



Grasim Industries Announces fresh investment of ₹3094 Crore to expand Lyocell Capacity

- Post expansion, Total Cellulosic Staple Fibre (CSF) capacity would Surpass 1 million Tonnes Annually by 2030

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Grasim Industries Limited, the flagship company of the Aditya Birla Group and a global leader in cellulosic fibres, today announced an investment of ₹3,094 crore, for Phase II Lyocell capacity of 110K TPA at Harihar, Karnataka. This expansion will consist of 2 lines of 55K TPA (150 Tons per day) each. The first line is expected to be commissioned by 2028, and the second line is expected to be commissioned by 2030.

This additional capacity will complement the Phase I Lyocell plant of 55K TPA currently under construction at Harihar, which is expected to be commissioned by mid-2027. Upon completion, Grasim's total Lyocell capacity, will reach nearly 210K TPA, making it one of the largest Lyocell producers globally.

Mr. Kumar Mangalam Birla, Chairman, Aditya Birla Group, said, *"The Aditya Birla Group has always demonstrated the willingness to invest ahead of the curve in sectors that will define India's future competitiveness and economic resilience. This investment carries forward that legacy. It is a vote of confidence in the scale and promise of the Indian market, aligns closely with the aspirations of Make in India, and will help position India as a more competitive and resilient force in the global textile industry."* He added, *"This investment also marks another significant step in Grasim's strategic expansion of advanced fibre capabilities, catering to the growing global demand for sustainable and high-performance textile materials. This fresh expansion will catapult Grasim's overall Cellulosic Fibres capacity beyond 1 million tonnes per annum, reinforcing its position as a global leader in sustainable Man-Made Cellulosic Fibres (MMCF)."*

Mr Vadiraj Kulkarni, Business Head, Grasim Pulp & Fibre added, *"This expansion strengthens our position in the evolving MMCF landscape by scaling a high-value, future-ready fibre segment. By expanding Lyocell capacity, we are accelerating the shift towards high performance fibres with a lower environmental impact. Lyocell enhances our product mix, supports premium applications, and aligns with our focus on delivering differentiated, sustainable solutions to global markets."*

Lyocell is a versatile, next-generation fibre widely used across apparel, home textiles, and technical textile applications. Manufactured through a highly efficient closed-loop process, Lyocell offers a compelling combination of durability, breathability, comfort, and lower environmental impact. The expansion would strengthen the Company's Specialty product portfolio and solidify its position as a key player in the global sustainable fibre industry. Grasim's Specialty portfolio share (including **Lyocell, Modal, Dope-dyed and Recycled fibres**) would increase to 35% by 2030.