93rd
Annual Report & Accounts
2011-12

KESORAM INDUSTRIES LIMITED

Chairman's Message

Much has changed over the last year. The world economy continues its sluggish journey greatly influenced by European concerns. At home we see rising inflation, a depreciating currency and rising cost of inputs coupled with purchasers resistant to price increases.

Such times require us to revisit our strategy, which has brought us great benefits over more than ninety years. Changes have been undertaken to respond to today's needs and I am happy that indications are positive.

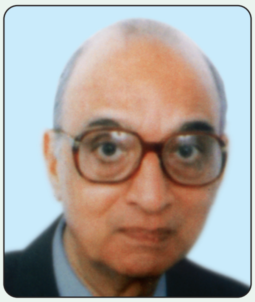
Our cement business continues to perform well despite the ups and downs that are inherent in the market. The tyre business is under a new senior management team and is beginning to show signs of recovering from the difficulties faced for almost two years now.

Success in the years ahead will be determined by the readiness to anticipate and be proactive to the fast changing business and regulatory environment while remaining fully committed to our corporate and social responsibility. This will ensure a beneficial experience for all our stakeholders: shareholders, customers, employees, bankers, dealers and suppliers.

Basant Kumar Birla

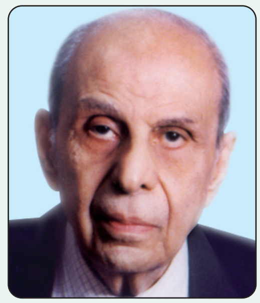
Board of Directors

Shri Basant Kumar Birla, Chairman



Shri Krishna Gopal Maheshwari

Smt. Manjushree Khaitan



Shri Pesi Kushru Choksey

Shri Amitabha Ghosh

Shri Prasanta Kumar Mallik

Shri Vinay Sah

Shri Kashi Prasad Khandelwal

Shri K.C.Jain
Whole-time Director

Team of Executives

CORPORATE OFFICE

Shri Gautam Ganguli
Company Secretary

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

Shri Suresh Sharma
Sr. Joint President, Commercial

Shri Yashwant Mishra
Sr. Joint President, Marketing-Cement

BIRLA TYRES

Shri Arvind Singh,	Chief Executive Officer
Shri Vinai Hudda,	Chief Production Officer
Shri Sanjiv Sinha,	Head Sales, Truck & Bus
Shri Debmalya Das,	Chief Procurement Officer and Supply Chain Officer
Shri Ashok Ganguly,	Chief Marketing Officer

RAYON & TRANSPARENT PAPER

Shri Sachin Saxena, Chief Executive Officer
Shri J.P. Bohra, Sr. Joint President
Shri A.K. Kejriwal, Sr. Vice President, Marketing

CEMENT

VASAVADATTA

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, Sales & 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

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

Registered Office

8th Floor, Birla Building
9/1, R. N. Mukherjee Road, Kolkata - 700 001
Phone No. : +91 33-22435453/22429454
Fax No. : +91 33-22109455
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
Syndicate Bank
The Hongkong & Shanghai Banking Corpn. Ltd.
The Royal Bank of Scotland N.V.
The South Indian Bank 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 Nos. : +91 33-24541892 to 93
Fax No. : + 91 33-24541961
E-mail : mcskol@rediffmail.com

Members seeking any information on the Annual Report & Accounts are requested to send their queries to the Company at least ten days before the date of the Meeting.

Members are requested to bring their copies of Annual Report to the Meeting.

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NOTICE

NOTICE is hereby given that the Ninety-third Annual General Meeting of KESORAM INDUSTRIES LIMITED will be held at 11:00 A.M. on Wednesday, the 11th July, 2012 at "Kala-Kunj", 48, Shakespeare Sarani, Kolkata -700017, to transact the following business:

A. Ordinary Business :

1. To consider and adopt the audited Balance Sheet as at 31st March, 2012, the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and Auditors thereon.

2. To declare a Dividend on Ordinary Shares.

3. To appoint a Director in place of Smt. Manjushree Khaitan who retires by rotation and, being eligible, offers herself for re-appointment.

4. To appoint Auditors and fix their remuneration.

B. Special Business:

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

5. "**RESOLVED THAT** Shri Vinay Sah, who was appointed an Additional Director on 3rd November, 2011, be and is hereby appointed as a Director of the Company liable to retirement by rotation."

6. "**RESOLVED THAT** Shri Kashi Prasad Khandelwal, who was appointed a Director on 10th April, 2012 in the casual vacancy caused by the demise of B P Bajoria, be and is hereby appointed as a Director of the Company liable to retirement by rotation."

7. "**RESOLVED THAT** in supersession of the earlier Resolution passed in this behalf, 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, or any Committee thereof, to borrow from time to time all such sums of money as they may deem requisite for the purposes of the business of the Company notwithstanding that the money to be borrowed together with the money already borrowed (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 ₹ 6,000 Crore (Rupees Six Thousand Crore only) at any one point of time."

