

KIL/SE/Reg.30/2021-2022

 Dated: 4th August, 2021

BSE Ltd. First Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai — 400001	National Stock Exchange of India Ltd. "Exchange Plaza", Plot no, C/1, G. Block Bandra-Kurla Complex, Bandra (E) Mumbai — 400051	The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata — 700001
(BSE Equity Scrip Code — 502937) (BSE NCD Scrip Code — 973060)	(NSE Symbol — KESORAMIND)	(CSE Scrip code — 10000020)

Dear Sir/Madam,

Ref: Our letter KIL/SE/Reg. 29/2021-22 dated 30th July, 2021 intimating the meeting of Fund Raising Committee of Directors on 4th August, 2021.

Sub: Outcome of the meeting of Fund Raising Committee of Directors under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

This is in continuation to approval granted by Fund Raising Committee of the Board of Directors ("Committee") of Kesoram Industries Ltd ("Company") at its meeting held on July 21, 2021 for preferential allotment of Equity Shares aggregating up to Rs 33,33,33,315 and preferential allotment of warrants aggregating up to Rs 66,66,66,630 to Usinara Trading and Services Private Limited ("Usinara") (Issue of Equity Shares and Warrants ie. collectively referred to as "Preferential Allotment").

The Committee at its meeting held today have further deliberated on various options to increase the size of equity raising in line with the long term objective of reducing debt and to give equal opportunity to all shareholders to participate in equity raising plan of the Company. In the interest of all shareholders and also keeping in mind long term objective to accelerate debt reduction of the company, the Committee has approved following:

1. Cancellation of the proposed Preferential Issue to Usinara as intimated to the Stock Exchanges on 21st July 2021; and instead take steps for increasing the rights issue in deference to the views and intent expressed by cross section of our shareholders to participate in right issue and equity raise to be non-dilutive to their existing stake. Consequently the related Extra-Ordinary General Meeting scheduled on 17th August, 2021 to approve said preferential issue stands cancelled.
2. The Board of Directors earlier at its meeting held on 14th May 2021 had approved a rights issue of up to Rs 200 crore ("Rights Issue") out of proposed fund raising proposal for Rs 600 crores to be raised through one or more modes approved at the said Board meeting. The Committee today at its meeting has decided to cancel the Preferential Allotment and in lieu thereof recommended to the Board of Directors to enhance the size of Rights Issue from up to Rs 200 crore to up to Rs 400 crore (Rupees Four Hundred crores). The Committee also recommended to the Board that



the Rights Issue is made through issuance of equity shares of the Company to eligible equity shareholders of the Company as on the record date (to be finalised and notified subsequently) in accordance with applicable laws, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "Rights Issue"). The exact terms of the Rights Issue including pricing, amount payable on application, rights ratio, timing etc. will be decided by the Committee at a later date.

The Committee was of the opinion that the cancellation of Preferential Allotment and the recommendation to increase in size of the Rights issue is in best interest of the Company and its shareholders as:

- 1) It helps in reducing the leverage:
 - a. Higher quantum of fund raised through rights Issue – up to Rs 400 cr
 - b. Money will flow in faster in the rights issue compared to only 25% of the exercise price of the warrants would be received upfront and the balance within 18 months.
- 2) Provides an opportunity for all shareholders to participate in the rights issue
- 3) Helping in reduction of high cost debt of the Company
- 4) Improving the liquidity position of the Company
- 5) Enhances the chances of upgrading its rating faster.

The above is for your information and dissemination to the members.

The Committee meeting commenced at 11.00 A.M and concluded at 11.20 A.M.

Yours faithfully,
For Kesoram Industries Limited


Raghuram Nath

Company Secretary & Compliance Officer

