

KIL/SH/ST.EX/PB/2016

March 31, 2016

The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001
(Stock Code -502937)

National Stock Exchange of India Ltd.,
Exchange Plaza ,Plot No. C-1, 'G' Block
Bandra Kurla Complex,
Bandra (E)
Mumbai-400051
(Symbol – KESORAMIND)

The Calcutta Stock Exchange Limited,
7, Lyons Range,
Kolkata-700001
(Scrip Code – 10000020)

Dear Sirs,

Please find attached herewith six copies of the Notice to the shareholders dated March 26, 2016 along with Explanatory Statement, forwarded to the shareholders/beneficial owners of the Kesoram Industries Limited (the “**Company**”) in connection with the passing of resolutions by postal ballot for (i) investment in 50,000 Equity Shares of Cygnet Industries Limited (**Cygnet**) face value Rs.10 each amounting to Rs. 5 lac and (ii) transfer by way of slump sale or otherwise of the Company’s Rayon and Transparent Paper undertaking to Cygnet for a consideration not being less than Rs.480 crores pursuant to Section 110 of the Companies Act, 2013 read with the provisions of the Companies (Management and Administration) Rules, 2014.

This is for your information and records. Please acknowledge receipt of this letter.

Thanking you,

Yours faithfully,

For Kesoram Industries Limited


Gautam Ganguli
Company Secretary

Encl: As above.






KESORAM INDUSTRIES LIMITED

Registered Office: 8th Floor, Birla Building, 9/1 R N Mukherjee Road, Kolkata - 700 001

CIN : L17119WB1919PLC003429

Phone: +91 33 2243 5453, 2242 9454, 2248 0764, 2213 0441; Fax: +91 33 2210 9455

Website: www.kesocorp.com; Email: corporate@kesoram.net

Dear Shareholder(s),

NOTICE OF POSTAL BALLOT

NOTICE is hereby given in accordance with Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended, that the Company proposes to pass the following Resolutions through Postal Ballot :

To consider and if thought fit, to give assent or dissent to following Special Resolutions:

Item No.1

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**), the Rules made thereunder, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such consents, sanctions, permissions and necessary approvals, if any, as may be required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **"the Board"**) to invest in 50,000 Equity Shares of Cygnet Industries Limited (CIN U74900WB2015PLC206720) of face value Rs. 10/- per share amounting to Rs. 5 Lakhs;

RESOLVED FURTHER that upon such investment, Cygnet Industries Limited will be a wholly owned subsidiary of the Company;

RESOLVED FURTHER that for the purpose of giving effect to the above Resolution, the Board or any Committee of the Board, be and is hereby authorised to do all such acts, deeds and things as are or may be necessary to give effect to the transaction."

Item No.2

"RESOLVED THAT pursuant to the provisions of Sections 180(1)(a), 188 and other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**), the Rules made thereunder, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such consents, sanctions, permissions and approvals if any, as may be required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **"the Board"**, which expression shall include a Committee thereof) to dispose of and transfer, with effect from the close of business on March 31, 2016, by way of sale, lease or otherwise, whether through slump sale or in any other manner, the whole or substantially the whole of the Company's Rayon and Transparent Paper Undertaking on a going concern basis to Cygnet Industries Limited, (CIN U74900WB2015PLC206720), for such consideration as may be decided by the Board in the best interests of the Company, subject to such aggregate consideration not being less than Rs. 480 crores payable in a manner as may be agreed between the Company and Cygnet (including by way of issuance of Equity Shares of Rs. 10/- each of Cygnet to the Company, for an amount not exceeding Rs.50 crores);

RESOLVED FURTHER that for the purpose of giving effect to the above Resolution, the Board is hereby authorised on behalf of the Company to do all such acts, deeds and things as are or may be expedient to implement the foregoing Resolution, including to negotiate, modify, finalise and execute agreements, and/or documents/papers, determine the timing and the mode of the transfer of the undertakings, submit any filings or disclosures with any governmental or regulatory authority and delegate to any of the directors or officers of the Company to do any of the above as may be required."

