

102nd
Annual Report
& Accounts 2021



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 reminiscence 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, 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 Institution, offices, plants, home resonate and hum B.K. Birla is "A Legend forever"



KESORAM





CHAIRMAN'S MESSAGE

Your Company's good financial results this year bear testimony to our sharpened focus in Cement business. Although the performance was impacted by Covid 19 lockdowns at the start of the year and liquidity constraints throughout the year, but our operational measures helped us achieve superior results.

We are happy to inform that we have resolved our liquidity issues at the end of last year and expect no working capital challenges in the current year.

There are still uncertainties about how the pandemic will impact in days to come. We have geared ourselves to strive for even better operational performance through several initiatives.

I thank our esteemed Directors on the Board, employees and all the other stakeholders for providing support throughout the year.

MANJUSHREE KHAITAN

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Manjushree Khaitan, Chairman

DIN: 00055898

Kashi Prasad Khandelwal

DIN: 00748523

Sudip Banerjee

DIN: 05245757

Lee Seow Chuan

DIN: 02696217

Jikyeong Kang

DIN: 08045661

Bhaskar Niyogi

DIN: 03494944

Mangala Radhakrishna Prabhu

DIN: 06450659

P. Radhakrishnan

Whole-time Director & CEO

DIN: 08284551

Suresh Sharma
Chief Financial Officer

Akash Ghuwalewala
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

ICICI Bank Ltd.
IndusInd Bank Ltd.
Punjab National Bank Ltd.
State Bank of India

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
E-mail: mcssta@rediffmail.com

Members seeking any information on the Annual Report & Accounts are requested to send their queries to the Company on or before 5.00 p.m. (IST) on Tuesday, 20th July, 2021.

Contents

Notice	04
Report of the Directors	18
Management Discussion and Analysis	24
Business Responsibility Report	27
Report on Corporate Governance	36
Summarised Balance Sheet for the Last Five Years	62
Summarised Statement of Profit and Loss for the Last Five Years	63
Standalone Financial Statements	64
Independent Auditor's Report	65
Balance Sheet	76
Statement of Profit and Loss	77
Statement of Cash Flows	78
Statement of Changes in Equity	80
Notes to Financial Statements	82
Consolidated Financial Statements	130
Independent Auditor's Report	131
Consolidated Balance Sheet	138
Consolidated Statement of Profit and Loss	139
Consolidated Cash Flow Statement	140
Consolidated Statement of Changes in Equity	142
Consolidated Notes to Financial Statements	144

NOTICE

TO THE MEMBERS

NOTICE is hereby given that the **One Hundred and Second Annual General Meeting (AGM)** of **KESORAM INDUSTRIES LIMITED** will be held at 3.00 P.M. on Friday, 23rd day of July, 2021 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, 2021 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, 2021 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:

3. To ratify the remuneration of Cost Auditors

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

"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 M/s. Mani & Co., Cost Accountants, for conducting the audit of the Company's cost accounting records for the Financial Year 2020 - 21".

4. To amend the Articles of Association of the Company

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

"RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013 the articles of association of the Company be amended by insertion of the following new article, numbered as 208 in the articles of association of the Company.

208. Debentures

A. Definitions and Interpretation

On and from the Effective Date, capitalized terms in this Article 208 shall have the following meaning:

'Debentures' shall mean the NCDs and OCDs.

'Debenture Documents' shall mean the documents executed in relation to the Debentures.

'Debenture Trustee' shall mean the trustee(s) appointed in relation to each issuance of the Debentures.

'Effective Date' shall mean the date on which the Debentures are issued by the Company.

Should the provisions contained in any other Article be in conflict with the provisions of the Article 208, the provisions contained in this Article 208 shall prevail over such other Article.

B. Issue of Debentures

The Company has issued / will be issuing in total:

- (i) 17,175 (seventeen thousand one hundred and seventy five) rated, listed, secured, redeemable non-convertible debentures of face value of INR 10,00,000 (Indian Rupees Ten Lakhs) each (hereinafter referred to as "NCDs"), aggregating to INR 1717,50,00,000 (Indian Rupees One Thousand Seven Hundred and Seventeen Crore and Fifty Lakhs) in 3 (three) tranches in terms of the debenture trust deed dated March 10, 2021 for the issue of the NCDs; and
- (ii) 4,599 (Four Thousand Five Hundred and Ninety Nine) unlisted, secured, redeemable optionally-convertible debentures of face value of INR 10,00,000 (Indian Rupees Ten Lakhs) each (hereinafter referred to as "OCDs"), aggregating to INR 459,90,00,000 (Indian Rupees Four Hundred and Fifty Nine Crore and Ninety Lakhs) in a single tranche, in terms of the debenture trust deed dated March 10, 2021 for the issue of the OCDs.

C. Rights of the Debenture Holders

Terms of the Debentures, including rights, benefits and privileges of the holders of NCDs and OCDs as set out in the Debenture Documents is deemed to be included and set out herein by reference.

