

96th
Annual Report
& Accounts 2015



Chairman's Message



The global economic downtrend started in 2008 continues to create economic issues for all nations. Although the US economy shows improvement in some parameters, it is still not back to its strength. The Euro zone is beset with huge problems in Greece, in particular, and other countries such as Italy remaining weak. The influx of large number of refugees into Europe also introduces significant social and economic challenges in the Euro zone. Russia is reeling under the effects of sanctions and the Chinese economic slowdown has had a global impact.

In recent times India has successfully improved its economic performance but its sustainability is yet to be proven. Hence we continue to operate in an environment of uncertainty and we are reworking our strategies to ensure development and growth.

In 2014-15 we focused on re-organising our tyre business to ensure sustainable growth. I take pride that our management team has done this most commendably. This gives me great confidence in the future of our organization.

I wish to thank my colleagues on the Board, our employees and all other stakeholders for their continued faith and confidence in the Company.

Basant Kumar Birla



BOARD OF DIRECTORS

Basant Kumar Birla, *Chairman*

Manjushree Khaitan, *Executive Vice Chairperson*

Amitabha Ghosh

Pesi Kushru Choksey

Vinay Sah

Kashi Prasad Khandelwal

Lee Seow Chuan

Sudip Banerjee

Kamal Chand Jain
Whole-time Director

TEAM OF EXECUTIVES

Arvind Kumar Singh – *Chief Executive Officer - Business Operations*

Tridib Kumar Das – *Chief Financial Officer*

Gautam Ganguli – *Company Secretary*

Animesh Banerjee – *President, Cement*

Roy Kurian Kuruvilla – *President, Rayon*

Registered Office

8th Floor, Birla Building
9/1, R. N. Mukherjee Road
Kolkata - 700 001
Phone No.: 033-22435453/22429454/22135121
Fax No.: 033-22109455, CIN: L17119WB1919PLC003429
Website: www.kesocorp.com; E-mail: corporate@kesoram.net

Bankers

Axis Bank Ltd.
Bank of Baroda
DBS Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
IndusInd Bank Ltd.
Kotak Mahindra Bank Ltd.
Karur Vysya Bank Ltd.
Punjab National Bank
State Bank of Hyderabad
State Bank of India - *Lead Bank*
Standard Chartered Bank
The South Indian Bank Ltd.
Union Bank of India
YES Bank Ltd.

Auditors

Messrs Price Waterhouse

Share Transfer Agent

MCS Share Transfer Agent Limited, (Unit: Kesoram Industries Ltd.)
12/1/5, Manoharpukur Road, Kolkata - 700026
Phone No.: 033-40724051-54
Fax No.: 033-40724050
E-mail: mcssta@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

TO THE MEMBERS

NOTICE is hereby given that the **Ninety-sixth Annual General Meeting of KESORAM INDUSTRIES LIMITED** will be held at 11.00 A.M. on Saturday, the 12th day of December, 2015 at “Kala-Kunj” (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata – 700 017, to transact the following business:

General Business:

1. To receive, consider and adopt the audited Financial Statements consisting of the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, the Report of the Auditors thereon and the Report of the Board of Directors of the Company for the year ended 31st March, 2015.
2. To appoint a Director in place of Vinay Sah (DIN 02425847), who retires by rotation and being eligible, offers himself for re-appointment.
3. **To consider and, if thought fit, to pass the following as an Ordinary Resolution:**
“**RESOLVED THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and pursuant to the approval of Members at the Company’s Ninety-fifth Annual General Meeting, the Company hereby ratifies the appointment of Messrs Price Waterhouse, Chartered Accountants (ICAI Firm Registration Number 301112E) as Auditors of the Company to hold office until the conclusion of the Company’s Ninety-seventh Annual General Meeting, at a remuneration to be determined by the Board of Directors of the Company in addition to applicable Service Tax and payment / reimbursement of travelling and other out of pocket expenses as may be actually incurred by them during the course of Audit.”

Special Business:

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

4. “**RESOLVED THAT** Lee Seow Chuan (DIN 02696217), who was appointed an Additional Independent Director on 8th August, 2014, be and is hereby appointed an Independent Director as per the provisions of Section 152(2) of the Companies Act, 2013 for a period of five years from the conclusion of this Ninety-sixth Annual General Meeting”.
5. “**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the following remuneration payable to the Cost Auditors (excluding applicable Service Taxes and payment/reimbursement of travelling and other out of pocket expenses) for conducting the audit of the Company’s cost accounting records for the Financial Year 2014 - 15 be and is hereby ratified and confirmed:

Name	Remuneration (₹ / lakh)
Mani & Co.	5.73
B. Ray & Associates	1.82
	<u>7.55</u>

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

6. “**RESOLVED THAT** pursuant to Sections 196, 197 and Schedule V of the Companies Act, 2013 (“the Act”) and the Rules made thereunder and subject to such approvals, if any, as may be necessary, including that of the Central Government, the consent of the Company be and is hereby accorded to the re-appointment of Kamal Chand Jain (DIN 00029985) as a Whole-time Director of the Company and payment of remuneration to him for a period of one year effective 1st April, 2015 upon the terms and remuneration set out herein below:
 - a) *Basic Salary & Allowances* : not exceeding ₹ 35 lakhs per month as may be decided by the Board or any Committee thereof;

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 Rules of the Company. This shall be over and above the limit specified in (a) above;
 - iii) Car: Chauffeur driven car to be provided and maintained by the Company in relation to the Company's business only;
 - iv) Communication facility: Telephone, telefax and other communication facilities in relation to the business of the Company;
- c) No fees payable for attending Meetings of the Board or any Committee thereof, where so appointed;
- d) In the event of loss/inadequacy of profits during his tenure, the above remuneration including perquisites shall be payable as minimum remuneration, subject to such approvals as may be necessary, including that of the Central Government, required under Schedule V to the Act;

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."