By Order of the Board

Gautam Ganguli

Company Secretary

Membership No. ACS 2040

Place : Kolkata

Dated : March 26, 2016

NOTES AND INSTRUCTIONS:

1. The Explanatory Statement, as required under Section 102 of the Companies Act, as amended (the **"Companies Act"**) in respect of the business specified above is annexed.
2. The notice for the postal ballot will also be available on the Company's website www.kesocorp.com and the website of the National Securities Depository Limited (**"NSDL"**) at www.evoting.nsdl.com.
3. As per Section 110(1) of the Companies Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended, the items of business set out in the attached notice are proposed to be adopted by postal ballot. The items of business may also be transacted through the electronic voting system and the Company is providing the facility for voting by electronic means as specified more fully in Clause 18 hereunder

4. The Board of Directors of the Company (the “**Board**”) has appointed Salil Banerjee, a practicing Company Secretary, as the Scrutiniser for conducting the postal ballot voting process in accordance with law in a fair and transparent manner.
5. Shareholders can exercise their voting rights either by using the attached postal ballot form or through electronic means. No other form or photocopy of the attached form will be permitted. The physical postal ballot form, duly completed, signed and sealed, should be returned in the enclosed self-addressed, postage pre-paid envelope directly to the Scrutiniser so as to reach him before **5:00 PM on April 30, 2016**. Responses received from any shareholders thereafter shall be treated as if no response has been received from them. Shareholders are requested to send the duly completed postal ballot form well before this date allowing sufficient time for postal transit.
6. Envelopes containing the postal ballot form will also be accepted if a physical copy thereof, duly sealed inside the attached postage pre-paid envelope is sent by any other mode at the expense of the shareholder. The postal ballot(s) may also be deposited personally at the Company's registered office at 8th Floor, Birla Building, 9/1 R. N. Mukherjee Road, Kolkata - 700 001 (“**Registered Office**”).
7. The attached self-addressed envelope bears the name and address of the Scrutiniser appointed by the Board and the postal ballot form after casting of vote should be put inside the same and the envelope duly sealed.
8. The physical postal ballot form should be signed by the shareholder as per the specimen signature registered with the Company. In case shares are jointly held, such postal ballot form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and, in his/her absence, by the next named shareholder. Holders of powers of attorney (“**PoA**”) on behalf of a shareholder may vote on the postal ballot mentioning the Registration No. of the PoA registered with the Company or attach a copy of the PoA attested by a notary. Unsigned postal ballot forms will be rejected.
9. Shareholders holding shares in dematerialised form are advised, in their own interest, to get their signatures verified by their bankers/depository participants (“**DPs**”). The signature should be verified by their bankers /DPs by affixing a rubber stamp/seal mentioning name and address of the bankers /DP and name, stamp and signature of the authorised signatory of the said bankers /DPs.
10. Voting will be reckoned in relation to a shareholder's holding of the paid-up Equity Share capital of the Company as at close of business on **March 18, 2016**. A person who is not a shareholder as on March, 18th 2016 should treat this notice for information purpose only.
11. In the event that equity shares are held by companies, trusts, societies or other bodies corporate, the duly completed postal ballot form should be accompanied by a certified copy of Board resolution/authorisation, together with the attested specimen signature(s) of the duly authorised signatory(ies) giving the requisite authority to the person voting on the postal ballot form.
12. Shareholders are requested not to send any document (other than the resolution/authorisation mentioned in Clause 8 and 11 above) along with the completed postal ballot form inside the enclosed self-addressed pre-paid envelope, as all such envelopes without opening will be sent to the Scrutiniser. Should any extraneous matter be found in any such envelope, such matter will not be considered and would be destroyed by the Scrutiniser. Shareholders are also requested not to write anything on the form other than their assent or dissent and affixing their signature.
13. There will be only one postal ballot form for each folio/client id. Exercise of vote through postal ballot is not permitted through proxy.
14. A postal ballot form shall be considered invalid if –
 - (i) A form other than one issued by the Company has been used;
 - (ii) It has not been signed by or on behalf of the shareholder;
 - (iii) Signature on the postal ballot form doesn't match the specimen signatures with the Company;
 - (iv) It is not possible to determine without any doubt the assent or dissent of the shareholder;
 - (v) Neither assent nor dissent is mentioned;
 - (vi) Any competent authority has given directions in writing to the Company to freeze the Voting Rights of the shareholder;
 - (vii) The envelope containing the postal ballot form is received after the last date prescribed;
 - (viii) The postal ballot form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority;
 - (ix) It is defaced or mutilated in such a way that its identity as a genuine form cannot be established; and
 - (x) The Shareholder has made any amendment to the resolution or imposed any condition while exercising his/her vote.
15. The Scrutiniser will submit his report to the Company after completion of scrutiny of postal ballot form. The result of the postal ballot will be announced by **5:00 PM on Wednesday, May 4, 2016** at the Registered Office of the Company. The result along with the Scrutiniser's Report will be displayed at the Registered Office of the Company and hosted on the website of the Company www.kesocorp.com, the weblink being https://www.kesocorp.com/DOCS/management_corner.php#slide_2.

