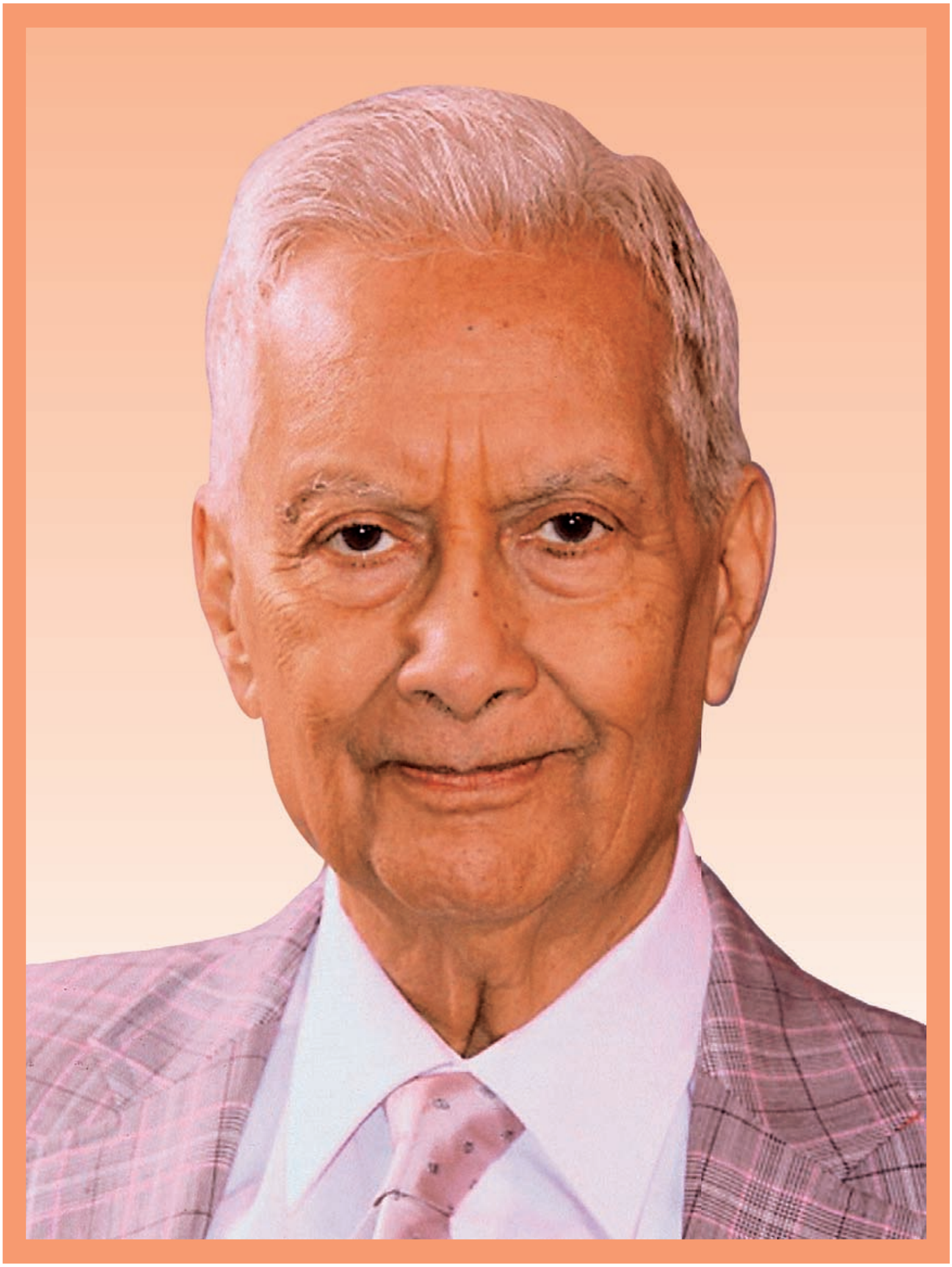
KESORAM INDUSTRIES LIMITED

91st

ANNUAL REPORT & ACCOUNTS 2009-10

Meeting New Challenges Everyday!



