



KESORAM INDUSTRIES LIMITED

92nd Annual Report & Accounts 2010-11



Focus drives us in all we do...

**at work
for the family
in society**



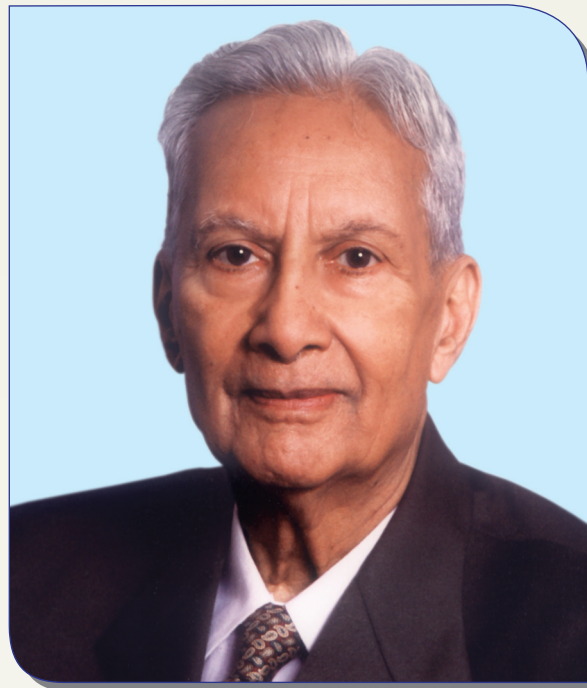
Chairman's Message

We continue to operate in certain sectors where our customers trust our strategic vision. Cement and Tyres, the two significant businesses of Kesoram have seen a mixed year. To meet the challenges of these dynamic markets and to continue on our journey of success, we have necessary foresight, strategy and preparedness.

Our competent team of executives are working with the global strategic consulting leader to develop an organisational strategy with the objective to keep us competitive for the future and to lead Kesoram on the path of growth and exemplary operations.

This will be achieved by enhancing our internal operations that will ensure a positive and consistent experience for all our stakeholders, shareholders, customers, employees, bankers and business partners including suppliers and dealers.

Our company continues to strive for and remain committed to corporate and social responsibility. Our actions are geared to ensure that all economic, environmental and social factors are considered. This makes us a responsible company.



Basant Kumar Birla

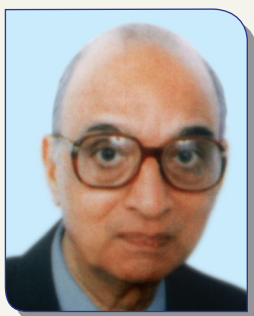


KESORAM INDUSTRIES LIMITED

Board of Directors



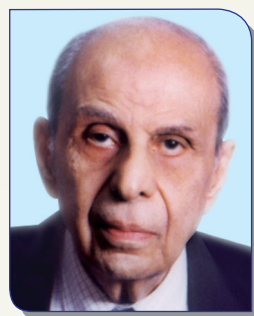
Shri Basant Kumar Birla
Chairman



Shri Krishna Gopal Maheshwari



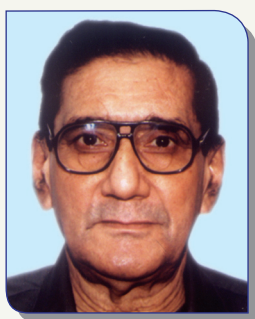
Shri Bhagwati Prasad Bajoria



Shri Pesi Kushru Choksey



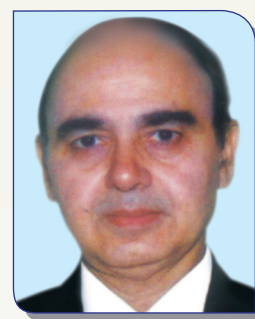
Shri Amitabha Ghosh



Shri Prasanta Kumar Mallik



Smt. Manjushree Khaitan



Shri K. C. Jain
Whole-time Director



Team of Executives

CORPORATE OFFICE

Shri U. S. Asopa

Chief Financial Officer & Sr. Joint President (Finance)

Shri Suresh Sharma

Sr. Joint President (Commercial)

Shri S. K. Patodia

Company Secretary & Sr. Vice President
(Commercial - Tyre Sections)

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 SECTION

Shri R. K. Shah, Joint President (Commercial)

Shri Anoj Agarwal, Joint President (Works)

Shri Anupam Dutta, Joint President (Technical)

Shri Praveen Mehta, Vice President (Sales)

Shri Hemant Kaul, Vice President (Marketing)

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)

Shri R. V. Prasad, Vice President (Engineering)

VASAVADATTA CEMENT SECTION

Shri D. S. Bindra, President

Shri P. R. Sharma, Joint President

Shri C. K. Jain, Joint President (Engg. & PP)

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)

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 President (Marketing)

KESORAM CEMENT SECTION

Shri S. V. Tapadia, Joint President (Finance & Admn.)

