



## KESORAM INDUSTRIES LIMITED

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

CIN: L17119WB1919PLC003429

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Website: [www.kesocorp.com](http://www.kesocorp.com); Email: [corporate@kesoram.net](mailto: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 the following Special Resolutions:

#### Item No.1

#### Issue of Equity Shares on Preferential Basis to Manav Investment and Trading Company Limited

"**RESOLVED THAT** in accordance with Sections 42, 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules thereunder (the "**Companies Act**"), as amended, and the enabling provisions of the Memorandum and Articles of Association of the Company, and subject to such other applicable legislation as well as rules and regulations made thereunder including the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**ICDR Regulations**"), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and subject to any approvals, consents, permissions or sanctions of any appropriate statutory or regulatory authority and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter called the "**Board**", which term shall include any Committee of the Board), the consent of the Company be and is hereby accorded to create, issue, offer, and allot up to 12,571,429 Equity Shares of the Company of face value ₹ 10/- each (the "**Equity Shares**") to Manav Investment and Trading Company Limited, an unlisted promoter group entity ("**Manav**"), for an aggregate amount up to ₹ 2,200,000,075 (Rupees Two Hundred Twenty Crore and Seventy Five only), the entire consideration being payable to the Company on or before allotment, in accordance with the provisions of Chapter VII of the ICDR Regulations and the Companies Act (the "**Preferential Issue**") in such manner and on such terms and conditions, as may be deemed appropriate by the Board at its absolute discretion but subject to applicable laws and regulations;

**RESOLVED FURTHER** that the allotment of the Equity Shares pursuant to the Preferential Issue as referred to above shall be completed within the time permitted under the ICDR Regulations and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VII of the ICDR Regulations;

**RESOLVED FURTHER** that for the Preferential Issue under Chapter VII of the ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be February 09, 2018;

**RESOLVED FURTHER** that in pursuance of the above, the Equity Shares to be offered, issued and allotted shall rank pari passu with the existing Equity Shares of the Company in all respects subject to the provisions of the Memorandum and Articles of Association of the Company and applicable laws and regulations;

**RESOLVED FURTHER** that for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, including but not limited to determining the manner of the issue, number of Equity Shares to be allotted, issue price, execution of various deeds, instruments and other documents as it may in its absolute discretion deem fit, necessary, proper or desirable, and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in this regard and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required and as the Board may in its absolute discretion deem fit and proper in the interests of the Company without being required to seek any further consent of the shareholders, and that all or any of the powers conferred on the Board in connection with any matter(s) referred to or contemplated in this Resolution be and are hereby approved, ratified and confirmed;

**RESOLVED FURTHER** that the Board be and is hereby authorised also to delegate any of its powers given to it through this Resolution to any Committee of the Board or any Key Managerial Person to the extent permitted under law to give effect to the whole or any part of this Resolution."

## Item No.2

### Issue of Convertible Warrants on Preferential Basis to Manav Investment and Trading Company Limited

**"RESOLVED THAT** in accordance with Sections 42, 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules thereunder (the "**Companies Act**"), as amended, and the enabling provisions of the Memorandum and Articles of Association of the Company, and subject to such other applicable legislation as well as rules and regulations made thereunder including the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**ICDR Regulations**"), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and subject to any approvals, consents, permissions or sanctions of any appropriate statutory or regulatory authority and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter called the "**Board**", which term shall include any Committee of the Board), the consent of the Company be and is hereby accorded to create, issue, offer, and allot, up to 7,428,571 Convertible Warrants ("**Warrants**") on a preferential basis to Manav Investment and Trading Company Limited, an unlisted promoter group entity ("**Warrant Holder**"), with a right to such Warrant Holder to apply for and be allotted one equity share of face value of ₹ 10/- (Rupees Ten Only) each (the "**Equity Share**") for each Warrant, within a period of 18 (Eighteen) months from the date of allotment of Warrants, at a price (including warrant subscription price and warrant exercise price) of ₹ 175/- each (Rupees One Hundred and Seventy Five Only) or such other price as may be arrived at in accordance with the provisions of Chapter VII of the ICDR Regulations, for an aggregate amount of up to ₹ 1,299,999,925 (Rupees One Hundred Twenty Nine Crore Ninety Nine Lakh Ninety Nine Thousand Nine Hundred and Twenty Five only), with at least 25% of the consideration amount being payable upfront at the time of allotment of the Warrants and the balance consideration amount being payable at the time of exercise of the option to convert such Warrants into Equity Shares, in one or more tranches within 18 (eighteen) months from the date of allotment of Warrants in accordance with the provisions of Chapter VII of the ICDR Regulations and the Companies Act (the "**Preferential Issue**"), in such manner and on such terms and conditions, as may be deemed appropriate by the Board at its absolute discretion but subject to applicable laws and regulations;

