

KIL/NSE/2023-2024

28<sup>th</sup> November, 2023

**National Stock Exchange of India Ltd.**  
"Exchange Plaza",  
Plot no. C/1, G. Block  
Bandra-Kurla Complex, Bandra (E)  
Mumbai – 400051

(NSE Symbol – KESORAMIND)

Dear Sir / Madam,

**Sub: Administrative Warning – Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015**

**Ref.: Your email dated 28<sup>th</sup> November, 2023**

Reference to the above and in continuation to our earlier disclosure made under Regulation 30(4) of the SEBI (LODR) Regulations, 2015 dated 29<sup>th</sup> September, 2023, we enclose herewith a copy of the "Administrative Warning" issued to us by the SEBI vide its letter Ref SEBIIHO/CFD/SEC-21PIIOW/2022/40130/1 dated 26 September, 2023 along with a copy of the disclosure already made on 29<sup>th</sup> September, 2023. These documents are uploaded together for ease of reference.

Kindly treat this as compliance with the direction issued by the SEBI under the aforesaid letter.

Please take the same on record.

Yours faithfully,  
**For Kesoram Industries Limited**

  
**Gautam Ganguli**  
Company Secretary



Encl: as above



भारतीय प्रतिभूति  
और विनिमय बोर्ड  
Securities and Exchange  
Board of India

GENERAL MANAGER  
CORPORATION FINANCE DEPARTMENT  
Supervision enforcement and Complaints - II

SEBI/HO/CFD/SEC-2/P/OW/2022/40130/1  
September 26, 2023

Shri Gautam Ganguli  
Company Secretary & Compliance Officer  
Kesoram Industries Limited  
Birla Building 9/1, 8th Floor,  
R N Mukherjee Road,  
Kolkata, West Bengal, 700001

**Sub: Administrative Warning- Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015**

Sir,

1. It was observed that the the Hon'ble Arbitration Tribunal at Kolkata had passed an arbitration award of Rs. 174.88 crores against Kesoram Industries Ltd. ('KIL') on March 20, 2023. However, no disclosure was made by the company under Regulation 30 of SEBI LODR Regulations, 2015 despite the same being material event in terms of the materiality policy of KIL.
2. It was observed from the annual report of KIL for FY 2023 that the company as part of its notes to accounts, reported a contingent liability of Rs. 125.63 cr. under 'other legal matters' and made the following disclosure related to arbitration award in the footnotes-

*'The arbitration case pertains to a legal dispute between the Company and Mintech Global Private Limited. Based on the facts of the matter, supported by independent legal opinion obtained, the management remains fairly confident of a favorable outcome and therefore, does not foresee any material financial liability devolving on the Company in this respect of the aforementioned litigation and accordingly, no provision has been made in these standalone financial statement.'*

From the above, it is observed that after a gap of two months on May 19, 2023, the company has made inadequate disclosure in the Annual Report of 2023, as part of



अनुवर्ती :  
Continuation : ५२

भारतीय प्रतिभूति  
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Securities and Exchange  
Board of India

contingent liability. The company did not disclose the actual arbitration award and the reason for only accounting a net contingent liability of Rs. 125.63 cr.

3. The company had inter-alia submitted that the requisite disclosure made by the company in its Annual Report 2022-23 are based on the legal opinion obtained by the company. However, the disclosure made in the annual report is found to be limited and inadequate. The same is not in line with the Principles Governing Disclosures and obligations of listed entity viz. Regulation 4 (1) (d) and 4 (2) (e) of LODR Regulations read with Regulation 30 of SEBI (LODR) Regulations, 2015, wherein emphasis is laid on adequate, timely disclosure of material information to recognised stock exchanges.
4. The above violation is viewed seriously. You are therefore warned to be careful in future and exercise adequate due care, so that such lapses do not recur, failing which action may be initiated in accordance with the provisions of SEBI Act, 1992 and Rules and Regulations framed thereunder.
5. You are also advised to disclose the information related to the arbitration award under Regulation 30 of SEBI LODR regulations immediately on receipt of this letter. Further you are advised to place this letter before your Board of Directors in its next meeting, and disseminate the same to the stock exchange. The stock exchanges are advised to take note of the contents of the letter.

Yours faithfully,-

  
**Surabhi Gupta**

Copy to BSE and NSE (via email)

KIL/SE/Reg. 30/2023-24

29 September, 2023

BSE Ltd. Phiroze Jecjeebhoy Towers, Dalal Street, Mumbai - 400001	National Stock Exchange of India Ltd. "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400051	The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata - 700001
Equity Scrip Code-502937 NCO Scrip Code - 973060	Scrip code – KESORAMIND	Scrip code -10000020

Dear Sir(s)/Madam,

**Sub: Disclosure pursuant to the proviso to Regulation 30(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015****Ref: In compliance with the direction of the Securities and Exchange Board of India ("SEBI") vide its letter Ref SEBI/HO/CFD/SEC-2/P//OW/2022/40130/1 dated 26 September, 2023**

Please find enclosed herewith the details pursuant to the provision of Regulation 30(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as directed by SEBI.

The above is for your information and records.

For Kesoram Industries Limited

Gautam Ganguli  
Company Secretary

Encl: As above

## Continuing litigation

Sl No.	Particulars	Details
(a)	<b>Brief details of litigation or dispute:</b>	
	Name of the opposing party	Mintech Global Private Limited
	Court / Tribunal	Hon'ble High Court at Kolkata
	Brief details of litigation/ dispute	<p>In compliance with the direction of the Securities and Exchange Board of India ("SEBI") vide its letter SEBI/HO/CFD/SEC-2/P//OW/2022/40130/1 dated 26 September 2023, we advise as follows:</p> <p>On 20 March 2023, the Company received an arbitration award ("Award") in an arbitration proceeding that had earlier been initiated by Mintech Global Private Limited ("Mintech") against the Company. In terms of the Award, Mintech has been awarded future commitment charges under Agreements resting with that dated 4 April, 2016 for a period of ten years from the date of commencement of commercial production in relation to three plants claimed to have been set up by Mintech. Counterclaim of the Company against Mintech for refund of mobilisation advance paid was also allowed.</p> <p>The effect of the Award is that the Company has to pay ₹ 174.88 crores to Mintech and receive ₹ 49.25 crores from Mintech, aggregating to a net amount of ₹ 125.63 crores payable by the Company. Other claims made by Mintech in the arbitration proceeding were disallowed.</p> <p>Both Mintech and the Company have challenged the Award and filed applications for setting aside the Award and the matter which is sub judice is being adjudicated upon before the Hon'ble High Court at Calcutta.</p> <p>The Company has been advised by independent legal counsel that the Award was <i>de hors</i> the terms of the agreements entered into by it and hence was patently illegal. Accordingly, the Company had excellent chance of succeeding in the High Court should it seek to challenge the Award.</p> <p>The Company was therefore advised against creating any provision in its 2022-23 financial statements against such Award and instead disclose the net Award amount as and by way of a contingent liability therein. The Company has done so and this stands duly reflected in Note 36 of its 2022-23 annual financial statements (see page 145-146 of the Annual Report 2022-23). The financial statements were duly adopted at the Company's 104th Annual General Meeting held on 14 June, 2023".</p> <p>In view of what has been set out above, the Company is of the opinion that the Award has no impact on its financial statements.</p>
(b)	Expected financial implications, if any	None
(c)	Quantum of claims/award:	₹ 125.63 crs disclosed as contingent liability