Shri Mahesh Agarwal, Joint President (Technical)

Shri Ashok Ostwal, Sr. Vice President (Sales & Marketing)

Shri Ch. S. Nageshwara Rao, Vice President (PQC)

HINDUSTHAN HEAVY CHEMICALS SECTION

Shri M. L. Bhattacharya, Sr. Vice President (Works)

Shri H. R. Dudhoria, Vice President (Commercial)

SPUN PIPES SECTION

Shri Sadhan Sarkar, Dy. General Manager



KESORAM INDUSTRIES LIMITED

Registered Office

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

Bankers

Axis Bank Ltd.
Bank of Baroda
Citibank N.A.
DBS Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
IndusInd Bank Ltd.
ING Vysya Bank Ltd.
Punjab National Bank
State Bank of Hyderabad
State Bank of India - *Lead Bank*
Standard Chartered Bank
The Royal Bank of Scotland N.V.
The Hongkong & Shanghai Banking Corpn. Ltd.
YES Bank Ltd.

Auditors

Messrs Price Waterhouse

Share Transfer Agent

MCS Limited., (Unit: Kesoram Industries Ltd.)
77/2A, Hazra Road, Kolkata - 700 029.
Phone No. : 033-24541892 to 93
Fax No. : 033-24541961
E-mail : mcskol@rediffmail.com

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, to whom the printed copy of Annual Report & Accounts has been sent, are requested to bring the same at the meeting to avoid inconvenience.



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KESORAM INDUSTRIES LIMITED

NOTICE

TO THE MEMBERS

NOTICE is hereby given that the ninety-second Annual General Meeting of KESORAM INDUSTRIES LIMITED will be held on Tuesday, the 5th July, 2011 at 11:00 A.M. at “Kala-Kunj”, 48, Shakespeare Sarani, Kolkata -700017, to transact the following business:

General Business

1. To consider and adopt the Reports of the Auditors and the Directors and the Audited Accounts of the Company for the year ended 31st March, 2011.
2. To confirm the payment of Interim Dividend on Ordinary Shares declared by the Board of Directors in its meeting held on 10.11.2010.
3. To declare final Dividend on Ordinary Shares for the year ended 31st March, 2011.
4. To appoint Directors in place of Shri P.K. Choksey and Shri Amitabha Ghosh, who retire by rotation and being eligible, offer themselves for re-election.
5. To appoint Auditors and fix their remuneration.

Special Business

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

6. **“RESOLVED** that the consent of the Company be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company to borrow from time to time all such sum of money as they may deem requisite for the purpose of the business of the Company notwithstanding that money to be borrowed together with money already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), exceed the aggregate of the paid up capital and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the aggregate of the sums so borrowed shall not exceed Rs. 4,000 Crore (Rupees Four Thousand Crore only) at any one point of time.”
7. **“RESOLVED** that in supersession of the earlier resolution passed in this behalf and pursuant to the provisions of Section 293 (1)(a) and all other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors to hypothecate, mortgage, create lien and/or other encumbrances in addition to the mortgages/charges etc. already created/to be created by the Company in such form and manner and with such ranking and at such time and on such terms on all or on any of the movable and/or immovable properties of the Company both present and future and/or on the whole or any part of the undertaking(s) of the Company as the Board may determine to secure the sum or sums of money borrowed or to be borrowed aggregating up to Rs.4,000 Crore (Rupees Four Thousand Crore only) by the Company from Banks, Financial Institutions, etc.

RESOLVED FURTHER that the Board of Directors of the Company (including any Director/Executive so authorised in this behalf) be and are hereby authorised to finalise and execute such Deeds of Debenture, Debenture Trust Deeds, Promissory Notes, Deposit Receipts and other deeds or documents for creating the aforesaid mortgage and/or hypothecation, charge and other encumbrances, if any, by the Company and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”