D. Nominee Director and Observers

- (i) In addition to the rights set out in (ii) below, the Debenture Holders (or any persons/trustees acting on their behalf) shall have the right to jointly appoint, remove, re-appoint and substitute from time to time, ONE nominee director and/or TWO observers on the Board of Directors of the Company in accordance with the Debenture Documents.
- (ii) In addition to (i) above, the Debenture Holders shall have the right to appoint additional nominee director(s) to the Board of Directors of the Company in accordance with applicable law and regulations.
- (iii) The nominee director(s) and observer(s) so appointed shall not be liable to retire by rotation nor shall be required to hold any qualification shares.
- (iv) Any appointment, removal or replacement of a nominee director/ observer appointed as aforesaid, shall be made in writing by the Debenture Holders (or any persons/trustees acting on their behalf) and be served on the Company.
- (v) The nominee director(s) and observer(s) so appointed shall be entitled to the rights and privileges provided to the other directors on the Board of Directors of the Company, including receiving of notices and copies of the minutes.

E. Conversion rights in case of OCDs

- (i) In case of OCDs, the holders thereof shall upon occurrence of an event of default in relation to the OCDs, have the absolute right to convert at their option, whole or part of the debenture obligations (which shall include all amounts due under the OCDs including coupon and redemption premium) in relation to the OCDs, to fully paid-up equity shares of the Company by issuing a notice of conversion.
- (ii) Upon receipt of the conversion notice by the Company, and in compliance with Applicable Law:
 - (a) In case a public announcement is issued with respect to an open offer made by the Debenture Holders to the public shareholders of the company pursuant to the Notice of Conversion in terms of the SEBI Takeover Regulations ("Open Offer"), the Company shall, and shall cause the Directors, Officers, employees and advisors of the Company, as the case may be, to, promptly, provide the Debenture Holders with such assistance and information as is reasonably required by the Debenture Holders in connection with the Open Offer, including providing true, up to date and accurate information (and the documents available to it in support of such information) and other documents requested by Debenture Holders promptly and in any event no later than 2 (two) business days from the date of receipt of request from Debenture Holders or their authorized representatives, which are necessary in connection with the Open Offer or for the purposes of preparation of documents in connection with the Open Offer.
 - (b) Immediately on issuance of a notice of conversion by the OCD holders (or any persons/trustees acting on their behalf), the Company shall, within 10 days, issue and allot the requisite number of fully paid-up equity shares to the OCD holders at the price and on the terms agreed in the Debenture Documents and take all necessary steps to obtain approvals of stock exchanges and other governmental and regulatory authorities to ensure that the equity shares allotted to the OCD Debenture Holders are listed on the relevant stock exchanges.
 - (c) The conversion right as aforesaid may be exercised by the OCD holders on one or more occasions.
- (iii) The equity shares allotted pursuant to conversion shall rank pari passu in all respect with the existing equity shares of the Company, save and except dividends for the financial year in which the equity shares are issued where dividends shall be paid proportionately for that financial year.
- (iv) The Company shall, at all times, maintain sufficient authorized equity share capital for the above purpose.

F. Variation in terms of the Debt Resolution Plan

The Company has issued zero coupon Optionally Convertible Redeemable Preference Shares ("OCRPS") to a consortium of lenders comprising of State Bank of India, Axis Bank Limited, South Indian Bank Limited, IndusInd Bank Limited, ICICI Bank Limited, West Bengal Infrastructure Development Finance Corporation Limited, Karur Vysya Bank Limited, Lakshmi Vilas Bank Limited (Successor DBS Bank), Yes Bank Limited and Punjab National Bank Limited ("Existing Lenders") in accordance with the resolution plan approved by the Existing Lenders under the Prudential Framework for Resolution of Stressed Assets Directions, 2019 issued by Reserve Bank of India vide its Circular

No. RBI/2018-19/203DBR.No.BP.BC.45/21.04.048 /2018-19 dated 7th June, 2019. On and from the Effective Date, the Company shall obtain a prior written consent of the Debenture Trustees for amending/altering/modifying the terms of the OCRPS issued by the Company to the Existing Lenders.

G. Additional Capital

On and from the Effective Date, the Company shall not issue any additional capital instrument, including any security convertible into equity shares of the Company, unless the same is approved by the Debenture Trustee or otherwise permitted under the Debenture Documents.

H. Transfer of securities pursuant to invocation of security

A request for transfer of securities pursuant to invocation of rights by the Debenture Holders (or any persons/trustees acting on their behalf), in relation to a pledge, lien, charge, encumbrance or security interest created over securities issued by the Company shall be duly recognized and taken on record by the Company, the directors and all its shareholders without any delay, demur or objection in accordance with applicable laws and regulations.

RESOLVED FURTHER that anyone of the Directors or the Company Secretary be and is hereby authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this Resolution”.

5. To appoint Mangala Radhakrishna Prabhu (DIN: 06450659) as Independent Director of the Company.

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

“**RESOLVED THAT** pursuant to Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and other applicable provisions, if any, Mangala Radhakrishna Prabhu (DIN: 06450659), who was appointed as an Additional Director of the Company with effect from 14th May, 2021 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from 14th May, 2021.

RESOLVED FURTHER that anyone of the Directors or the Company Secretary be and is hereby authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this Resolution”.

Registered Office:

9/1, R. N. Mukherjee Road,
Kolkata - 700 001
14th May, 2021

By Order of the Board

Akash Ghuwalewala
Company Secretary