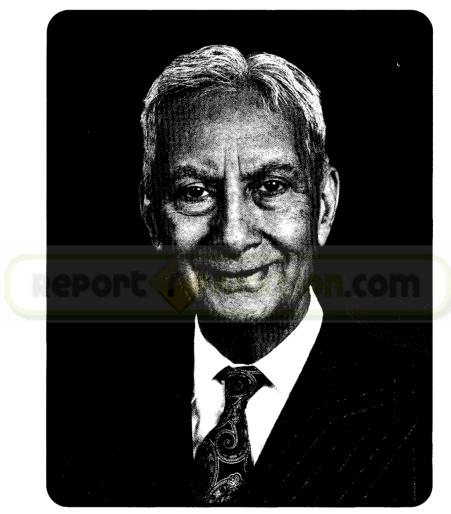
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88TH ANNUAL REPORTS & ACCOUNTS 2006-07





Shri Basant Kumar Birla Chairman

## Message of the Chairman

e have much to feel happy that India remains one of the world's fastest growing economies with our GDP registering a rise of 9.2 per cent during 2006-07 on the back of a 9 per cent improvement in the previous year. There is no doubt that such sterling performance of the economy, which is rightly winning global plaudits, is because of the reforms and a conscious decision to give a free play to entrepreneurial genius of the citizens. It is not only the outstanding growth, which calls for celebration. But we also find at the same time that the macroeconomic fundamentals like progress is fiscal consolidation and improvement in balance of payments position are becoming stronger. I feel that we should be able to achieve the annual average growth target of 9 per cent during the current Eleventh Five Year Plan (Plan). What is particularly gratifying is the 10 per cent growth of the industrial sector, with the manufacturing sub-sector growing at a good 11.3 per cent. Such performance of the industrial sector should remain sustainable since we have been seeing a marked rise in the investment rate in recent years.

While there is much to cheer about the economy, I am concerned about supply side constraints contributing to inflation and a disappointing 2.7 per cent growth of agriculture last year, again a cause of inflation. Capacity utilization in most industries is high and therefore, supply improvement of industrial products call for creation of new capacities at a rapid pace.

The Indian cement industry, the world's second largest with capacity of 165 million tones, once again gave a good account of itself last year when dispatches were up 11.3 per cent to 151.8 million tones. In my opinion, the challenge for the industry is to see that the announced fresh capacity of 80 million tones is commissioned in time. The plan projection is that demand for cement will be growing 11.5 per cent at Compounded Annual Growth Rate (CAGR) during the 11<sup>th</sup> plan period. It goes to the industry's credit that it is ploughing back surplus resources to create new capacities.

At the same time, the Indian automobile industry is doing excellently well and the country is emerging as an important production hub for automobiles, automotive components and tyres.

Never before has India invited as much global attention as is the case today. All this is because the world has finally come to appreciate the economic potential of the country and the quality of our human resources. As we continue to make inexorable progress to becoming a developed economy, the Indian economic experiment will be a source of inspiration for all other developing countries.

Basant Kumar Birla



## 88th ANNUAL REPORT & ACCOUNTS 2006-07

#### **Registered Office**

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

#### **Bankers**

State Bank of India-Lead Bank,
Allahabad Bank, BNP Paribas, Canara Bank,
Central Bank of India, Citibank N.A., HDFC Bank Ltd.,
Hongkong and Shanghai Banking Corpn. Ltd., ICICI
Bank Ltd., IndusInd Bank Ltd., Oriental Bank of
Commerce, State Bank of Hyderabad, State Bank of
Indore, State Bank of Bikaner & Jaipur, State Bank of
Mysore and UCO Bank.

#### **Auditors**

Messrs Price Waterhouse

#### **Share Transfer Agent**

MCS Ltd. 77/2A, Hazra Road, Kolkata - 700 029

Shareholders seeking information on accounts published herein are requested to send their queries to the Company at least TEN days before the date of the Meeting.

Members are requested to bring at the meeting with them the printed copy of Annual Report & Accounts being sent to them along with the Notice to avoid inconvenience.

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## **BOARD OF DIRECTORS**



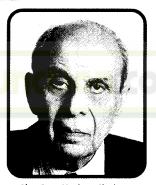
Shri Basant Kumar Birla Chairman



Shri Krishna Gopal Maheshwari



Shri Bhagwati Prasad Bajoria



Shri Pesi Kushru Choksey



Shri Amitabha Ghosh



Shri Govind Ballabh Pande (Nominee of LICI)



Shri Prasanta Kumar Mallik



Smt. Manjushree Khaitan



Shri Shiv Kumar Parik (Also Company Secretary)

## **TEAM OF EXECUTIVES**

#### Shri K.C.Jain

Sr.President Cement Sections & Manager of the Company

#### **Corporate Office**

Shri U.S.Asopa

Sr. Vice President (Finance)

Shri S.R.Chamaria

Sr. Vice President (Accounts & HRD)

Shri Suresh Sharma

Sr. Vice President (Commercial)

Shri G.K.Ojha

Vice President (Secretarial)

Shri Vikash Agarwal

Vice President (Taxation)

#### **Vasavadatta Cement Section**

Shri D.S.Bindra Shri P.R.Sharma Shri C.K.Jain

President Joint President Joint President (O&M and TPH)

Shri P.S.Rao Shri Yashwant Mishra Joint President (Projects)

Shri O.P.Sharma Shri I.K.Purohit

Sr. Vice President & Marketing Head Vice President (Commercial) Vice President (Sales & Marketing)

Shri R.K.Gandhi Shri A.C.Basak

Shri Ajit Kulkarni

Vice President (Production & Quality Control) Vice President (Mines) Vice President (HR)

#### **Kesoram Cement Section**

Shri S.V.Tapadia Shri K.L.Narayana Rao Joint President (Technical) Shri K.K.Prasad

Vice President (Mines) Vice President (Technical)

Joint President (Fin. & Admn.)

