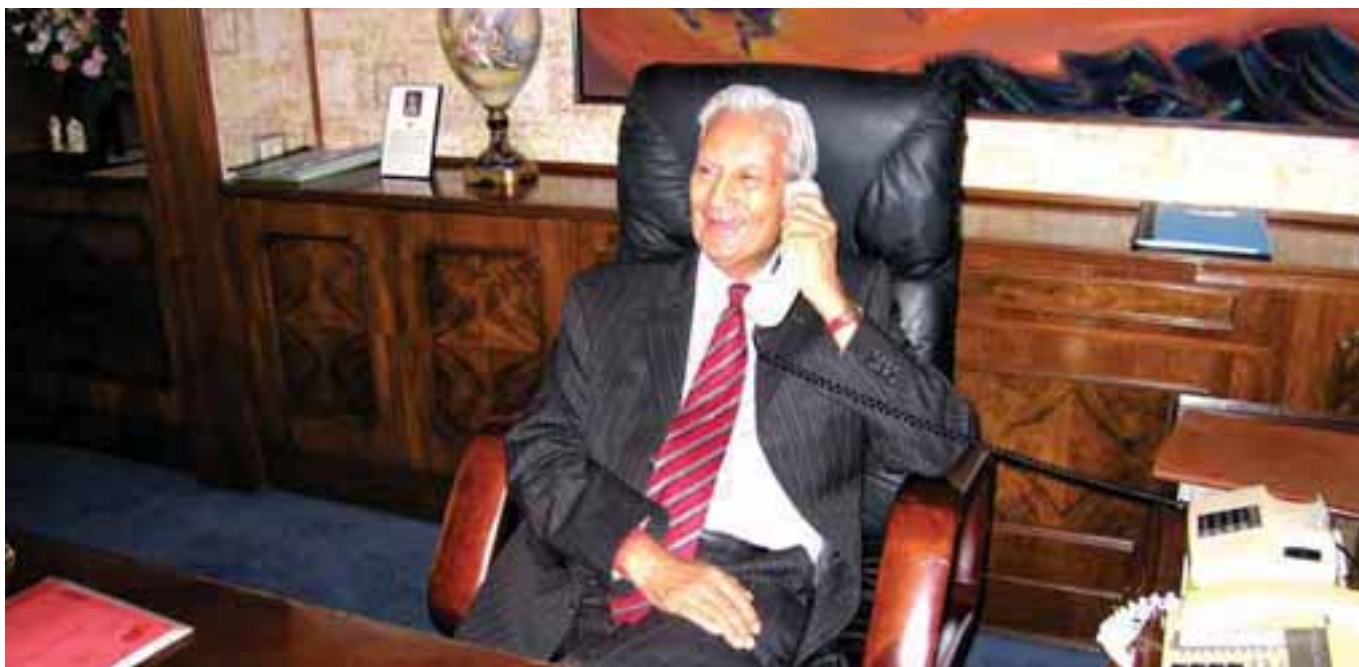


97th
Annual Report
& Accounts 2016





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:

Name	Remuneration ₹ / lakh)
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**.

17. As per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars relating to appointment and reappointment of Directors are given in the Corporate Governance Section of the Annual Report.

18. For those Members opting for remote e-Voting, the process and manner of remote e-Voting will be as follows:

A. The voting period begins from **9.00 A.M. on Monday, 25th July, 2016** and ends at **5.00 P.M. on Wednesday, 27th July, 2016**. During this period, Members of the Company, holding Shares either in physical form or indematerialised form, as on the **cut-off date (“record date”)** i.e. **21st July, 2016**, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. The facility for voting through Ballot Paper shall be made available at the Meeting to the Members as on the **“cut-off date”** i.e. **record date**, attending the Meeting, who have not cast their vote by remote e-Voting shall be able to exercise their right to vote at the Meeting through Ballot Paper.

B. In case a Member receives an email from NSDL:

- (i) Open email and open PDF file viz; “KIL e-Voting.pdf with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-Voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: **<https://www.evoting.nsdl.com/>**
- (iii) Click on **Shareholder – Login**.
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click **Login**.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-Voting opens. Click on remote e-Voting: Active Voting Cycles.
- (vii) Select **“EVEN” of “Kesoram Industries Limited”**.
- (viii) Now you are ready for remote e-Voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on **“Submit”** and also **“Confirm”** when prompted.
- (x) Upon confirmation, the message **“Vote cast successfully”** will be displayed.
- (xi) Once you have voted on a Resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutiniser through email to banerjeesalil@rediffmail.com with a copy marked to evoting@nsdl.co.in

C. In case a Member receives physical copy of the Notice of AGM:

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (Remotee-Voting Event Number) USER ID PASSWORD/PIN
- (ii) Please follow all steps from Serial No 18B(ii) to (xii) above, to cast vote. If you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password/PIN for casting your vote. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication(s).

