

97th
Annual Report
& Accounts 2016





Chairman's Message



Dear Shareholders,

Each passing year sees greater globalization and interdependencies between economies continue to grow. The global economic and business scenarios continue to be sluggish. Europe is plagued with many problems including the threat of British exit from the European Union and the continuing difficulties of Greece's debt. Growth has slowed not only in China but also in other countries like Singapore, Brazil and Russia. The enormity of China's economy means that its slowdown has impacted globally. At home the economy is growing at an improved rate but businesses continue to struggle.

The process of monetizing our Laksar tyre facility has taken far longer than anticipated, mainly due to issues beyond our control. This has resulted in an inability to realise the financial benefits within 31st March, 2016, as well as the carrying cost of that facility for the entire year. Our cement business continues to perform well despite depressed infrastructure markets. The Rayon business has seen disruptions in power that have resulted in loss of production.

We have progressed well in our efforts to reorganise and restructure our businesses to remain competitive into the future. All actions are being taken by your management to ensure sustainability of the changes and ensure progress to growth.

I wish to thank you all for your continuing support, which is a great encouragement to our management team. I also thank other stakeholders in our Company: customers, employees, bankers, dealers and suppliers.

Basant Kumar Birla

BOARD OF DIRECTORS

Basant Kumar Birla, *Chairman*

Manjushree Khaitan, *Executive Vice Chairperson*

Amitabha Ghosh

Kashi Prasad Khandelwal

Vinay Sah

Sudip Banerjee

Lee Seow Chuan

Tridib Kumar Das
Whole-time Director

TEAM OF EXECUTIVES

Tridib Kumar Das - *Whole-time Director and Chief Financial Officer*

Enrico Malerba - *Chief Business Officer*

Gautam Ganguli - *Company Secretary*

Animesh Banerjee - *President, Cement*

Andrew Harper - *President, Tyres*

Registered Office

8th Floor, Birla Building
9/1, R.N. Mukherjee Road
Kolkata – 700 001
Phone No : +91 33 22435453/22429454/22135121
Fax No : +91 33 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 : +91 33 40724051-54
Fax No : +91 33 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 also 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-seventh Annual General Meeting of KESORAM INDUSTRIES LIMITED** will be held at 11.00 A.M. on Thursday, 28th day of July, 2016 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, 2016, the Statement of Profit and Loss, the 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, 2016.
2. To declare a Dividend on the 0.001% Optionally Convertible Redeemable Preference Shares.
3. To appoint a Director in place of Basant Kumar Birla (DIN 00055856), who retires by rotation and being eligible, offers himself for re-appointment.

4. 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 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-eighth 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 an Ordinary Resolution:

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 2015 - 16 be and is hereby ratified and confirmed:

<u>Name</u>	<u>Remuneration ₹ / lakh)</u>
Mani & Co.	6.31
B. Ray & Associates	2.00
	<u>8.31</u>

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

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, consent of the Company be and is hereby accorded to the appointment of Tridib Kumar Das (DIN 01063824) Chief Financial Officer as a Whole-time Director of the Company and payment of remuneration to him for a period of three years effective 1st April, 2016 upon the terms and remuneration set out herein below:

- (a) *Basic Salary & Allowances* : not exceeding Rs 40 lakhs per month as may be decided by the Board or any Committee thereof ;
- (b) *Perquisites* :
 - i) Reimbursement of Leave Travel & Medical expenses for self and family etc.: As per the Rules of the Company but within the limits specified in (a) above ;
 - ii) 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;
 - iii) Car: Chauffeur driven car to be provided and maintained by the Company in relation to the Company's business;
 - 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."

Registered Office:
9/1, R. N. Mukherjee Road,
Kolkata - 700 001
25th May, 2016

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 22nd July, 2016 to 28th July, 2016 (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 Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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") under an arrangement with The National Securities**

Depository Limited (“NSDL”) as specified more fully in the instructions hereunder:

- (a) The items of business set out in the attached Notice may, however, be transacted also through the electronic voting system as an alternative mode of voting provided that once a vote on a Resolution is cast, a Member shall not be allowed to change it subsequently or cast the vote again.
 - (b) The facility for voting through Ballot Paper shall also be made available at the Meeting venue and Members attending the Meeting, who have not already cast their vote by remote e-Voting, shall be to exercise their rights at the Meeting.
 - (c) The Members who have cast their vote by remote e-Voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their vote again.
5. The Notice of Meeting will also be available on the Company’s website www.kesocorp.com and the website of The National Securities Depository Limited (“NSDL”) at www.evoting.nsdl.com.
 6. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the “cut-off date” i.e. **21st July, 2016**, shall be entitled to avail the facility of either remote e-Voting or voting at the Annual General Meeting (“AGM”) through Ballot Paper. A person who is not a Member on the cut-off date should treat this Notice for information purposes only.
 7. **Members holding shares in physical form are requested to notify change of address**, if any, along with address proof i.e. Voter Identity Card, Aadhaar Card, Electric/Telephone Bill, Driving License or a copy of the Passport and Bank Statement to the **Share Department of the Company / Registrar and Share Transfer Agent** and, in case the shares are held in dematerialised form, then this information should be passed on to the respective **Depository Participant(s)** and not to the **Share Department of the Company / Registrar and Share Transfer Agent**.
 8. In case the mailing address mentioned on the envelope of this Annual Report is either without Pin Code or with incorrect Pin Code, Members are urged to advise the correct Pin Code to the **Share Department of the Company / Registrar and Share Transfer Agent** or the respective **Depository Participant(s)**, as the case may be, immediately, for speedier delivery in future.
 9. (a) Members desirous of receiving Notices and/or documents from the Company through the **electronic** mode are urged to update their email addresses with their **Depository Participant(s)**, where shares are held in electronic form or the **Share Department of the Company / Registrar and Share Transfer Agent** where shares are held in physical form.
 - (b) Email addresses of Members as advised to the **Share Department of the Company/Registrar and Share Transfer Agent** where shares are held in physical mode or **registered with Depositories** where shares are held in the electronic mode will be deemed to be the Member’s registered email address for serving Company documents / notices as per provisions of the Act and the instructions of the Ministry of Corporate Affairs. Members intending to refresh/update their email addresses should do so as soon as possible.
 10. Members holding Shares, in physical form, in identical order of names in more than one Folio, are requested to write to the **Share Department of the Company / Registrar and Share Transfer Agent** enclosing the relevant Share Certificates requesting consolidation of such Folios into one Folio for your own convenience.
 11. As per the provisions of the Act, the facility for making /varying/ cancelling nominations is available to individuals holding shares in the Company. Nominations can be made in **Form SH-13** and any variation/ cancellation thereof can be made by giving notice in **Form SH-14**, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from the **Share Department of the Company / Registrar and Share Transfer Agent or from the Website or the Ministry of Corporate Affairs at www.mca.gov.in**.
 12. (a) Pursuant to the provisions of Section 205A read with Section 205C of the Companies Act, 1956 and Sections 124 and 125 of the Act, dividends for the financial year ended 31st March, 2009 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the **‘Investor Education and Protection Fund’ (“IEPF”)** constituted by the Central Government Members, who have not encashed

their dividend, warrant(s) for the Financial Year ended 31st March, 2009 or any subsequent Financial Year(s) are urged to claim such amount from the **Share Department of the Company/Registrar and Share Transfer Agent**.

- (b) Pursuant to the Provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 12th December, 2015 (the date of the last Annual General Meeting) on the website of the Company www.kesocorp.com and also on the website of the Ministry of Corporate Affairs.

13. The last dates of claim for the following dividends are as follows:

Dividend for the Financial Year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend
31st March, 2009	26th June, 2009	25th July, 2016
31st March, 2010	30th October, 2009 (Interim)	29th November, 2016
31st March, 2010	1st July, 2010	30th July, 2017
31st March, 2011	10th November, 2010 (Interim)	8th December, 2017
31st March, 2011	5th July, 2011	3rd August, 2018
31st March, 2012	11th July, 2012	9th August, 2019
31st March, 2013	31st July, 2013	2nd September, 2020

- 14. a)** Electronic copy of the Annual Report 2015 - 16, Notice of the aforesaid AGM, inter alia, indicating the process and manner of remote e-Voting along with Attendance Slip and Proxy Form are being sent to all Members whose email IDs are registered with the Company's Registrar & Share Transfer Agent / Depository Participant(s) for communication purposes unless a Member has requested for a hard copy of the same. For Members who have not registered their email IDs, physical copies of the Annual Report 2015 - 16, Notice of the AGM alongwith Attendance Slip, Electronic Voting Particulars and Proxy Form are being sent to their registered addresses.
- b)** **Corporate Members/AOPs are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Act, authorising their representative to attend and vote at the Annual General Meeting.**
- c)** Members desirous of getting any information in relation to the Company's Annual Report 2015 - 16 are requested to address their query(ies) well in advance, i.e. at least 10 days before the Meeting, to the Company Secretary to enable the Company keep the information readily available at the Meeting.
- d)** Members holding shares in Electronic Form, are requested to bring their Depository ID Number and Client ID Number to facilitate their identification for recording attendance at the forthcoming Annual General Meeting.
- 15.** Members are requested to claim their unclaimed shares lying with the Company by sending proper documentary evidence to establish their bona fides. Till such claim, as per Para E in Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting rights on such shares shall remain frozen.
- 16.** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for all securities market transactions. Thereafter, it was clarified vide Circular no. MRD/DOP/Cir-05/2009 dated May 20, 2009 that for securities market transactions and off market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for transferee(s) to furnish a copy of PAN Card to the **Share Department of the Company/ Registrar and Share Transfer Agent** for registration of such transfer of shares. Hence, Members holding shares in the electronic form are requested to submit their PANs to their Depository Participant(s) with whom they maintain their Demat Accounts. Members holding shares in physical form should submit their PAN details to the **Share Department of the Company / Registrar and Share Transfer Agent**.