Shri Mahesh Agarwal Shri Ashok Ostwal

Vice President (Sales & Marketing)

#### **Birla Tyres Section**

Shri Deepak Tandon Shri R.K.Shah Shri A.K.Uppal Shri Sujoy Sen Shri R.C.Singh

Shri Anoj Agarwal

Shri Anupam Dutta

President Vice President (Commercial) Vice President (Marketing) Vice President (Purchase) Vice President (Production) Vice President (Commercial) Vice President (Technical)

#### **Rayon & Transparent Paper Sections**

Shri J.D.Palod Shri J.P.Bohra President Joint President (Finance)

Shri S.C.Tripathy Shri S.S.Singhania Shri S.K.Patodia Shri A.K.Kejriwal

Sr. Vice President (Technical) Vice President (Engineering) Vice President (Commercial)

Vice President (Marketing)

#### **Spun Pipes Section**

Shri P.P. Saha

Sr. General Manager

#### **Hindusthan Heavy Chemicals Section**

Shri S.Rov

Sr. Vice President (Commercial)

Shri M.L.Bhattacharya

Sr. Vice President (Works)

### **PERFORMANCE**

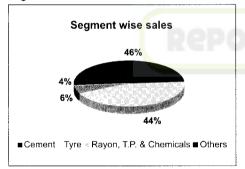
#### **HIGHLIGHTS**

The following highlights for the year under review are given in comparison to immediate previous year

- Gross Sales have risen from Rs.1,877.82 Crores to Rs. 2,516.46 Crores.
- Profit after tax has increased from Rs. 45.71 Crores to Rs. 265.68 Crores.
- Earning per share has improved from Rs. 9.99 to Rs. 58.08.
- Dividend has been enhanced from Rs. 3.00 to Rs. 4.00 per share.
- Increased networth from Rs.416.05 crores to Rs.654.43 crores

The graphs below show the current year's segmentwise sales and previous five years position.

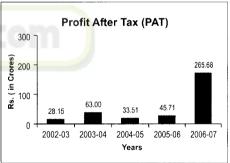
#### Segment wise sales



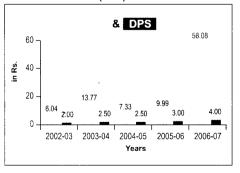
#### Increased Sales



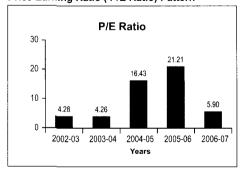
Improved Profitability



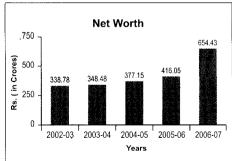
Enhanced Earning Per Share (EPS) & Dividend Per Share (DPS)



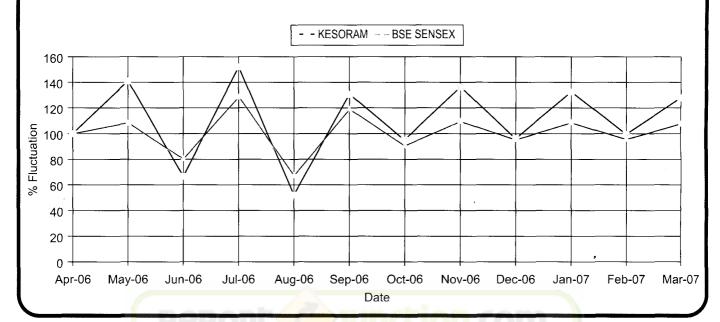
Price Earning Ratio (P/E Ratio) Pattern



Increased Net Worth



# COMPARISON BETWEEN KESORAM MEDIAN PRICE VARIATION AND BSE SENSEX VARIATION IN PERCENTAGE



<b>STOCK</b>	MA	PKET	PRICE	DATA
310CN	INIH	MNNLI	INILL	DAIA

Month	Calcutta Sto	Calcutta Stock Exchange		ck Exchange	National Stock Exchange	
	High	Low	High	Low	High	Low
April, 2006	301.10	274.10	319.90	227.10	312.80	216.60
May, 2006	N.T.	N.T.	327.65	215.75	347.00	194.00
June,2006	N.T.	N.T.	227.20	173.80	245.70	170.05
July, 2006	N.T.	N.T.	300.70	217.85	311.00	215.10
August, 2006	N.T.	N.T.	390.00	292.60	398.40	289.00
September, 2006	N.T.	N.T.	503.55	390.75	512.00	378.05
October, 2006	N.T.	N.T.	517.15	453.25	523.00	445.00
November, 2006	N.T.	N.T.	572.55	498.65	590.00	486.00
December, 2006	N.T.	N.T.	575.85	494.90	589.70	481.00
January, 2007	N.T.	N.T.	622.50	508.55	648.00	501.00
February, 2007	N.T.	N.T.	530.85	400.20	542.00	385.65
March, 2007	N.T.	N.T.	363.95	330.10	408.00	314.70

### **AWARD**



Shri K.C.Jain, Sr. President Cement Sections & Manager of the company receiving the "Best Management Award 2007" for the best management practices in Kesoram Cement Section on all fronts in the industry, from the Hon'ble Chief Minister Dr.Y.S.Rajasekhara Reddy, on behalf of the Government of Andhra Pradesh at Hyderabad.