



Ref No: GIL/CFD/SEC/19/146/SE

22<sup>nd</sup> October 2019

**BSE Limited**  
Dalal Street,  
Phiroze Jeejeebhoy Towers,  
Mumbai 400 001  
**Scrip Code: 500300**

**The National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai 400 051.  
**Symbol: GRASIM**

Dear Sirs,

**Sub: Intimation of Execution of Joint Venture Agreement**

With reference to the captioned subject and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations] we would like to inform you that the Company has today, i.e. 22<sup>nd</sup> October 2019, executed a Joint Venture Agreement with Maschinenfabrik Reinhausen GmbH ("MR").

The disclosure as required under Schedule III of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2015 is attached as Annexure '1' to this letter.

Thank you.

Yours faithfully,

For Grasim Industries Limited

**Hutokshi Wadia**  
**President & Company Secretary**



Encl: as above

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

**Citi Bank N.A.**  
Depositary Receipt Services  
388 Greenwich Street,  
14<sup>th</sup> Floor, New York,  
NY 10013

**Citi Bank N.A.**  
Custodial Services  
FIFC, 11<sup>th</sup> Floor, C-54 & 55, G Block  
Bandra Kurla Complex  
Bandra (East), Mumbai 400 051



## PRESS RELEASE

### Grasim announces formation of JVC – Aditya Birla Power Composites Limited

Grasim Industries Limited (“Grasim”) today signed a definitive agreement to form a Joint Venture Company (JVC) in India with Maschinenfabrik Reinhausen GmbH (“MR”) of Germany for the manufacturing and sale of Composite Hollow Core Insulators (“CHCI”) to serve the Power Transmission & Distribution industry globally. The JVC, Aditya Birla Power Composites Limited (“ABPCL”), will set up a state-of-the-art CHCI manufacturing plant at Halol, Gujarat, India.

This joint venture brings together Aditya Birla Insulators (a unit of Grasim), the 3<sup>rd</sup> largest global Porcelain Insulator player and Reinhausen Power Composites (a Unit of MR), the 2<sup>nd</sup> largest Hollow Composite Insulator player globally, with over five decades of combined experience in the insulator industry. ABPCL will build a fully integrated CHCI plant at Halol, bringing the latest technology for Composite Hollow Insulators from Europe. It will serve the insulator requirements of Indian and global OEMs in the Power Equipment industry, helping them to enhance their product proposition for the T&D Utilities worldwide.

Composite Hollow Core insulators is the fastest growing segment of insulators, and improves the performance as well as safety of Power Equipment. This facility will be the first such large scale plant for this range of products in India and will be the largest such plant outside of China.

Mr. Kalyan Ram Madabhushi, CEO – Global Chemicals and Group Business Head– Fertilisers and Insulators, Aditya Birla Group says, “As an Insulating Solutions provider to Power Industry for over 50 years, this venture is a natural next step for Grasim to expand into the Composite Hollow Insulator segment and we are happy to partner with the global quality leader in this segment, MR. Through cutting-edge technology and world class manufacturing, this JV will offer high-end competitive, innovative and sustainable solutions to our customers globally, and reaffirms our commitment to Make-in-India to serve the world”.

Dr. Nicolas Maier-Scheubeck, CEO of the Reinhausen Group says, “We look forward to expanding our presence to India, which is not just an attractive market but also a very competitive location for manufacturing such a high quality product. We are delighted to partner with such a large and reputed group, the Aditya Birla Group, for this venture, sharing our focus on quality and customer performance”.



## **About Grasim**

Grasim Industries Limited, a flagship company of the US\$ 48.3 Billion the Aditya Birla Group, ranks amongst the top publicly listed companies in India. Incorporated in 1947, it started as a textiles manufacturer in India. Today, it has evolved into a leading diversified player with leadership presence across many sectors. It is a leading global producer of Viscose Staple Fibre, the largest Chlor-Alkali, Linen and Insulators player in India. Through its subsidiaries, UltraTech Cement and Aditya Birla Capital, it is also the India's largest cement producer and a leading diversified financial services player. At Grasim, there is an endeavor to create sustainable value for 24,000+ employees, 230,000+ shareholders, society and customers. The company reported consolidated net revenue of over US\$ 10 Billion and EBITDA of over US\$ 1.8 Billion in FY 2019.

## **About MR**

Maschinenfabrik Reinhausen GmbH, which was founded in 1868, is a fifth generation family-owned company from Germany. With 42 subsidiaries and now 7 affiliated companies, MR has enjoyed success in global niches of electrical energy applications. The attractiveness of the company is highlighted by its numerous awards, including the Great Place to Work Award, the Innovation Award of the German Economy and the Industry 4.0 Award, and is EFQM Recognized for Excellence 5 Star. It is the global leader for power transformer automation and control solutions, while 50% of the electricity generated worldwide flows through MR products. It is also the leading global player for CHCI outside China and known for its cutting edge technology. With 3,400 employees, MR generated a revenue of EUR 750 Million in 2018.

**Mumbai, 22<sup>nd</sup> October 2019**



### **Grasim Industries Limited**

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**Regd. Office** : Birlagram, Nagda – 456 331 (M.P.)



**Annexure-1**

Sr.No.	Particulars	
a)	Name(s) of parties with whom the agreement is entered	Grasim Industries Limited (" <b>Grasim</b> ") and Maschinenfabrik Reinhausen GmbH (" <b>MR</b> ")
b)	Purpose of entering into the agreement	The parties have entered into joint venture agreement to form a joint venture company for undertaking the business of manufacture and sale of Composite Hollow Core Insulators (" <b>CHCI</b> "). Aditya Birla Power Composites Limited (" <b>ABPCL</b> "), currently 100% subsidiary of Grasim will become joint venture company and will set up a state-of-the-art CHCI manufacturing plant at Halol, Gujarat, India at a project cost of Rs. 100 crore, over next 3 to 5 years.
c)	Shareholding, if any, in the entity with whom the agreement is executed	<ul style="list-style-type: none"> <li>➤ Grasim does not have any shareholding in MR or its Group Companies.</li> <li>➤ The proposed shareholding of the joint venture company is as under:               <ol style="list-style-type: none"> <li>1. Grasim - 51%</li> <li>2. MR – 49%</li> </ol> </li> </ul>
d)	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	<ul style="list-style-type: none"> <li>➤ Grasim has a right to nominate 3 directors and MR has a right to appoint 2 directors on the board of the joint venture company</li> <li>➤ Unanimous consent of both Grasim and MR would be required for issue of equity shares, preference shares, warrants, options or other securities, convertible or exchangeable into shares.</li> <li>➤ Standard clauses on exit, ROFR, tag-along and drag-along rights have been incorporated in the joint venture agreement.</li> </ul>
e)	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	No





Sr.No.	Particulars	
f)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	No
g)	In case of issuance of shares to the parties, details of issue price, class of shares issued	The joint venture company equity shares will be issued to the parties at fair value, as per applicable law.
h)	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc	<ul style="list-style-type: none"> <li>➤ Nominee Directors as stated in (d) above.</li> <li>➤ No potential conflict of interest arising out of this agreement.</li> </ul>
i)	In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): a) name of parties to the agreement; b) nature of the agreement; c) date of execution of the agreement; d) details of amendment and impact thereof or reasons of termination and impact thereof.	<ul style="list-style-type: none"> <li>➤ Not Applicable</li> </ul>



**Grasim Industries Limited**

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