved Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 read with other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013.

Walker Chandio & Co LLP, has recommended the share exchange ratio, which has been accepted by the Board. Axis Capital Ltd has provided a fairness opinion to the Board of Grasim on the share exchange ratio recommended by the independent valuer. Khaitan & Co. is the legal advisor to the transaction.

The proposed Scheme of Amalgamation will be subject to the approvals of the High Court, Competition Commission of India, Stock Exchange, Shareholders and lenders / creditors, statutory and other regulatory approvals, if any.

GRASIM INDUSTRIES LIMITED

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