



ABCIL/Secy/SEs/2011-12/

April 16, 2011

To,

Mr. S. Subramanian
DCS-CRD
Bombay Stock Exchange Ltd.,
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Mumbai – 400 001.
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Mr. Hari K
Asst. Vice President (Listing)
National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra-Kurla Complex,
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Mumbai – 400 051
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Dear Sirs,

Re : Corporate Announcement

Please take note that in an urgent meeting of Board of Directors of the Company Aditya Birla Chemicals (India) Limited, called with the consent of all Directors of the Company, held today 16th April 2011 and the Board of Directors of the Company approved acquisition of Chloro Chemicals Division from Kanoria Chemicals & Industries Limited on slump sale basis for a cash consideration of Rs.830 crores, subject to necessary approvals and formalities.

We are attaching a press release containing details of the transaction, for your reference.

Please acknowledge.

Thanking you,

Yours faithfully,

For Aditya Birla Chemicals (India) Ltd.,
(Formerly Bihar Caustic & Chemicals Ltd.)


(Akash Mishra)

Company Secretary

Encl : As above.

ADITYA BIRLA CHEMICALS (INDIA) LIMITED
(formerly : Bihar Caustic & Chemicals Limited)

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PRESS RELEASE

April 16, 2011

Aditya Birla Chemicals (India) Limited acquires Chloro Chemicals Division of Kanoria Chemicals & Industries Limited

*** Compelling strategic fit * Acquisition cost Rs.830 crores**

*** Capacity enhancement 105,000 tpa to 220,000 tpa. *Significant operational synergies**

The Board of Directors of Aditya Birla Chemicals (India) Limited ("ABCIL"), a company of the Aditya Birla Group, today approved the acquisition of the Chloro Chemicals Division ("CCD") of Kanoria Chemicals & Industries Limited ("KCIL") for a cash consideration of Rs.830 crores. ABCIL is currently a chlor alkali producer with its plant located at Rehla in the State of Jharkhand. This transaction takes ABCIL to a higher growth trajectory.

CCD is a state of art facility located at Renukoot, Uttar Pradesh, manufacturing Chlor-Alkalis, Chlorine derivatives and water treatment chemicals. The current annual capacity of caustic soda at the facility is 115,000 tons per annum. CCD is highly cost competitive, driven by strengths of the latest manufacturing technology, captive power plants with coal linkage and forward integration into value adding chlorine derivatives. CCD's revenues for the year ended March 31st 2010 stood at Rs.303 crores.

With this acquisition, the total caustic soda capacity of ABCIL will increase from 105,000 tpa to 220,000 tpa.

Says Mr. Kumar Mangalam Birla, Chairman of the Aditya Birla Group, "a compelling strategic fit, this acquisition further strengthens our Group's standing in the chlor alkali / caustic soda sector. This acquisition solidifies the Group's position as the country's largest producer of chlor alkali. It is a critical input in the aluminium sector. Given our large expansion plans for our aluminium business, this serves as an excellent sourcing point besides, of course, bolstering our capacity to service our customers. The business has potential for both growth in revenues and earnings. I warmly welcome the strong team that comes along with this acquisition".

Avers Mr. Lalit Naik, Business Head for Chemicals, Aditya Birla Group, "The unit offers significant potential and infrastructure to expand the business which will serve the increasing need for Caustic Soda, both within our Group and for external market. In addition, we also expect significant operational synergies on account of logistics and other cost savings."

Caustic Soda is one of the essential inputs for the manufacture of alumina and is also used widely in various other Industries. CCD's manufacturing facility is located in Renukoot, in the State of Uttar Pradesh. Over and above the existing demand in alumina in that region, several new alumina manufacturing facilities are also coming up in the eastern part of India, which provides significant growth opportunities. Besides, there is growing demand for the chlorine derivatives.

ABCIL will finance the transaction from internal accruals and borrowings.

The transaction will be done on a slump sale basis and is subject to customary corporate and other approvals, and is expected to be completed towards the end of May 2011.

About Aditya Birla Chemicals (India) Limited:

ABCIL (formerly known as Bihar Caustic and Chemicals) is one of the leading chlor-alkali companies in Eastern India. Commissioned in 1984, and with various expansions, caustic soda capacity today stands at 105,000tpa. For value addition and effective utilisation of chlorine, the company manufactures aluminium chloride and stable bleaching powder.

About Aditya Birla Group:

A US\$ 30 billion corporation, the Aditya Birla Group is in the League of Fortune 500. It is a conglomerate with operations in 27 countries and anchored by an extraordinary force of 130,600 employees, belonging to 40 different nationalities. In the year 2009, the Group was ranked among the top six great places for leaders in the Asia-Pacific region, in a study conducted by Hewitt Associates, RBL Group and *Fortune* magazine. In India, the Group has been adjudged the best employer in India and among the top 20 in Asia by the Hewitt-Economic Times and Wall Street Journal Study 2007. Beyond business, the Group has been for the past 50 years and continues to be involved in meaningful welfare-driven initiatives that distinctly impact the quality of life of the weaker sections of society in India, South-East Asia and Egypt. Please see www.adityabirla.com for more details.