In case you have any queries or issues regarding remote e-Voting, you may refer the Frequently Asked Questions (“FAQs”) and remote e-Voting user manual for Members available at the “downloads” section of **www.evoting.nsdl.com** or call on toll free No.: **1800-222-990**. Further queries relating to voting by

electronic means or Resolutions proposed to be passed at the ensuing Annual General Meeting (AGM), may be addressed to Gautam Ganguli, Company Secretary at email: gg@kesoram.net or shareddepartment@kesoram.net.

19. Persons, who have acquired Shares and become Members of the Company after despatch of the Notice for the AGM, but before the **cut-off date**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or shareddepartment@kesoram.net. However, Members already registered with NSDL for remote e-Voting can use their existing user ID and passwords for casting their votes. If a Member has forgotten his password, he can reset his password by using “Forgot User Details/Password” option available on **www.evoting.nsdl.com** or contact NSDL at the following toll free No.: **1800-222-990**.
20. Voting rights of Members shall be in proportion to their share in the Company’s Paid-up Equity Share Capital as on the **cut-off date**.
21. Salil Banerjee FCS, (CP Registration No. 1140), Practising Company Secretary, has been appointed as the Scrutiniser to enable the voting and remote e-Voting processes to be conducted in a fair and transparent manner.
22. The Chairman / person shall, at the end of discussion on the Resolutions on which voting are to be held, allow voting by use of Ballot Paper for those Members present at the AGM but have not cast their votes through the remote e-Voting facility.
23. The Scrutiniser shall after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutiniser’s Report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or a person authorised by him in writing, who shall countersign the same and declare the results of the voting forthwith.
24. The Results declared along with the Report of the Scrutiniser shall be placed on the website of the Company **www.kesocorp.com** and on the website of NSDL **www.evoting.nsdl.com** immediately after the declaration of result by the Chairman of the Meeting or the person authorised by him in writing. The results shall also be simultaneously communicated to the Stock Exchanges and displayed on the Notice Board of the Company at the Registered Office at 8th Floor, Birla Building, 9/1 R N Mukherjee Road, Kolkata - 700001.
25. On receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.
26. The Landmark and Route Map of the venue of the AGM are given on the reverse of the Attendance Slip cum Proxy Form with the Annual Report 2015 - 16.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item Number 5

Upon the recommendation of the Audit Committee, the Board appointed Mani & Co. and B. Ray & Associates, Cost Accountants to audit the cost accounting records maintained by the Company for the Financial Year ended 31st March, 2016 at a total remuneration of ₹8.31 lakhs, excluding taxes and reimbursement of out of pockets expenses as indicated in the text of the Resolution.

As required under Section 148(3) of the Act, the remuneration payable to the Cost Auditors require ratification by Shareholders.

Resolution No. 5 has accordingly been proposed and the Company commends the Ordinary Resolution to Shareholders for acceptance.

No Director or Key Managerial Personnel or any relative of the Directors or Key Managerial Personnel have any concern or interest in the Resolution.

The passing of this Resolution does not and will not relate to or affect any other Company.

Item Number 6

Based upon the recommendations of the Nomination and Remuneration Committee, Tridib Kumar Das (DIN 01063824), (“T K Das”), the Company’s Chief Financial Officer was appointed by the Board as a Whole-time Director for a period of three years effective 1st April, 2016.

Accordingly, the Board recommends T K Das’s appointment as Whole time Director for a period of three years effective 1st April, 2016 in addition to his role as the Company’s Chief Financial Officer. The remuneration offered to him is in line with the Company’s Nomination and Remuneration Policy as well as present corporate trends taking due account of his expertise as well as the wealth of experience that he brings to the Company.

T K Das is neither a shareholder nor related to any Director or any other Key Managerial Personnel or Promoter of the Company.

As per Schedule V of the Act, T K Das’s appointment and remuneration requires approval through a Special Resolution followed by the requisite approval from Central Government. The Board, therefore, commends for Shareholder approval the Special Resolution referred to in Item No. 6 of the Notice.