8. "**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 of the Company or any Committee thereof ("the Board"), 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 of money borrowed or to be borrowed aggregating to ₹ 6,000 Crore (Rupees Six Thousand Crore only) by the Company from Banks and other Institutions etc.;

RESOLVED FURTHER that the Board (including any Director/ Executive so authorised in this behalf) be and is hereby authorised to finalise and execute such agreements, deeds, documents, instruments and writings including, without limitation, Debenture Trust Deeds, Promissory Notes, Deposit Receipts, for creating the aforesaid mortgage and/or hypothecation, charge and other encumbrances, if any, by the Company and to do all such acts, deeds, and things as may be deemed necessary to give effect to this Resolution."

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

9. "**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 311 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), including any amendments to, or re-enactment thereof, and subject to such approvals, if any, as may be necessary including that of the Central Government, the Company hereby approves the re-appointment of Shri K.C.Jain as a Whole-time Director for a period of three years effective 1st April, 2012 upon terms as to remuneration as set out herein below with liberty to the Board of Directors, including a Committee thereof, to alter the terms in such manner as may be in the best interest of the Company, subject, however, to the provisions of the Act, *viz* :

a) *Basic Salary & Allowances :* not exceeding ₹ 25,00,000 per month as may be fixed by the Board of Directors, including any Committee thereof, from time to time.

b) *Perquisites :*

i) House Rent Allowance, Ex-gratia, reimbursement of Leave Travel & Medical expenses for self and family: As per the Rules of the Company;

ii) Company's contribution towards Provident Fund & Superannuation Fund, Leave with full pay and allowances/encashment and Gratuity : As per the Rules of the Company;

iii) Car : Chauffeur driven car to be provided and maintained by the Company in relation to the Company's business. Any personal use of car to be billed separately by the Company;

iv) Communication facility at residence: Telephone, telefax and other modern communication facilities at residence in relation to the business of the Company. Any personal usage will, however, be to the account of the individual.

c) So long as Shri Jain functions as a Whole-time Director, he will not be subject to retirement by rotation and shall not be paid any fees for attending Meetings of the Board or any Committee thereof.

d) In the event of loss/inadequacy of profits during his tenure, the above remuneration including perquisites will be payable as minimum remuneration subject to the approval of the Central Government, if required or necessary;

RESOLVED FURTHER that the appointment shall be terminable in the following manner *viz* :

(a) by efflux of time ; or

(b) by one party serving the other a three months' written notice ; or

(c) by one party paying the other three months' remuneration as notice pay."

Registered Office:
9/1, R. N. Mukherjee Road,
Kolkata - 700 001
28th April, 2012

By Order of the Board
Gautam Ganguli
Company Secretary

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 a proxy need not be a Member of the Company. The Instrument of Proxy must be lodged with the Company not less than 48 hours before the Meeting.**

2. The Register of Members shall remain closed from 30th June, 2012 to 11th July, 2012 *(both days inclusive)*.

3. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 ("the Act") in respect of the items of Special Business is annexed hereto.

4. A Dividend of ₹ 1.00 per Ordinary Share of ₹ 10, as recommended by the Board, if declared at the forthcoming Annual General Meeting, will be paid, subject to the provisions of Section 206A of the Act, on or after 18th July, 2012, to those Members or their mandatees whose names stand registered in the Company's Register of Members:

   (a) as Beneficial Owners as at close of business on 29th June, 2012 as per the lists to be furnished by **National Securities Depository Limited** and **Central Depository Services (India) Limited** in respect of shares held in **electronic form**, and;

   (b) as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the **Company** or the **Share Transfer Agents** on or before 29th June, 2012. Instruments of Share Transfers, complete in all respects, should reach the **Share Department of the Company** at 9/1, R. N. Mukherjee Road, Kolkata-700 001 or the **Share Transfer Agents i.e. MCS Ltd., Unit: Kesoram Industries Ltd.,** 77/2A, Hazra Road, Kolkata-700 029 well before the Book Closure date.

5. In order to avoid the risk of loss / interception of dividend warrants in postal transit and/or fraudulent encashment of dividend warrants, Members are advised to avail of the National Electronic Clearing Service ("NECS") facility. This facility will enable direct credit of the dividend electronically in their respective Bank Accounts and thus ensures expeditious credit of dividend.

   NECS essentially operates on the unique bank account number allotted by banks, post implementation of Core Banking Solutions ("CBS"), for centralised processing of inward instructions and more efficient handling of bulk transactions. In this regard, if shares are held in electronic form, Members should furnish the new unique Bank Account Number allotted to them by their Bank along with a photocopy of a cheque pertaining to the concerned account, to their Depository Participant (DP) no later than 29th June, 2012. Members are advised that should the Company not receive their CBS compatible unique bank account number, any electronic credit sent by the Company to their old bank account may either be rejected or returned.

   Members holding shares in the physical form with a CBS compatible Bank Account Number should inform the **Share Department of the Company / Share Transfer Agents** of such Number **no later than 29th June, 2012** to avail of the benefits of NECS.

6. **Members holding shares in the physical form are requested to notify change of address,** if any, to the **Share Department of the Company / Share Transfer Agents**. Members not availing of the NECS facility are requested to advise the Company of the Bank name and Account Number to which they intend lodging the dividend warrant. These details will then be inscribed on the face of the Dividend Warrant to avoid fraudulent encashment. **Members holding shares in Electronic form should send the above information to their respective Depository Participants only**.