Shri Basant Kumar Birla
Chairman

Message of the CHAIRMAN

Dear Fellow Shareholders:

Whereas the Global economy was slowly limping back to normalcy, 2009 – 10 was a landmark year for Kesoram. The turnover of your company has crossed the Rs 5000 crore mark for the first time.

Your company's core business segments – Cement and Tyre – have shown impressive growth.

The cement units have posted the highest ever production figures. The Tyre section has shown commendable growth in domestic sales and exports – with an increase in market share.

Another significant achievement has been the scheduled completion of expansion projects. At Vasavadatta Cement, the 4th Unit and a Thermal Power Plant started commercial production in August 2009 and your Company's world-class Greenfield facility for Tyres at Haridwar, Uttarakhand, started commercial production of Truck/Bus Radial Tyres and Motor Cycle/ LCV Tyres during the year.

Your company has also faced challenges very successfully. The surplus capacity in the Indian Cement Industry via-a-vis the growth rate in infrastructure has put pressure on profits. Steep increase in raw material prices in last two quarters of the year adversely affected the Tyre Industry.

All the above indicates that your Company is now poised to reap the benefits of oncoming economic growth in the country. Steady Government thrusts on infrastructure, increased spending on social measures as well as on employment generation are all factors that will provide further impetus to the growth of the Indian economy.

I extend my thanks to my colleagues and all employees and other stakeholders who have made what Kesoram is today and will be taking it to the next higher level tomorrow.

I sincerely thank my fellow shareholders for their continuous support.

Basant Kumar Birla

91st ANNUAL REPORT & ACCOUNTS 2009-10

Registered Office

8th Floor, Birla Building
9/1, R. N.Mukherjee Road
Kolkata – 700 001
Phone No : 033-22435453/22429454
Fax No : 033-22109455
Email : kesocorp@cal3.vsnl.net.in

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., Induslnd Bank Ltd., Standard Chartered Bank, State Bank of Hyderabad, UCO Bank, DBS Bank Ltd. and YES Bank Ltd.

Auditors

Messrs Price Waterhouse

Share Transfer Agent

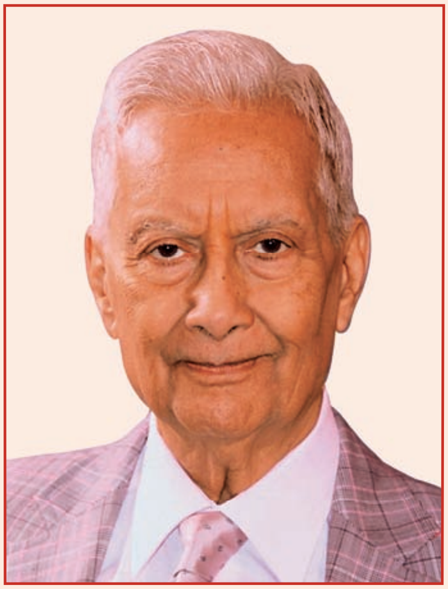
MCS Ltd., (Unit : Kesoram Industries Ltd.)
77/2A, Hazra Road, Kolkata – 700 029
Phone No : 033-24767350 to 54 / 24541892 to 93
Fax No : 033-24541961 / 24747674
E-mail : mcscal@cal2.vsnl.net.in, mcskol@rediffmail.com

Shareholders seeking information on accounts published herein are requested to send their queries to the Company at least 10 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.

