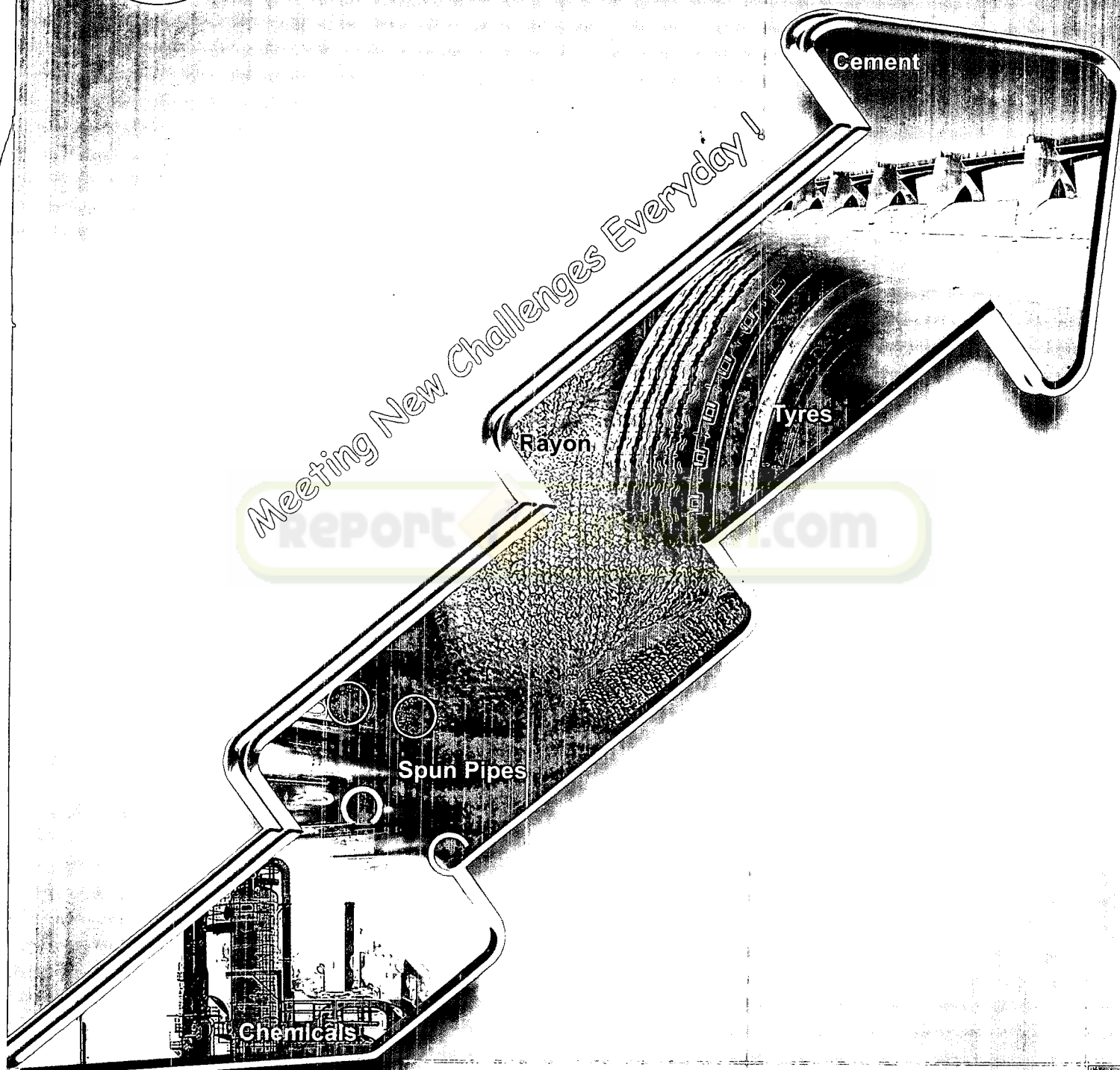


KESORAM INDUSTRIES LIMITED

Meeting New Challenges Everyday!