7. "RESOLVED THAT pursuant to Sections 196, 197 and Schedule V of the Companies Act, 2013 ("the Act") and the Rules made thereunder and subject to such approvals, if any, as may be necessary, including that of the Central Government, consent of the Company be and is hereby accorded to the appointment of Amolak Preet Singh (DIN 07019247), a non-resident Indian, as a Whole-time Director of the Company and payment of remuneration to him for the period commencing from 1st December, 2014 until 14th January, 2015, both days inclusive, upon the terms and remuneration set out herein below:

- a) *Basic Salary & Allowances :* not exceeding ₹ 1.70 crores per annum;
- b) *Perquisites :*
 - i) Company's contribution towards Provident Fund and Gratuity: As per Rules of the Company. This shall be over and above the limit specified in (a) above;
 - ii) Car: Chauffeur driven car provided and maintained by the Company in relation to the Company's business only;
 - iii) Communication facility: Telephone, telefax and other communication facilities in relation to the business of the Company.
- c) No fees payable for attending Meetings of the Board or any Committee thereof, where so appointed.
- d) In the event of loss/inadequacy of profits during tenure, the above remuneration including perquisites shall be payable as minimum remuneration, subject to such approvals as may be necessary, including that of the Central Government, under Schedule V to the Act."

8. "RESOLVED THAT pursuant to Sections 196, 197 and Schedule V of the Companies Act, 2013 ("the Act") and the Rules made thereunder and subject to such approvals, if any, as may be necessary, including that of the Central Government, consent of the Company be and is hereby accorded to the payment of remuneration to Manjushree Khaitan (DIN 00055898), a Whole-time Director, for the period commencing from 1st April, 2015 to 4th February, 2018, both days inclusive, upon the terms of remuneration set out herein below:

- a) *Basic Salary & Allowances:* Not exceeding ₹13,50,000/- per month as may be decided by the Board or any Committee thereof.
- b) Provident Fund and Gratuity as per Rules of the Company.
- c) No fees payable for attending Meetings of the Board or any Committee thereof, where so appointed.
- d) In the event of loss/inadequacy of profits during tenure, the above remuneration including perquisites shall be payable as minimum remuneration, subject to such approvals as may be necessary, including that of the Central Government, under Schedule V to the Act.
- e) Any expenditure wholly and exclusively incurred for the business of the Company will not be treated as remuneration. Such expenditure will either be paid by the Company directly or reimbursed to her."

9. **“RESOLVED THAT** pursuant to Clause 49(V)(F) of the Listing Agreement and other applicable provisions of the Companies Act, 2013 and subject to such other approvals, as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include a Committee thereof authorised for the purpose) to divest its entire investment in its material non listed subsidiary Cavendish Industries Limited to such companies / entities as may be nominated by the JK Tyre Group;

RESOLVED FURTHER that for the purpose of giving effect to the above Resolution, the Board is hereby authorised to finalise and execute agreements, and/or documents/papers as may be necessary and do all acts, deeds and things as are or may be expedient under the circumstances.”

10. **“RESOLVED THAT** pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) and re-enactment thereof, for the time being in force), the existing Memorandum of Association of the Company be and is hereby replaced with a new Memorandum of Association as placed before the Members at this Meeting and initialled by the Company Secretary for the sake of identification that such new Memorandum of Association be and is hereby approved and adopted by the Company in substitution, and to the entire exclusion, of the Regulations contained in the existing Memorandum of Association of the Company.

RESOLVED FURTHER that the Board of Directors of the Company or any other Committee thereof be and is hereby authorised to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

11. **“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) and re-enactment thereof, for the time being in force), the existing Articles of Association of the Company be and are hereby replaced with a new Articles of Association placed before the Members at this Meeting and initialled by the Company Secretary for the sake of identification, and such new Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion, of the Regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER that the Board of Directors of the Company or any other Committee thereof be and is hereby authorised to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

Registered Office:
9/1, R. N. Mukherjee Road,
Kolkata - 700 001
19th October, 2015

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.
A person can act as a Proxy on behalf of Members not exceeding fifty and holding in aggregate shares not more than 10 percent of the total Share Capital of the Company.
Proxies submitted on behalf of companies must be supported by an appropriate Resolution/Authority, as applicable.
2. The Register of Members shall remain closed from 6th December, 2015 to 12th December, 2015 (*both days inclusive*).
3. The relevant Statement, pursuant to Section 102(1) of the Companies Act, 2013 (*“the Act”*) in respect of the items of Special Business is annexed hereto.
4. As per Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement entered with the Stock Exchanges, the Company is providing the facility of casting votes through the electronic voting system from a place other than the venue of the Meeting (*“remote e-Voting”*)