CONTENTS

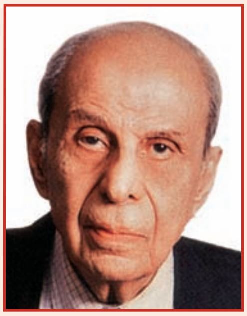
Board of DIRECTORS



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 Deepak Tandon
(Whole-time Director)

Team of EXECUTIVES

Shri K. C. Jain
Manager of the Company &
Sr. President-Cement Sections

Shri U. S. Asopa
Chief Financial Officer &
Sr. Joint President (Finance)

Shri S. K. Patodia
Company Secretary &
Sr. Vice President (Commercial-Tyre Sections)

CORPORATE OFFICE

Shri S. R. Chamaria
Sr. Joint President (Accounts & HRD)

Shri Suresh Sharma
Sr. Joint President (Commercial)

Shri Yashwant Mishra
Sr. Joint President (Marketing-Cement Sections)

Shri G. K. Ojha
Sr. Vice President (Secretarial)

Shri Vikash Agarwal
Sr. Vice President (Taxation)

BIRLA TYRES SECTIONS

Shri R. K. Shah	Joint President (Commercial)
Shri A. K. Uppal	Joint President (Marketing)
Shri Anoj Agarwal	Joint President (Works)
Shri Anupam Dutta	Joint President (Technical)
Shri Praveen Mehta	Vice President (Sales)
Shri P. K. Mitra	Vice President (Engineering)
Shri Arindam Gupta	Vice President (Production)
Shri S. C. Sood	Vice President (Commercial)
Shri Kanti Chaudhury	Vice President (Production)

RAYON & TRANSPARENT PAPER SECTIONS

Shri V. N. Chandak	President
Shri J. P. Bohra	Sr. Joint President
Shri S. C. Tripathy	Joint President (Technical)
Shri A. K. Kejriwal	Sr. Vice Presdent (Marketing)

HINDUSTHAN HEAVY CHEMICALS SECTION

Shri M. L. Bhattacharya	Sr. Vice President (Works)
Shri H. R. Dudhoria	Vice President (Commercial)

VASAVADATTA CEMENT SECTION

Shri D. S. Bindra	President
Shri P. R. Sharma	Joint President
Shri C. K. Jain	Joint President (Engg. & PP)
Shri P. S. Rao	Joint President (Projects)
Shri O. P. Sharma	Sr. Vice President (Commercial)
Shri I. K. Purohit	Sr. Vice President (Marketing)
Shri R. K. Gandhi	Vice President (PQC)
Shri B. K. Sharma	Vice President (Mechanical)
Shri Rajesh Garg	Vice President (Mines)
Shri S. G. Karwa	Vice President (Finance & Accounts)

KESORAM CEMENT SECTION

Shri S. V. Tapadia	Joint President (Finance & Admn.)
Shri K. L. Narayana Rao	Joint President (Technical)
Shri Mahesh Agarwal	Sr. Vice President (Technical)
Shri Ashok Ostwal	Sr. Vice President (Sales & Marketing)
Shri Ch.S.Nageshwar Rao	Vice President (PQC)

SPUN PIPES SECTION

Shri Sadhan Sarkar	Dy. General Manager

Performance HIGHLIGHTS

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

Gross Sales have risen from Rs.4292.07 Crore to Rs.5020.63 Crore.

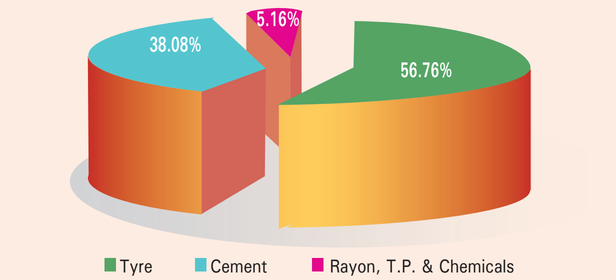
Gross Profit has increased from Rs.520.99 Crore to Rs.648.29 Crore

Dividend per share is maintained at last year's rate i.e. Rs.5.50 per share.