**RESOLVED FURTHER** that the allotment of the Warrants pursuant to the Preferential Issue as referred to above shall be completed within the time as may be permitted under the ICDR Regulations and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VII of the ICDR Regulations;

**RESOLVED FURTHER** that for the Preferential Issue under Chapter VII of the ICDR Regulations, the relevant date for the purpose of pricing of the Warrants shall be February 09, 2018;

**RESOLVED FURTHER** that without prejudice to the generality of the above, the issue of Warrants shall be subject to following terms:

- (i) The option of conversion of Warrants may be exercised by the Warrant Holder at any time before the expiry of 18 (Eighteen) months from the date of allotment of the Warrants ("**Tenure**");
- (ii) In the event the Warrant Holder does not exercise the option of conversion of Warrants within 18 (Eighteen) months from the date of allotment of the Warrants, the Warrants shall lapse and the amount paid on such Warrants shall stand forfeited by the Company;
- (iii) The Warrant Holder shall be entitled to exercise the option of exercising any or all of the Warrants in one or more tranches by way of a written notice to the Company, specifying the number of Warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the shareholders of the Company prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of Equity Shares to the Warrant Holder;
- (iv) In respect of the Equity Shares to be allotted to the Warrant Holder upon exercise of the option attached for conversion of the Warrants, the Company shall submit applications for seeking listing and trading approvals from the relevant Stock Exchanges within such time as may be prescribed under applicable law;
- (v) The Equity Shares to be so allotted on exercise of the Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari passu in all respects including dividend, with the existing Equity Shares of the Company;
- (vi) Upon exercise of the Warrants by the Warrant Holder, the Company shall issue and allot appropriate number of Equity Shares and perform such actions as are required to credit the Equity Shares to the depository account of Warrant Holder and entering the name of the Warrant Holder in the records of the Company as the registered owner of such Equity Shares;
- (vii) A Warrant subscription price equivalent to at least 25% of the issue price of the Equity Shares will be payable at the time of subscription of the Warrants, in accordance with Regulation 77 of the ICDR Regulations.

A Warrant exercise price equivalent to the balance issue price will be payable by the Warrant Holder at the time of, or prior to, exercising the Warrant, in one or more tranches;

- (viii) The issue of the Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof. It may be noted that the price determined for Preferential Issue may be subject to appropriate adjustments as per the provisions of Chapter VII of the SEBI ICDR Regulations;
- (ix) The Warrants and the Equity Shares allotted pursuant to exercise of such Warrants shall be subject to a lock-in and transfer restrictions for such period as specified under Chapter VII of ICDR Regulations; and
- (x) The Warrants by itself, until exercise of conversion option and Equity Shares allotted, does not give to the Warrant Holder thereof any rights with respect to that of a shareholder(s) of the Company;

**RESOLVED FURTHER** that the Board be and is hereby authorised to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the holder(s) of the Warrants;

**RESOLVED FURTHER** that for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, including but not limited to determining the manner of the issue, number of Warrants and Equity Shares to be allotted, issue price, execution of various deeds, instruments and other documents as it may in its absolute discretion deem fit, necessary, proper or desirable, and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in this regard and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required and as the Board may in its absolute discretion deem fit and proper in the interests of the Company without being required to seek any further consent of the shareholders, and that all or any of the powers conferred on the Company in connection with any matter(s) referred to or contemplated in this Resolution be and are hereby approved, ratified and confirmed;

**RESOLVED FURTHER** that the Board be and is hereby authorised also to delegate any of its powers given to it through this Resolution to any Committee of the Board or any Key Managerial Person to the extent permitted under law to give effect to the whole or any part of this Resolution."

