

101st
Annual Report
& Accounts 2020



KESORAM INDUSTRIES LTD.

Tribute to Basant Kumar Birla, our past Chairman.



We fondly remember the immense contribution made by our past Chairman. He was instrumental and was immensely successful in growing Kesoram Industries Limited into a conglomerate and inculcated the spirit of agility to adopt to the environment and cross the milestone of 100 years.

He was a people's man and a great leader who inspired his team. When we reflect upon him as a people's leader we can't but reminisce his apt quote

"All my executives are excellent people. I don't have any complaints against any of them... They are very honest, they are very efficient, and they are very sincere... They are part of my family"

We are well past his first death anniversary as this report gets published. Fresh remains the imprint he has made on all our minds and hearts, it is sure to remain so in the years to come.

Each and everything he dealt with, be it the animate human hearts or the inanimate Institutions, offices, plants, homes resonate and hum B.K.Birla is "A Legend forever"





CHAIRMAN'S MESSAGE

We completed the Centenary year which is an important milestone and is a testimony to your company's resilience. Kesoram has achieved this landmark, journeying across various economic and business cycles. The following quote aptly reflects the journey of Kesoram

"The soul can never be cut to pieces by any weapon, nor burned by fire, nor moistened by water, nor withered by the wind."

*"nainam chindanti shastrani
nainam dahati pavakah
na chainam kledayanty apo
na sosayati marutah" (Bhagwat Gita: Chapter Two verse 23)*

The demerger of Tyre business sharpens your company's focus in each of its businesses. While your company will be a pure Cement play our subsidiary company will be engaged in Rayon and Transparent paper products.

The financial year under report did start with promise, however from the start of the third quarter challenges started to emanate and the aggravation of pandemic with lockdown in the fourth quarter compounded them.

We are witnessing unprecedented business conditions globally. Its impact on Indian economy is perceptible. Your company too was affected by the Covid pandemic during the various lockdowns. However, we have taken several measures for containing costs and streamlining business operations. We reassure these measures would bear fruits in the times to come.

I thank our esteemed Directors on the Board, employees, and all other stakeholders for providing support during these tumultuous times.

MANJUSHREE KHAITAN



KESORAM



BOARD OF DIRECTORS & KEY MANAGERIAL PERSONS

Manjushree Khaitan, Chairman

DIN: 00055898

Amitabha Ghosh

DIN: 00055962

Lee Seow Chuan

DIN: 02696217

Siddhartha Mohanty

DIN: 08058830

Bhaskar Niyogi

DIN: 03494944

Kashi Prasad Khandelwal

DIN: 00748523

Jikyeong Kang

DIN: 08045661

Sudip Banerjee

DIN: 05245757

P. Radhakrishnan

Whole-time Director & CFO

DIN: 08284551

Kaushik Biswas
Company Secretary

Registered Office

Birla Building
9/1, R.N. Mukherjee Road
Kolkata – 700 001
Phone No.: +91 33 22435453 / 22429454 / 22135121
Fax No.: +91 33 22109455, CIN: L17119WB1919PLC003429
Website: www.kesocorp.com; E-mail: corporate@kesoram.net

Bankers

Axis Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
IndusInd Bank Ltd.
Lakshmi Vilas Bank Ltd.
Punjab National Bank Ltd.
State Bank of India – Lead Bank
The South Indian Bank Ltd.
YES Bank Ltd.
The Karur Vysya Bank Ltd.
West Bengal Infrastructure
Development Finance
Corporation Ltd.

Auditors

Messrs. Deloitte Haskins & Sells
Chartered Accountants

Share Transfer Agent

MCS Share Transfer Agent Limited,
(Unit: Kesoram Industries Ltd.)
383 Lake Gardens, 1st Floor,
Kolkata – 700045
Phone No.: 033-40724051-52
Fax No.: 033-40724050
E-mail: mcssta@rediffmail.com

Members seeking any information on the Annual Report & Accounts are requested to send their queries to the Company at least ten days before the date of the Meeting.

Contents

Notice	04
Report of the Directors	17
Management Discussion and Analysis	23
Business Responsibility Report	27
Report on Corporate Governance	35
Summarised Balance Sheet for the Last Five Years	68
Summarised Statement of Profit and Loss for the Last Five Years	69
Standalone Financial Statements	70
Independent Auditor's Report	71
Balance Sheet	82
Statement of Profit and Loss	83
Statement of Cash Flows	84
Statement of Changes in Equity	86
Notes to Financial Statements	88
Consolidated Financial Statements	135
Independent Auditor's Report	137
Consolidated Balance Sheet	144
Consolidated Statement of Profit and Loss	145
Consolidated Cash Flow Statement	146
Consolidated Statement of Changes in Equity	148
Consolidated Notes to Financial Statements	150

NOTICE

TO THE MEMBERS

NOTICE is hereby given that the **One Hundred and First Annual General Meeting (AGM) of KESORAM INDUSTRIES LIMITED** will be held at 10.00 A.M. on Tuesday, 29th day of September, 2020 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

General Business:

1. To consider and adopt (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2020 and the Reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020 and the Report of Auditors thereon.
2. To appoint a Director in place of Manjushree Khaitan (DIN: 00055898), who retires by rotation and being eligible, offers herself for re-appointment.

Special Business:

To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

3. Ratification of Remuneration of Cost Auditor

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 this Meeting hereby confirms and ratifies a remuneration of ₹ 4.11 Lakhs (excluding applicable Taxes and reimbursement of actual travelling and other out of pocket expenses) payable to Mani & Co. Cost Accountants for conducting the audit of the Company's cost accounting records for the Financial Year 2019 - 20."