The result will also be simultaneously communicated to NSDL as well as the Stock Exchanges where the shares of the Company are listed.

16. The resolutions, where assented to by the requisite majority of the shareholders by means of postal ballot (which shall also include the results of e-voting), will be deemed to have been duly adopted at a general meeting convened in that behalf on the last date for receipt of completed postal ballot form i.e. **April 30, 2016**. The Scrutiniser's decision on the validity of a completed postal ballot form shall be final and binding.
17. The Company is also providing the facility of voting through the electronic voting system ("**e-voting**") under an arrangement with NSDL and will also consider votes cast through the e-voting system while declaring the results of the postal ballot form. **A shareholder cannot vote both by post and e-voting. If he/she votes both by post and e-Voting, his/her vote by post shall be treated as invalid.**
18. For those shareholders opting for e-voting, the process and manner of e-voting will be as follows:
 - A. The e-voting period begins from **9.00 A.M.** on **April 1, 2016** and ends at **5.00 P.M.** on **April 30, 2016**. During this period, shareholders holding Equity Shares, either in physical form or in dematerialised form, as on **March 18, 2016**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
 - B. In case a shareholder receives an email from NSDL he/she is to:
 - (i) Open the email and open the pdf file titled "KIL e-Voting.pdf" with their client id or folio number as the password. This pdf file contains the user ID and password/PIN for remote e-voting. Shareholders are to note that such password is an initial password.
 - (ii) Launch an internet browser by typing the following URL: **https://www.evoting.nsdl.com/**
 - (iii) Click on **Shareholder – Login**.
 - (iv) Use the user ID and password as initial password/PIN noted in step (i) above and click **Login**.
 - (v) When the password change menu appears, change the password/PIN with a new password of their choice with a minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended that shareholders do not share their password with any other person and take utmost care to keep their password confidential.
 - (vi) When the homepage of remote e-voting opens, click on **Remote e-Voting: Active Voting Cycles**.
 - (vii) Select "**EVEN**" of "**Kesoram Industries Limited**".
 - (viii) Now you are ready for remote e-voting as **Cast Vote** page opens.
 - (ix) Shareholders should cast their vote by selecting the appropriate option and click on "**Submit**" and also "**Confirm**" when prompted.
 - (x) Upon confirmation, the message "**Vote cast successfully**" will be displayed.
 - (xi) Shareholders are to note that once they have voted on a resolution, they will not be allowed to modify their vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (pdf/jpg format) of the relevant Board resolution/authorisation letter, etc. together with an attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through email to banerjeeasalil@rediffmail.com with a copy marked to evoting@nsdl.co.in. Corporates should send scanned copy of their PoA to the Scrutiniser's email id. In case such PoA is not received by the Scrutiniser, he will be at liberty to reject the votes cast.
 - C. In case a shareholder receives physical copy of this notice and the postal ballot form:
 - (i) The initial password is provided at the bottom of the postal ballot form:

EVEN (E-Voting Event Number)	LOGIN ID	PASSWORD

- (ii) The steps from Clause 18B (ii) to (xii) above, are to be followed, to cast a vote.
If a shareholder is already registered with NSDL for remote e-voting then they may use their existing user ID and password/PIN for casting their vote. They may also update their mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
In case a shareholder has any questions or issues regarding remote e-voting, they may refer to the Frequently Asked Questions and remote e-voting user manual for shareholders available at the "downloads" section at **www.evoting.nsdl.com** or call on the toll-free number **1800-222-990**. Further questions relating to e-voting or resolutions proposed to be passed through postal ballot form, may be addressed to Gautam Ganguli, Company Secretary at the following email: **gg@kesoram.net** or **shareddepartment@kesoram.net**.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1

Cygnat Industries Limited ("Cygnat") (CIN U74900WB2015PLC206720) was incorporated on 15th June, 2015 as a Company limited by shares. Its paid-up Share Capital consists of 50,000 Equity Shares of face value Rs.10/- per share.