89TH ANNUAL REPORT & ACCOUNTS 2007-08



Shri Basant Kumar Birla
Chairman

Message of the Chairman

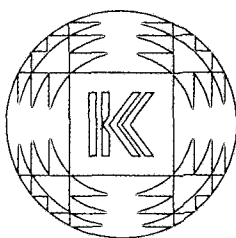
India by now has proved beyond doubt that its economy has moved decisively to a high growth phase. But there remains points of concern relating to inflation and falling industrial growth rate. Global developments like high prices of oil and food have hit us badly. I fully appreciate the concern of the Government about the raging inflation causing distress to vulnerable sections of our society. The challenge of the present times is to remove all supply side constraints on industrial and agricultural fronts. The government must keep faith in reforms, which brought about a fundamental change in investment climate and released a wave of entrepreneurial optimism. The Reserve Bank of India will have to see that the financial system is supplied with enough cash to sustain the economy's growth.

The country's investment climate remains full of optimism. I feel that if the economy is steered rightly, the market dynamics not disturbed and public-private partnership comes into full play, then there is no reason why our economy will not continue to grow at a high rate. But to make the high rate of growth sustainable, the country needs further reforms, particularly in the financial sector. I believe in inclusive growth, a growth that leads to improvement in public welfare. Now I shall briefly touch upon how I look at the two major business segments of your company, namely, cement and tyre.

The Indian cement industry is an outstanding example of how the removal of controls has spurred growth in capacity and made the country self-reliant in a critical item needed for development of infrastructure and construction. What pleases me is that the industry in course of capacity expansion is also achieving global benchmarks in energy use, environmental protection and quality of cement. I have no doubt that the industry will continue to grow strongly to be in a position to meet all incremental future domestic demand. As cement use has strong correlation with GDP growth rate and construction activities, the industry should have a good future. There must not be any let up in efforts to control costs, specially as coal has become so expensive.

The future of the Indian tyre industry is bright. The high rate of GDP growth and growing affluence of the middle class, whose base is fast expanding, have created a vibrant automobile industry in the country. Commercial vehicles production should also continue to register high growth. As a result, the tyre industry will need fresh capacity to meet the rising demand from vehicle manufacturers and also of the replacement market.

Basant Kumar Birla



**KESORAM
INDUSTRIES
LIMITED**

89th ANNUAL REPORT & ACCOUNTS 2007-08

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,
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



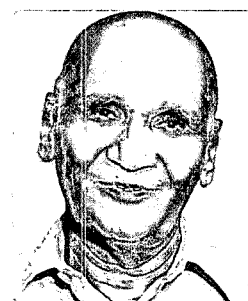
Smt. Manjushree Khaitan



Shri Govind Ballabh Pande
(Nominee of LIC)



Shri Prasanta Kumar Mallik



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	President
Shri P. R. Sharma	Joint President
Shri C. K. Jain	Joint President (O&M and TPH)
Shri P. S. Rao	Joint President (Projects)
Shri Yashwant Mishra	Sr. Vice President & Marketing Head
Shri O. P. Sharma	Vice President (Commercial)
Shri I. K. Purohit	Vice President (Sales & Marketing)
Shri R. K. Gandhi	Vice President (Production & Quality Control)
Shri A. C. Basak	Vice President (Mines)
Shri Ajit Kulkarni	Vice President (HR)
Shri B. K. Sharma	Vice President (Mechanical)

KESORAM CEMENT SECTION

Shri S. V. Tapadia	Joint President (Fin. & Admin.)
Shri K. L. Narayana Rao	Joint President (Technical)
Shri Rajesh Garg	Vice President (Mines)
Shri Mahesh Agarwal	Vice President (Technical)
Shri Ashok Ostwal	Vice President (Sales & Marketing)

BIRLA TYRES SECTIONS

Shri Deepak Tandon	Sr. President
Shri R. K. Shah	Sr. Vice President (Commercial)
Shri A. K. Uppal	Sr. Vice President (Marketing)
Shri Sujoy Sen	Sr. Vice President (Purchase)
Shri Anoj Agarwal	Sr. Vice President (Commercial)
Shri Anupam Dutta	Sr. Vice President (Technical)
Shri P. K. Mitra	Vice President (Engineering)