By Order of the Board

**Gautam Ganguli**

*Company Secretary*

Membership No. ACS 2040

Place : Kolkata

Dated : January 10, 2018

#### **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](http://www.kesocorp.com) and the website of the National Securities Depository Limited ("**NSDL**") at [www.evoting.nsdl.com](http://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 ("**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 March 12, 2018**. 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 pre-paid envelope bears the name and address of the Scrutiniser appointed by the Board. 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 **January 05, 2018**. A person who is not a shareholder as on January 05, 2018 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 3:00 P.M. on Wednesday, March 14, 2018 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](http://www.kesocorp.com), the weblink being [http://www.kesocorp.com/DOCS/management\\_corner.php#slide\\_2](http://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. **March 12, 2018**. 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. **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 February 11, 2018** and ends at **5.00 P.M. on March 12, 2018**. During this period, shareholders holding Equity Shares, either in physical form or in dematerialized form, as on **January 5, 2018**, 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:
- 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.
  - Launch an internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - Click on **Shareholder - Login**.
  - Use the user ID and password as initial password/PIN noted in step (i) above and click **Login**.
  - 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.
  - When the homepage of remote e-voting opens, click on **Remote e-Voting: Active Voting Cycles**.
  - Select "**EVEN**" of "**Kesoram Industries Limited**".
  - Now you are ready for remote e-voting as **Cast Vote** page opens.
  - Shareholders should cast their vote by selecting the appropriate option and click on "**Submit**" and also "**Confirm**" when prompted.
  - Upon confirmation, the message "**Vote cast successfully**" will be displayed.
  - Shareholders are to note that once they have voted on a resolution, they will not be allowed to modify their vote.
  - 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 banerjeesalil@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:
- The initial password is provided at the bottom of the postal ballot form:

EVEN (E-Voting Event Number)	LOGIN ID	PASSWORD

- 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 is holding shares in Demat mode, User ID is the combination of (DP ID + Client ID) and in case where a Shareholder is holding shares in Physical mode, User ID is the combination of (EVEN No. + Folio No.).  
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](http://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](mailto:gg@kesoram.net) or [sharedepartment@kesoram.net](mailto:sharedepartment@kesoram.net).

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

### Item Nos.1 and 2

As part of measures to further augment net worth, the Company wishes to make further issue of capital to its promoter group.

With the above objective in view, the Board of Directors of the Company ("**Board**") proposes to create, issue, offer and allot the following securities:

- up to 12,571,429 (One Hundred and Twenty Five Lakh Seventy One Thousand Four Hundred and Twenty Nine) Equity Shares of the Company of face value ₹ 10/- (Rupees Ten Only) each (the "**Equity Shares**") for an aggregate amount of up to ₹ 2,200,000,075 to Manav Investment and Trading Company Limited ("**Manav**"), an unlisted promoter group company incorporated in India with registered office at 9/1 R N Mukherjee Road, Kolkata 700001 having CIN U67120WB1988PLC043869; and
- up to 7,428,571 (Seventy Four Lakh Twenty Eight Thousand Five Hundred and Seventy One) Convertible Warrants of ₹ 10/- each ("**Warrants**") of the Company to Manav, for an aggregate amount of up to ₹ 1,299,999,925. Such Warrants, upon issue, will be converted into Equity Shares at the option of Manav within a period not exceeding 18 months from the date of allotment. Should Manav choose not to convert these Warrants, the amount paid will be forfeited by the Company.

The above Preferential Issues will be governed by Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**").

Pursuant to the provisions of Section 62(1)(c) of Companies Act, 2013 (the "**Companies Act**") any preferential allotment of securities needs to be approved by shareholders by way of a special resolution. The Special Resolutions incorporated in Item Nos. 1 and 2 of the attached notice seek to give the Board powers to create, issue, offer and allot Equity Shares and Warrants to Manav in accordance with the provisions of Chapter VII of the ICDR Regulations. The Board may authorise a Committee of Directors, or Key Managerial Personnel to exercise all powers on behalf of the Board in connection with the issue of Equity Shares and/or Warrants pursuant to the Special Resolutions and references to the term "**Board**" herein shall be deemed to include references to any such Committee or Key Managerial Personnel.

In terms of Regulation 73 of the ICDR Regulations, the following further disclosures are made hereunder :

**i. The objects of the Preferential Issue :**

The Company plans to, *inter alia*, utilise the net proceeds of the Preferential Issue for general corporate purposes.

**ii. The proposal of the promoters, promoter group companies, directors or key management personnel of the Company to subscribe to the offer :**

Manav is a promoter group entity and intends to subscribe to up to 12,571,429 Equity Shares for an aggregate consideration of up to ₹ 2,200,000,075 and up to 7,428,571 Warrants for an aggregate consideration of up to ₹ 1,299,999,925.

None of the Directors, Key Managerial Personnel or any member of the Promoter Group of the Company other than as stated in (vii) below intend to subscribe to the Preferential Issue.

**iii. Relevant Date :**

In accordance with the ICDR Regulations, the Relevant Date for the purpose of pricing of the Equity Shares as well as the Warrants shall be February 09, 2018 ("Relevant Date"), i.e., 30 days prior to the last date for receipt of postal ballot forms i.e **March, 12, 2018**, which is the date on which the Meeting of the shareholders would be deemed to have been convened to consider the Preferential Issue.