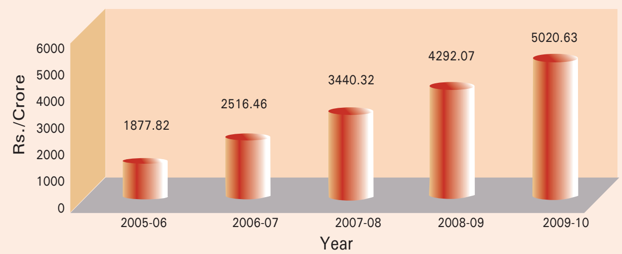
Increased net worth from Rs.1330.10 Crore to Rs.1540.24 Crore.

The Charts below show the current year's Segment-wise Sales and last five years' position.

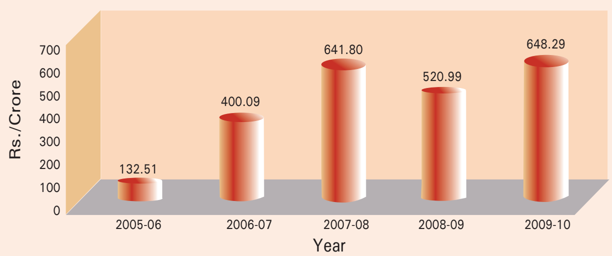
Segment-wise Sales



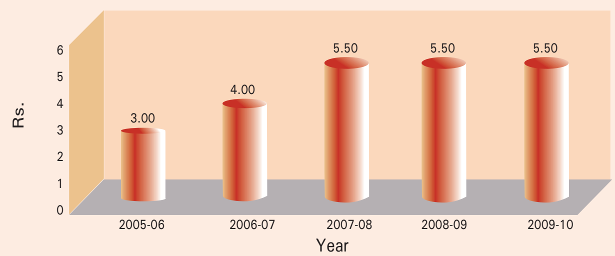
Gross Sales



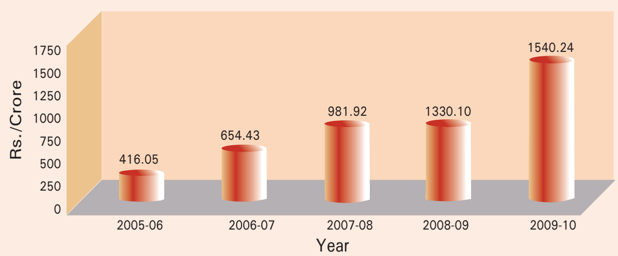
Gross Profit



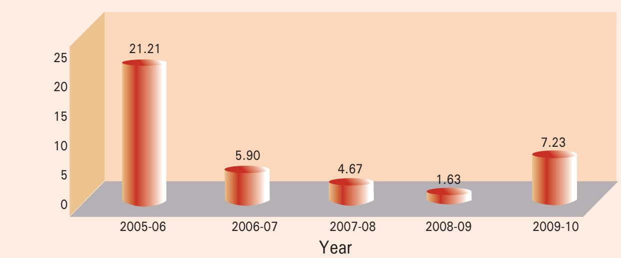
Dividend per Share *(DPS)*



Net Worth



Price Earning Ratio *(P/E Ratio)*



View of New Units
COMMENCED PRODUCTION IN THE YEAR

Pre-Heater, Coal Mill, Raw Mill Silo & Bag House - Unit IV of Vasavadatta Cement at Sedam in Karnataka.

Green Field Project of Birla Tyres at Haridwar in Uttarakhand

Tyre Testing and R&D Building - Unit III

Radial Tyre Building Machine - Unit III

Motor Cycle Tyre Curing Section - Unit IV

AWARD

Shri K. C. Jain, Sr. President (Cement Sections) & Manager of the Company, receiving the FAPCCI Award for ***"Excellence in workers' welfare (2008-09)"*** from the Hon'ble Chief Minister of Andhra Pradesh, Shri K. Rosaiah at Hyderabad on 5th April, 2010.