



Ref. No. GIL/CFD/SEC/18/076/SE

12th December 2017

BSE Limited
Department of Corporate Services
1st Floor, New Trading Wing,
Rotunda Building, P.J. Towers, Dalal Street,
Fort, Mumbai – 400 001

The Secretary
National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051

Dear Sir,

Sub: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

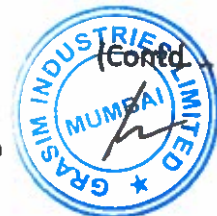
Ref: Right to Manage and Operate the Viscose Filament Yarn Business of Century Textiles and Industries Limited ("CTIL")

Scrip Code: BSE 500300/ Symbol: NSE – GRASIM

The Board of Directors of the Company ("Board") at their meeting held today have considered and approved an arrangement with CTIL, involving the grant by CTIL to the Company, of the right and responsibility to manage, operate, use and control the Viscose Filament Yarn Business of CTIL (without CTIL transferring the underlying immovable and movable assets (other than current assets)), which comprises the manufacturing and sale of viscose filament yarn (including pot spun yarn and continuous spun yarn), rayon tyre cord and chemicals including caustic soda, sodium sulphide, sulphuric acid, carbon-disulphide, liquid chlorine, hydrochloric acid and compressed hydrogen M3 ("VFY Business"), for a duration of 15 (fifteen) years, for a commuted royalty of INR 600,00,00,000 (Indian Rupees Six Hundred Crore) to be paid by the Company to CTIL ("Right to Manage and Operate"). The Company shall also provide CTIL with INR 200,00,00,000 (Indian Rupees Two Hundred Crore) as an interest-free, refundable, security deposit, and pay to CTIL consideration for the transfer of CTIL's working capital to the Company, at actuals.

In this regard, the Board has approved of the execution of an agreement with CTIL ("Agreement"). The grant of the Right to Manage and Operate the VFY Business is subject to fulfillment of certain conditions, including approval of lenders.

As a part of the Right to Manage and Operate the VFY Business, CTIL shall grant the Company the right to use its manufacturing operations situated at Murbad Road, Shahad – 421 103 Dist. Thane, Maharashtra India having installed capacity of 25,000 TPA, and the underlying lands. CTIL shall continue to remain the owner thereof. Post completion of the tenure of the Agreement, CTIL shall resume operations of the VFY Business. The risks and rewards, and the profits and losses emanating from the operation of the VFY Business shall be to the Company's account for the duration of the Agreement.



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As a direct consequence of the grant of the Right to Manage and Operate the VFY Business to the Company, the Company shall increase its production capacity with respect to viscose filament yarn from its existing capacity of 21,300 TPA (utilised capacity of 21,300 TPA) to 46,300 TPA. The Company shall finance this mainly through internal accruals. The date of effectiveness of the proposed capacity addition is expected to be on or before 12th February, 2018, subject to fulfilment of certain conditions, and in any event not later than 12 (twelve) months from the date of execution of the Agreement.

The Company and CTIL are not related parties and accordingly, this is not a related party transaction.

The meeting commenced at 4:00 p.m. and concluded at 5:50 p.m.

The above is for your information and record.

Thank you,

Yours faithfully,
For Grasim Industries Limited

A handwritten signature in black ink, appearing to read "Hutokshi Wadia".

Hutokshi Wadia
President & Company Secretary



CC: Luxembourg Stock Exchange
Market & Surveillance Dept.,
P.O. Box 165, L-2011 Luxembourg,
Grand Duchy of Luxembourg, EUROPE

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