

KIL/SE/Reg. 30/2022-2023
Dated: May 12, 2022

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)

Sub: Outcome of the Meeting of the Board of Directors of Kesoram Industries Limited and disclosure under Regulation 30 of the SEBI (LODR) Regulations, 2015

Dear Sir / Madam,

This is further to the announcement dated April 11, 2022, pursuant to Regulation 30 of the SEBI LODR Regulations, we hereby inform you that the Board of Directors of the Company, at its Meeting held today, i.e. May 12, 2022, has *inter-alia*, considered and approved the followings:

1. Approved the Scheme of Arrangement between Kesoram Industries Limited, its wholly owned subsidiary Cygnet Industries Limited and their respective shareholders as recommended by the Committee of Independent Director and Audit Committee.

The said Scheme would be subject to requisite approvals of the BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India and other statutory / regulatory authorities, including those from the Creditors and Shareholders of the respective Companies and approval of the National Company Law Tribunal, Kolkata Bench.

The information pursuant to Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 is also enclosed herewith as **Annexure I**.

The Board has further authorized its “Demerger Committee” to take all steps necessary including engaging of experts to make the Scheme tax efficient and law compliant, take the assent / approval of the concerned stakeholders, with or without modification(s), and to file the Scheme as finalized with the specified authorities and do such acts, deeds and things as necessary to give effect thereto.

2. Reconstitute the Stakeholders Relationship Committee of the Board with the following members:

Mr. Sudip Banerjee -	Chairman
Mr. Kashi Prasad Khandelwal-	Member
Mr. P. Radhakrishnan -	Member

3. Resignation of Mr. Raghuram Nath from the post of Company Secretary & Compliance Officer of the Company and his last date at office is May 15, 2022. Details as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sl. No.	Particulars	Details
1	Reason for change	Resignation
2	Date of Cessation	May 15, 2022

Thanking you,

For Kesoram Industries Limited



Raghuram Nath
Company Secretary & Compliance Officer

Encl: as above

Annexure – I

Disclosure of information pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015

Sl No.	Particulars	Details		
a.	Brief details of the division to be demerged	All the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and where so ever situated, of the Kesoram Industries Limited (Demerged Company), in relation to and pertaining to the Rayon (including the brand name “Kesoram Rayon”), Transparent Paper and Chemicals Business (including the erstwhile Hindustan Heavy Chemical business) on a going concern basis, including all the equity shares held by the Demerged Company in the Resulting Company, representing its strategic investment as on the Appointed Date, pursuant to Sections 230 - 232 of the Companies Act, 2013, and/or any other Applicable Laws.		
b.	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year/ based on financials of the last financial year.	Particulars	Total revenue from Demerged undertaking (Rs. in Crs)	% to total turnover of Kesoram Industries Ltd
		Demerged Undertaking (for financial year ended March 31, 2022	71.85	2.00%
c.	Rational for demerger	a. The businesses presently being carried out by the Demerged Company, directly or indirectly through its wholly owned subsidiary, comprise of cement, rayon, transparent paper and chemicals. The business of manufacture and sale of chemicals being carried directly by the Demerged Company is presently under suspension. The businesses of cement and rayon, transparent paper and chemicals have different requirements and are operated independent of each other as separate business verticals.		

		b. The requirements of the business of cement and other businesses are divergent in nature, including in terms of capital, operations, knowledge, and nature of risks, competition and strategies. The said businesses require divergent set of investors and strategic partners. The depth, scale of operations and growth potential of the said businesses require separate and independent management set up and focus for proper administration and supervision. Moreover, the competitive dynamics of these businesses are also different. c. Therefore, in order to unlock the potential value of each of the said businesses of cement and rayon, transparent paper and chemicals, it is proposed through this Scheme to completely segregate the cement business and rayon, transparent paper and chemicals by having independent control and management set up. The proposed demerger will enable the Demerged Company to focus its time and attention on cement business and enable the Resulting Company to look after the rayon, transparent paper and chemicals business with independent management and set up enabling vertical growth of all the businesses. d. The transfer of chemicals business of the Demerged Company to the Resulting Company will enable the chemical business to be revived and more effectively administered, explored and managed by the Resulting Company with undivided care and attention leading to its growth and development. e. The separation of the Rayon, Transparent Paper and Chemicals Business, by way of this Scheme from the Demerged Company would be value accretive for both businesses including: - enable a dedicated management focus and to accelerate growth of the Rayon, Transparent Paper and Chemicals Business and Cement Business and unlocking significant value for the shareholders of the Demerged Company; - access to varied sources of funds for the rapid growth of each of the said businesses; and - rationalization of business structure.
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		f. The Resulting Company will be able to expand and diversify its business by taking over the rayon, transparent paper and chemicals business from Demerged Company. g. With a view to achieve the aforesaid growth potential, the Demerged Company proposes to re-organise and segregate, by way of the Scheme, its business, undertaking and investments in the Rayon, Transparent Paper and Chemicals Business. h. The Scheme does not have any adverse effect on either the shareholders or the employees or the creditors of the Demerged Company.
d.	Brief details of change in shareholding pattern (if any) of all entities	There are two entities involved in the Proposed Demerger: (a) The Demerged Company: There shall be no change in the shareholding pattern of the Company. (b) The Resulting Company: The Resulting Company shall, without any further act or deed, issue and allot to each shareholder of the Demerged Company, whose name is recorded in the register of members and records of the depository as members of the Demerged Company, on the Record Date, 1 (one) equity share of Rs 10 (Rupees Ten) each of Resulting Company credited as fully paid up for every equity share of Rs 10 (Rupees Ten) each held by such shareholder in the Demerged Company ("New Equity Shares") such that the shareholding in the Resulting Company on such issuance of shares is the mirror image of the shareholding in the Demerged Company.
e.	In case of cash consideration-amount or otherwise share exchange ratio	No cash consideration shall be payable under the scheme. Resulting Company will issue shares to the shareholders of Demerged Company towards consideration.
f.	Whether Listing would be sought for the resulting Company	Yes, the Resulting Company will apply for Listing of Shares on both BSE Limited and the National Stock Exchange of India Limited which have nationwide terminals post demerger

For Kesoram Industries Limited



Raghuram Nath
Company Secretary & Compliance Officer