The Company proposes to acquire the entire paid-up Share Capital of Cygnat the purpose being to convert this Company into a vehicle to facilitate Kesoram Industries Limited's ("KIL") reorganisation and realignment of its existing businesses.

Under the provisions of Section 186(2) of the Companies Act, 2013 ("the Act"), no company can acquire by way of subscription, purchase or otherwise, the securities of any other body corporate in excess of sixty per cent of its paid-up capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is higher. An investment beyond this limit is subject to the approval of the general body through a special resolution.

Since KIL does not satisfy the above parameters, it, therefore, seeks general body approval to the above investment through a special resolution.

The Resolution recommending investment in Cygnat was unanimously approved by KIL's Board at its Meeting held on 26th March, 2016. Other approvals as contemplated under Section 186(5) of the Act will be put in place before any investment is actually effected.

The Board, therefore, recommends for general body approval Resolution Number 1 of the attached Notice.

No Director, Key Managerial Personnel and relative of Key Managerial Personnel or Director of the Company are financially or otherwise concerned or interested in this Resolution.

As per the proviso to Section 102(2) of the Act, the proposed Special Resolution relates to and affects Cygnat. No Promoter, Director or Key Managerial Personnel of KIL have any interest in this Company.

No Key Managerial Personnel, Directors, their relatives or Promoters hold any Equity Share in Cygnat. Cygnat is not a related party.

Item No. 2

The Company continues to explore options for reorganisation and realigning its existing businesses. As a further part of these endeavours, the Board of Directors of the Company ("the Board"), has decided to transfer Rayon and Transparent Paper Undertaking to Cygnat Industries Limited (CIN U74900WB2015PLC206720) ("Cygnat"). Cygnat will become a wholly owned subsidiary subject to Resolution No.1 of the attached Notice being approved by the general body. The transfer would be effected in a manner as may be decided by the Board to be the most beneficial to the Company, subject to the aggregate consideration receivable being not less than Rs. 480 crores (including by way of issuance of Equity Shares by Cygnat to the Company for an amount not exceeding Rs. 50 crores), payable in a manner as may be agreed to by and between the Company and Cygnat. Such transfer of the Rayon and Transparent Paper Undertaking to Cygnat will be effective from close of business March 31, 2016.

The amount of the gross revenue and net worth of Rayon and Transparent Paper Undertaking and percentage thereof, in relation to the 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.

Section 180 (1)(a) of the Companies Act, 2013 ("the Act") requires prior approval from the general body through special resolution to sell, lease or otherwise dispose of the whole or substantially the whole of a company's undertaking and such approval has to be accorded through postal ballot. Further, should Cygnat be a wholly owned subsidiary in the event of the Resolution No.1 of the attached Notice being approved by the general body, this will constitute a Related Party transaction within the meaning of Section 2(76) of the Act and a transaction with a Related Party, under certain circumstances, will require approval from the general body through special resolution.

In view of the above, the Board recommends for approval Resolution Number 2 of the attached Notice.

No Director, Key Managerial Personnel and relative of Key Managerial Personnel or Director of the Company are financially or otherwise concerned or interested in this Resolution.

As per the proviso to Section 102(2) of the Act, the proposed Special Resolution relates to and affects Cygnat. No Promoter, Director or Key Managerial Personnel of Kesoram Industries Limited ("KIL") have any interest in this company except that subject to the Resolution No.1 of the attached Notice being approved by the general body, Cygnat will become a wholly owned subsidiary of KIL.

No Key Managerial Personnel, Directors, their relatives or Promoters hold any Equity Share in Cygnat.

By Order of the Board

Gautam Ganguli

Company Secretary

Membership No. ACS 2040

Place : Kolkata

Dated : March 26, 2016