KESORAM INDUSTRIES LIMITED

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

8. a) “RESOLVED that subject to the approval of Central Government, if required and pursuant to the provisions of Sections 198, 269, 387 and 388 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto and all guidelines for managerial remuneration issued by the Central Government from time to time, the Company hereby approves and ratifies the remuneration of Rs. 64,60,216 including the perquisites and other amenities paid/payable to Shri K. C. Jain (excluding P.F. & Super-annuation contributions and gratuity of Rs. 30,84,794) during the period of his office as Manager of the Company as the minimum remuneration for the financial year ended 31.03.2011 and further proportionate amount to be paid for the period from 01.04.2011 to 14.04.2011 as approved by the Shareholders previously even in excess of the prescribed limits in schedule XIII of the Act [in addition to the remuneration of Rs. 34.15 lac (excluding P.F. & Super-annuation contributions and gratuity of Rs. 2.21 lac) received/receivable from Mangalam Cement Ltd., a profit making Company, for the financial year ended 31.03.2011] due to loss in the Company for the financial year ended 31.03.2011.
- b) RESOLVED that subject to the approval of Central Government and pursuant to the provisions of Sections 198, 269, 309, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto and all guidelines for managerial remuneration issued by the Central Government from time to time, the Company hereby approves and ratifies the remuneration of Rs. 79,97,175 (excluding PF & Super-annuation contributions and gratuity of Rs. 18,43,501) including the perquisites and other amenities paid/payable to Shri Deepak Tandon as the minimum remuneration during the period of his office as Whole-time Director of the Company for the financial year ended 31.03.2011 and further proportionate amount to be paid for the period from 01.04.2011 to 14.04.2011 in terms of the approval of Shareholders given earlier even in excess of the limits prescribed in Schedule XIII of the Act due to loss in the Company for the financial year ended 31.03.2011.”
9. “RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 311, 316 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto and article 139A of the articles of Association of the Company and all guidelines for managerial remuneration issued by the Central Government from time to time, the Company approves the appointment by the Board of Directors (Board) of Shri K. C. Jain as Whole-time Director at the following terms & conditions, notwithstanding the fact that he is also Managing Director of Mangalam Cement Ltd, for a period of three years with effect from 15th April, 2011 with liberty to either party to terminate the appointment on three months’ notice in writing to the other or the notice pay in lieu thereof, upon the following terms as to remuneration as set out hereafter and with further liberty to the Board of Directors/any Committee thereof/Chairman of the Board from time to time to alter the said terms in such manner as may be in the best interests of the Company, subject however to the restrictions, if any, contained in the Companies Act, 1956, including Schedule XIII thereto as amended up to date and/or otherwise as may be permissible by law or Central Government in this behalf, viz:
- a) *Basic Salary & Allowance per month:*
- i) Basic Salary: Rs. 6,00,000;
- ii) Special Allowance: Rs. 2,40,000;
- with authority to the Board of Directors/any Committee thereof/Chairman of the Board to make annual increments in basic salary and Special Allowance aforesaid (Basic salary not exceeding Rs. 7,00,000 per month and Special Allowance not exceeding Rs. 3,00,000 per month) from time to time as may be deemed fit and appropriate.
- b) *Perquisites and other amenities:*
- i) House Rent Allowance, Ex-gratia, reimbursement of Leave Travel & Medical expenses for self and family: As per the Rules of the Company;



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- ii) Company's contributions towards Provident Fund & Superannuation Fund, Leave with full pay and allowances/encashment and Gratuity: As per the Rules of the Company;
 - iii) Cars: Chauffeur-driven cars provided and maintained by the Company in relation to Company's business. Any personal use of car to be billed separately by the Company;
 - iv) Entertainment Expenses: Reimbursement of entertainment and all other expenses incurred for the business of the Company on actual basis;
 - v) Communication facility at residence: Telephone, telefax and other modern communication facilities at residence in relation to the business of the Company, any personal calls to be billed by the Company.
- c) So long as Shri Jain functions as Whole-time Director of the Company, he will not be subject to retirement by rotation and shall not be paid any fees for attending the meetings of the Board or any Committee thereof. However, Shri Jain may get the sitting fees paid/payable to other Directors for attending meeting of Board of Directors/Committee of subsidiary (ies), if any, or Companies promoted by the B.K. Birla Group.
- d) Since Shri Jain also being Managing Director at Mangalam Cement Ltd. (**MCL**), [a profit making Company] and his remuneration of Rs 60,000 as basic pay and Rs. 2,40,750 as Special Allowance per month with an annual increase of 7% every financial year in Special Allowance (excluding P.F. i.e. 12% on basic salary or any other rate as amended from time to time, Super-annuation contribution of Rs.1 lac per annum and gratuity of 15 days basic pay per year) and other amenities, etc. received from MCL in any financial year stated above shall be in addition to the total remuneration to be received by him from the Company as stated above and shall be within the overall limit prescribed from time to time under sections 198, 309 and the other applicable provisions of the Companies Act, 1956, read with Schedule XIII of the said Act as may be for the time being, be in force, or otherwise as may be permissible by law.
- e) Even in the event of loss/inadequacy of profits during his tenure, the remuneration, including the perquisites and other amenities as aforesaid to Shri Jain will be paid as minimum remuneration subject to the approval of the Central Government and/or compliance of the applicable requirement of Schedule XIII of the Companies Act, 1956 as existing or as amended from time to time."

By Order of the Board

S. K. Patodia
Secretary

Registered Office:

9/1, R. N. Mukherjee Road,
Kolkata -700 001

Dated, the 28th day of April, 2011

Notes:

1. **A member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and the proxy need not be a Member. The Company must receive proxy form(s) not less than 48 hours before the Meeting.**
2. Register of Members shall remain closed from 21st June, 2011 to 5th July, 2011 (*both days inclusive*).
3. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.