RAYON & TRANSPARENT PAPER SECTIONS

Shri J. D. Palod	Sr. President
Shri J. P. Bohra	Joint President (Finance)
Shri S. C. Tripathy	Sr. Vice President (Technical)
Shri S. S. Singhania	Vice President (Engineering)
Shri S. K. Patodia	Vice President (Commercial)
Shri A. K. Kejriwal	Vice President (Marketing)

HINDUSTHAN HEAVY CHEMICALS SECTION

Shri S. Roy	Sr. Vice President (Commercial)
Shri M. L. Bhattacharya	Sr. Vice President (works)

SPUN PIPES SECTION

Shri A. K. Chatteraj	General Manager (Marketing)
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PERFORMANCE

HIGHLIGHTS

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

Gross Sales have risen from Rs. 2,516.46 Crores to Rs. 3,440.32 Crores.

Profit after tax has increased from Rs. 265.68 Crores to Rs. 383.35 Crores.

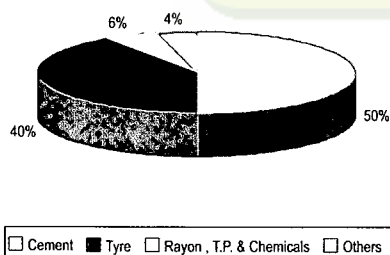
Earning per share has improved from Rs. 58.08 to Rs. 83.80.

Dividend has been enhanced from Rs. 4.00 to Rs. 5.50 per share.

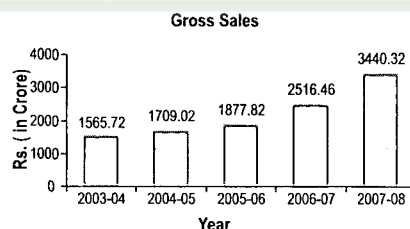
Increased network from Rs. 654.43 crores to Rs. 981.92 crores.

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

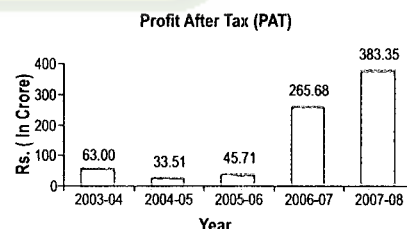
Segment wise sales



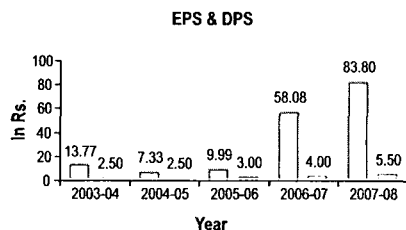
Increased Sales



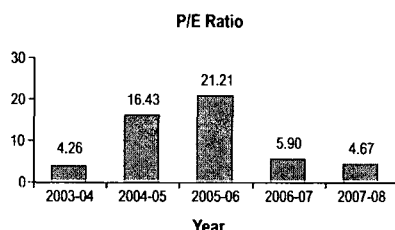
Improved Profitability



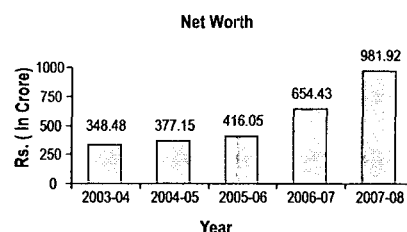
Enhanced Earning Per Share (EPS) & Dividend Per Share (DPS)



