

Ref.No.: KIL/SEs/B.Mtg./2015-16

26th March, 2016

The National Stock Exchange of India Limited
Exchange Plaza
Plot No.C/1, G Block, Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051
(Stock Code – KESORAMIND)

Dear Sir,

**Outcome of Meeting of the Board of Directors of Kesoram
Industries Limited held on 26th March, 2016**

And

**Notice to the Stock Exchanges pursuant to the SEBI
(Listing Obligations and Disclosure Requirements)
Regulations, 2015**

The Board of Directors of the Company (the “Board”) at its Meeting held on 26th March, 2016, which commenced at 12 noon and concluded at 3.00 P.M. has approved/noted the following:

- A. Disposal and transfer of the Company’s Rayon and Transparent Paper Undertaking (“the Rayon Undertaking”) to Cygnet Industries Limited (CIN U74900WB2015PLC206720) (“Cygnet”), an unlisted and unrelated entity through a slump sale within the meaning of Section 50B of the Income tax Act, 1961. Cygnet is, however, proposed to be converted into a wholly owned subsidiary upon the Company acquiring that Company’s entire issued and paid-up Share Capital. Such disposal and transfer will be effective from close of business 31st March, 2016 and will further be subject to receipt of such permissions and consents, if any, that may be required.

The above transfer will be at such consideration as may be decided by the Board in the best interest of the Company subject to such consideration not being lower than Rs.480 Crores payable in a manner as may be agreed by and between the Company and Cygnet (including by way of issue of Equity Shares of Rs.10 each of Cygnet to the Company of an amount not exceeding Rs.50 Crores) and such transaction is at arms length.



SBI Capital Markets Limited has conducted a business valuation of the Rayon Undertaking.

The Company will seek shareholder approval for the proposed transaction through Postal Ballot. While Cygnet is at present not a related party within the meaning of the Companies Act, 2013, it will be so after its conversion into a wholly owned subsidiary. Hence, the motion for shareholder approval to the proposed transaction through Postal Ballot will include approval under Section 188 of the Companies Act, 2013 as well.

It is expected that the transaction will be consummated within 30th June, 2016.

The amount of gross revenue and net worth of the Rayon Undertaking and percentage thereof, in relation to Company as a whole for the financial year ended 31st March, 2015 was Rs 257 crores (4.68%) and Rs. 109 crores (124.81%), respectively.

A Term Sheet and such other relevant documentation as may be required will be executed between the Company and Cygnet.

There can, however, be no assurance that such transaction will be completed within the time frame indicated or at all.

- B. The Board noted that Arvind Kumar Singh, Chief Executive, Business Operations, will cease to be in the Company's employ from the end of the first week of May, 2016. The appointment of Enrico Malerba as the Company's Chief Business Officer was approved.

Thank you

Yours faithfully
For Kesoram Industries Limited

Gautam Ganguli
Company Secretary