**iv. Basis or Justification of Price :**

The issue price of the Equity Shares and the Warrants will be not less than the price determined in accordance with the provisions of Regulation 76 of Chapter VII of the ICDR Regulations.

Since the Equity Shares of the Company are traded on both BSE Limited and the National Stock Exchange of India Limited, the trading volume of Equity Shares of the Company on these Stock Exchanges will be considered to determine the highest trading volume for computation of issue price.

The entire consideration for subscription to the Equity Shares by Manav shall be paid by Manav, on or before the date of allotment of the Equity Shares. At least 25% of the consideration for the Warrants to be issued to Manav shall be paid by Manav on or before the allotment of the Warrants and the balance consideration shall be paid by Manav at the time of, or prior to, the exercise of the option of conversion of Warrants into Equity Shares, in one or more tranches, in accordance with the provisions of the ICDR Regulations.

Where Manav exercises the conversion option, each Warrant shall be convertible into 1 Equity Share of the Company of ₹ 10/- each.

The proposed allottee, i.e. Manav has confirmed to the Company that it has not sold / transferred any Equity Share of the Company during the period of six months prior to the Relevant Date.

**v. Undertaking to re-compute price :**

If required, the Company shall re-compute the issue price of the Equity Shares and Warrants mentioned above in accordance with the ICDR Regulations. Further, if the amount payable on account of the re-computation of issue price is not paid by Manav within the time stipulated under the ICDR Regulations, the Equity Shares or Warrants allotted to Manav shall continue to be locked-in till the time such amounts are paid by Manav.

**vi. Broad Terms of Issue of Warrants to Manav :**

a) Up to 7,428,571 (Seventy Four Lakh Twenty Eight Thousand Five Hundred and Seventy One) Warrants of face value of ₹ 10/- each are proposed to be allotted to Manav through the Preferential Issue with the aggregate consideration realisable by the Company being up to ₹ 1,299,999,925.

b) The Warrants will be convertible into Equity Shares at the option of Manav within a period not exceeding 18 months from the date of allotment. Should Manav choose not to convert these Warrants, the amount paid up front on allotment will be forfeited by the Company.

c) Equity shares to be issued pursuant to the conversion of Warrants shall rank pari passu in all respects including with respect to dividend, with the then fully paid up equity shares of the Company.

d) Any variation in the terms of the Warrants shall be subject to and in accordance with applicable law, including the Companies Act and the Rules made thereunder.

e) At least 25% of the Consideration for preferential issue of Warrants shall be received by the Company prior to or on the allotment of the said Warrants.

f) At the time of, or prior to, exercise of the conversion option, the Warrant Holder shall pay the balance consideration amount, in one or more tranches.

vii. **The identity of the natural persons who are the ultimate beneficial owners of the securities proposed to be allotted and/or who ultimately control the investors, the percentage of post Preferential Issued capital that may be held by them and change in control, if any, in the Company consequent to the Preferential Issue :**

- The natural person who is the ultimate beneficial owner of Manav is Manjushree Khaitan.
- Each Warrant shall be convertible into 1 Equity Share of the Company.

Name of proposed allottee	Pre-issue shareholding	Maximum No. of Equity Shares proposed to be allotted	Maximum No. of Warrants proposed to be allotted	No. of Equity Shares to be allotted after conversion of Warrants (1 Equity share per Warrant converted)	Percentage of post-preferential issue capital held (%)*
Manav Investment and Trading Company Ltd.	16,138,250 (12.935% of the equity share capital)	12,571,429	7,428,571	7,428,571	24.96

\*The percentage of post-preferential issue capital held is computed assuming the allotment of the maximum number of Equity Shares proposed to be allotted and the conversion of the maximum number of Warrants proposed to be allotted into Equity Shares.

- Manav is a member of the Company's Promoter Group. The existing promoter of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the Preferential Issue, except a corresponding change in shareholding pattern as well as voting rights.

viii. **The shareholding pattern of the Company before and after the Preferential Issue (including the percentage of Post-Preferential Issue capital that will be held by investors\*\*):**