4. Appointment of Bhaskar Niyogi (DIN: 03494944) as a Non-Executive Nominee Director of the Company

"RESOLVED THAT pursuant to the provisions of Sections 152, 161(3) and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Bhaskar Niyogi (DIN: 03494944), who is holding office up to this Annual General Meeting, be and is hereby appointed as a Non-Executive Nominee Director of the Company for a period of three years, not liable to retire by rotation".

To consider and if thought fit, to pass with or without modification(s), the following as Special Resolution:

5. Re-appointment of Lee Seow Chuan (DIN: 02696217) as an Independent Director for a second term of five years

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 ("the Act") and the Rules framed thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the recommendations and / or approvals of the Nomination and Remuneration Committee, Lee Seow Chuan (DIN: 02696217), be and is hereby re-appointed as an Independent Director for a second term of 5 (Five) years from the conclusion of Company's One Hundred and First Annual General Meeting to the conclusion of Company's One Hundred and Sixth Annual General Meeting."

6. Appointment of Radhakrishnan Padmalochanan (DIN: 08284551) as a Whole-time Director of the Company, for a period of three years effective 8th August, 2019

"RESOLVED THAT pursuant to Sections 196, 197, 198, 203 and Schedule V of the Companies Act, 2013 ("the Act") and the Rules made thereunder SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the recommendations and / or approvals of the Nomination and Remuneration Committee, consent of the Company be and is hereby accorded to the appointment of Radhakrishnan Padmalochanan (DIN: 08284551) as a Whole-time Director of the Company, for a period of three years effective 8th August, 2019 and payment of remuneration to him for this period, upon the terms of remuneration set out herein below:

- (a) Basic Salary & Allowances: Not exceeding ₹ 4,32,00,000 (Rupees Four Crores and Thirty Two lakhs only) per annum as may be decided by the Board or any Committee thereof from time to time and as may be permissible under the provisions of Schedule V of the Companies Act, 2013.
- (b) Car with chauffeur for official use only and extension of communication facilities in the form of wi-fi and telephone including cell phone for official purposes will not be reckoned as remuneration.
- (c) No Fees payable for attending Meetings of the Board or any Committee thereof, where so appointed.
- (d) In the event of loss/inadequacy of profits during tenure, the above remuneration including perquisites shall be payable as minimum remuneration, subject to such approvals as may be necessary, under Schedule V of the Act.

- (e) Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration. Such expenditure will either be paid by the Company directly or reimbursed to him.

RESOLVED FURTHER that the appointment shall be terminable:

- (a) by efflux of time; or
(b) by one party serving the other a three months' written notice;

RESOLVED FURTHER that for the purpose of giving effect to the Resolution, the Board be and is hereby authorised to do all other acts, deeds and things as are or may be expedient and necessary."

7. To give Loan to any person or other body corporate or give any Guarantee or provide Security in connection with a loan to any other body corporate or person or to acquire by way of subscription, purchase or otherwise, the securities of any other bodies corporate

"**RESOLVED THAT** pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the Members be and is hereby accorded to the Board of Directors of the Company or any Committee thereof ("the Board") for giving any loan to any person or other body corporate; or to give any guarantee or provide security in connection with a loan to any other body corporate or person or to acquire by way of subscription, purchase or otherwise, the securities of any other bodies corporate, upto ₹ 600 Crores (Rupees Six Hundred Crores only), over and above sixty percent of the aggregate of its paid-up share capital and free reserves and security premium account or one hundred percent of its free reserves and securities premium account of the Company, whichever is higher, as may be decided by the Board or any Committee thereof or persons as may be decided from time to time;

RESOLVED FURTHER that for the purpose of giving effect to the above Resolution, any one of the Directors of the Company or the Company Secretary be and are hereby severally authorized to finalise and execute agreements, and/or documents/papers and to do all acts, deeds and things as are or may be expedient under the circumstances."

8. To Re-classify the Authorised Share Capital of the Company

"**RESOLVED THAT** pursuant to the provisions of Sections 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed thereunder, consent of the Members be and is hereby accorded to re-classify the Authorized Share Capital of the Company from the present Authorised Share Capital of ₹ 7,00,00,00,000/- (Rupees Seven Hundred Crores only) consisting of 1,50,00,000 (One Crore and Fifty Lakhs) Preference Shares of ₹ 100/- (Rupees Hundred) each and 55,00,00,000 (Fifty five Crores) Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 7,00,00,00,000/- (Rupees Seven Hundred Crores only) consisting of 4,00,00,000 (Four Crores) Preference Shares of ₹ 100/- (Rupees Hundred) each and 30,00,00,000 (Thirty Crores) Equity Shares of ₹ 10/- (Rupees Ten) each;

RESOLVED FURTHER that the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause 5 thereof with the following new Clause 5 as under:

5. The Authorised Share Capital of the Company is ₹ 700,00,00,000/- (Rupees Seven Hundred Crores only) divided into 4,00,00,000 (Four Crores) Preference Shares of ₹ 100/- (Rupees Hundred) each and 30,00,00,000 (Thirty Crores) Equity Shares of ₹ 10/- (Rupees Ten) each;

RESOLVED FURTHER that any one of the Directors of the Company or the Company Secretary be and are hereby severally authorised to do all such act(s), deed(s) and things including filing of the requisite forms, documents with Registrar of Companies, West Bengal, Kolkata as may be necessary and incidental to give effect to the aforesaid Resolution."

Registered Office:

9/1, R. N. Mukherjee Road,
Kolkata - 700 001
30th July, 2020

By Order of the Board

Kaushik Biswas
Company Secretary