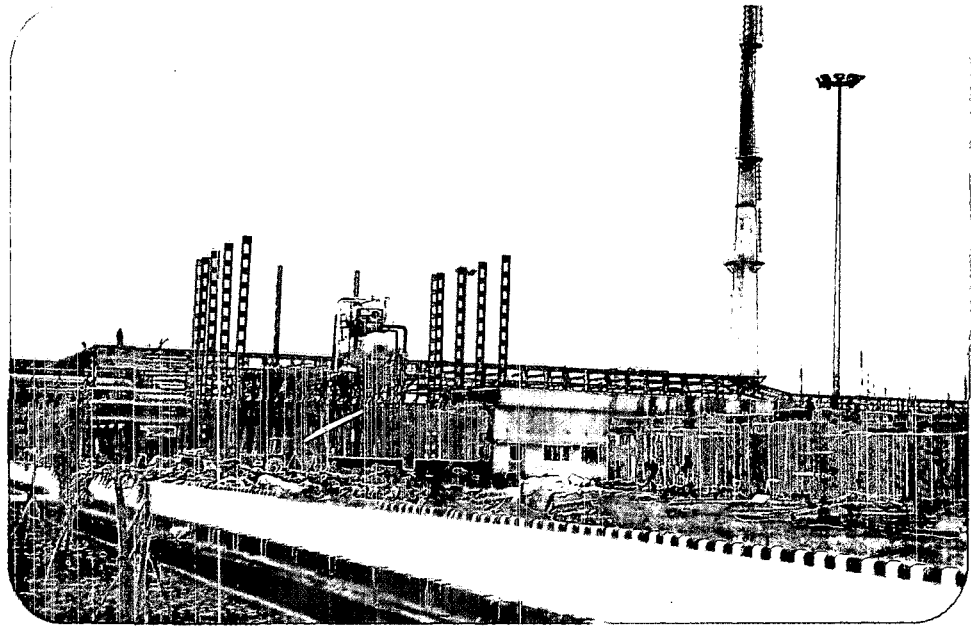
Price Earning Ratio (P/E Ratio) Pattern



Increased Net Worth

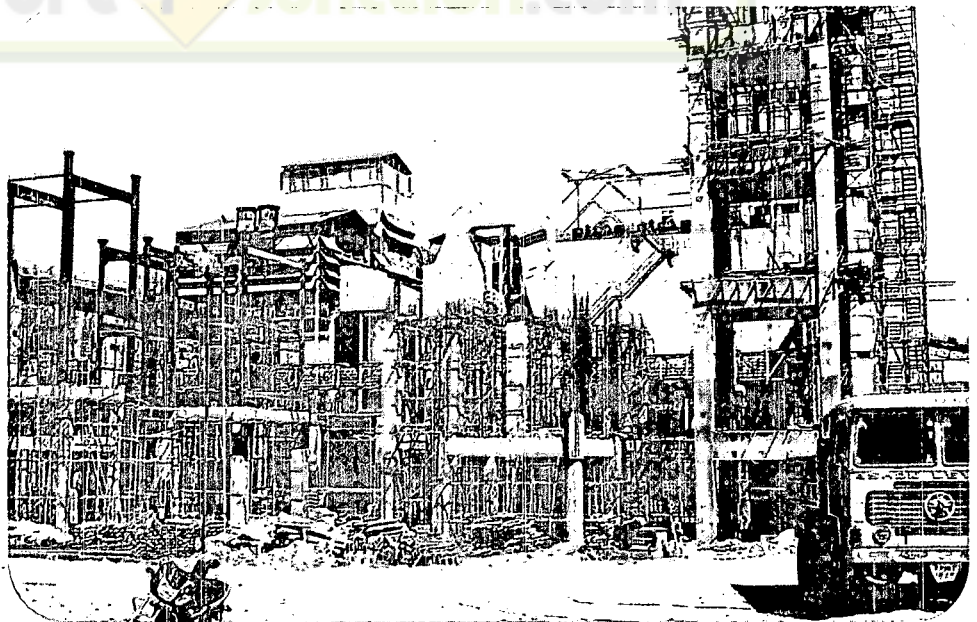


WORK IN PROGRESS



At Greenfield Project of Birla Tyres
at Haridwar, Uttaranchal

Report Junction.com



At Brownfield Project unit IV of
Vasavadatta Cement at Sedam, Karnataka.

AWARD

Shri K C Jain, Sr. President Cement Sections & Manager of the Company, receiving the FAPCCI Award for "Excellence in Industrial Productivity" on behalf of Kesoram Cement from the Hon'ble Chief Minister of Andhra Pradesh, Dr. Y S Rajasekhara Reddy, on 8th June 2007 at Hyderabad.