Sl. No.	Category of Investor	Pre - Issue*		On date of allotment**			Post - Conversion Warrants***	
		No. of Shares	% of Shareholding	No. of Equity Shares	No. of Warrants	% of Equity Shareholding	No. of Equity Shares	% of Shareholding
<b>A.</b>	<b>PROMOTERS SHAREHOLDING</b>	<b>58,004,989</b>	<b>46.49</b>	<b>70,576,418</b>	<b>7,428,571</b>	<b>51.39</b>	<b>78,004,989</b>	<b>53.88</b>
	Promoter	1,312,409	1.05	1,312,409	Nil	0.96	1,312,409	0.90
	Promoter Group	56,692,580	45.44	69,264,009	7,428,571	50.43	76,692,580	52.98
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>	<b>66,763,661</b>	<b>53.51</b>	<b>66,763,661</b>	<b>Nil</b>	<b>48.61</b>	<b>66,763,661</b>	<b>46.12</b>
<b>I</b>	<b>INSTITUTIONAL INVESTORS</b>	<b>5,353,489</b>	<b>4.29</b>	<b>5,353,489</b>	<b>Nil</b>	<b>3.90</b>	<b>5,353,489</b>	<b>3.70</b>
	Mutual Funds	189,631	0.15	189,631	Nil	0.14	189,631	0.13
	Financial Institutions/Banks	1,558,464	1.25	1,558,464	Nil	1.13	1,558,464	1.08
	Foreign Institutional Investors	3,605,394	2.89	3,605,394	Nil	2.63	3,605,394	2.49
<b>II</b>	<b>NON INSTITUTIONAL INVESTORS</b>	<b>61,410,172</b>	<b>49.22</b>	<b>61,410,172</b>	<b>Nil</b>	<b>44.71</b>	<b>61,410,172</b>	<b>42.42</b>
	Bodies Corporate	17,545,990	14.06	17,545,990	Nil	12.77	17,545,990	12.12
	Resident Individuals/ HUFs	27,286,252	21.87	27,286,252	Nil	19.87	27,286,252	18.85
	NRIs	820,974	0.66	820,974	Nil	0.60	820,974	0.57
	Others	15,756,956	12.63	15,756,956	Nil	11.47	15,756,956	10.88
	<b>Total (A+B)</b>	<b>124,768,650</b>	<b>100.00</b>	<b>137,340,079</b>	<b>7,428,571</b>	<b>100.00</b>	<b>144,768,650</b>	<b>100.00</b>

\* Shareholding as on January 5, 2018.

\*\* The above table shows the expected shareholding pattern of the Company on the date of allotment assuming the allotment of the maximum number of Equity Shares proposed to be allotted.

\*\*\* The above table shows the expected shareholding pattern of the Company after conversion of the Warrants assuming the allotment of the maximum number of Equity Shares proposed to be allotted and assuming the conversion of the maximum number of the Warrants into Equity Shares. It further assumes that the post-issue shareholding of all the other shareholders will remain the same.

**ix. The time within which the Preferential Issue shall be completed :**

The Preferential Issue of the Equity Shares and the Warrants shall be completed within 15 days from the date of the Shareholder Resolution approving such offer (provided that in the event any approval or permission from any regulatory authority or the Central Government for allotment is pending, the 15-day period shall be counted from the date of such approval or permission) or such other time as may be permitted under the ICDR Regulations or as amended from time to time.

**x. Lock-in and transfer restrictions :**

The Equity Shares and Warrants shall be subject to lock-in and transfer restrictions as stipulated under the ICDR Regulations, including in relation to the pre-preferential allotment shareholding of Manav.

**xi. Others:**

The Certificate to be furnished by Deloitte Haskins & Sells, Chartered Accountants, the Company's Statutory Auditors, as per Regulation 73(2) of the ICDR Regulations will be hosted on the Company's website [www.kesocorp.com](http://www.kesocorp.com). Equity Shares allotted pursuant to the Preferential Issue (including pursuant to the conversion of any Warrants) will be listed on the Stock Exchanges where the shares of the Company are listed at present.

As it is proposed to issue and allot the aforesaid Equity Shares and Warrants on preferential basis, Special Resolutions proposed in Item Nos. 1 and 2 of the Postal Ballot Notice have to be approved by Shareholders pursuant to the provisions of Section 62(1)(c) of the Companies Act and Chapter VII of the ICDR Regulations. The Board is of the opinion that the proposed Preferential Issue will be in the interest of the Company and therefore, recommends passing of the aforesaid Special Resolutions.

No director, key managerial personnel or their respective relatives and promoters of the Company are in any way concerned or interested, financially or otherwise in the proposed Resolutions, except to the extent of their shareholding in the Company, if any. Pursuant to the proviso to Section 102(2) of the Companies Act 2013, it is clarified that the proposed Resolutions do not relate to or affect any other company save and except Manav to the extent indicated in (vii) above.

By Order of the Board

**Gautam Ganguli**

*Company Secretary*

Membership No. ACS 2040

Place : Kolkata

Dated : January 10, 2018