T K Das, not being a retiring Director, has been duly proposed by a Member under Section 160 of the Act along with the requisite deposit of ₹ 1 lakh. The deposit shall be refunded to the Member should he be elected a Director or secures more than 25% of the total valid votes cast on Resolution Number 6.

Brief particulars of T K Das in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are incorporated in the Report on Corporate Governance.

T K Das should be deemed concerned or interested in this Resolution. No other Director or Key Managerial Personnel, Promoters or any of their relatives have any concern or interest, financial or otherwise in the Resolution.

As per the proviso to Section 102(2) of the Act, the proposed Resolution does not relate to or affect any other Company.

Information required to be disclosed under the Second Proviso to Section-II(B), Part-II of Schedule V of the Act is as follows :

- (i) the proposed remuneration has been approved by a Resolution of the Nomination and Remuneration Committee and the Board ;
- (ii) the Company has not defaulted in repaying its debts (including public deposits) or debentures or interest payable for a continuous period of thirty days in the preceding Financial Year before the date of appointment of T K Das;
- (iii) a Special Resolution is being passed at the forthcoming Annual General Meeting for payment of remuneration to him for a period not exceeding three years;
- (iv) a statement containing further information is set out hereunder :

I. General Information:
(1) Nature of industry :

The Company is in the business of manufacturing and marketing Tyres and Cement. It manufactures and markets Rayon and Transparent Paper through a wholly owned subsidiary.

(2) Date or expected date of commencement of commercial production:

The Company was incorporated on 18th October 1919. It commissioned its rayon manufacturing plant in 1959, cement plants in 1969 and 1986 and its present tyre plant in 1991. The Rayon Business was transferred to a wholly owned subsidiary effective close of business on 31st March, 2016.

(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable

(4) Financial performance based on given indicators:

Particulars	31.03.2016 (₹/ crore)
Gross Revenue from operations	4554.23
Net Revenue from operations	4100.29
Profit/(Loss) before Exceptional items and Tax	(965.14)
Exceptional Items	1136.76
Profit/(Loss) before Tax	137.12
Tax Expenses	-
Profit/(Loss) for the Year	137.12
Equity Share Capital	117.27

(5) Foreign investments or collaborations, if any :

None

II. Information about the appointee:
(1) Background details :

T K Das, a Chartered Accountant as well as a Cost and Management Accountant, joined the Company as its Chief Financial Officer on 18th June, 2012. He is a seasoned professional with over 30 years of rich and extensive experience in strategic planning, finance and accounting in several industries.

(2) Past remuneration (including retiral benefits in capacity of CFO of the Company):

01.04.2014 to 31.03.2015 : ₹ 3.05 crore

01.04.2015 to 31.03.2016 : ₹ 3.25 crore

(3) Recognition or awards:

Not applicable

(4) Job profile and his suitability:

T K Das is entrusted with the management of the whole of the affairs of the Company subject to the superintendence, control and direction of the Board. Within the above parameters, T K Das performs such duties as are or may be entrusted to him by the Board or its Committees from time to time. He has wide ranging experience in several businesses to effectively guide the Company in the pursuit of its goals.

(5) Remuneration proposed:

As set out in Resolution No. 6 of the Notice of the Annual General Meeting.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) :

T K Das's remuneration is in line with that drawn by his peers in Industry.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Nil

III. Other information:
(1) Reasons of loss or inadequate profits:

Out of the three Businesses of the Company, the Tyre Business, the largest of the three, has under-performed over the last few years. The Cement Business, however, has been a consistent performer. The Tyre Business's

under performance compounded by a substantial debt burden has been the reason for the Company's losses. This position is being steadily reversed.

(2) Steps taken or proposed to be taken for improvement:

A key impediment to profitability had been the Company's debt burden. By effecting monetisation of select assets and using the proceeds to retire debt, significant progress has already been made in this direction. The Cement Business is EBITDA positive. The Tyre Business, through vigorous consolidation of operations will also be EBITDA positive as it goes forward. With its debt overhang considerably reduced, the Company views the future with confidence.

(3) Expected increase in productivity and profits in measurable terms:

The Company draws immense strength from its long and established track record and satisfactory performance of its Businesses through the years, including through backward integration, diversified product profile, expanding brand presence and strong marketing network. Its profitability has come under strain in recent times. However, upon transfer and disposal of the Haridwar tyre manufacturing facility, the Tyre Business has become much more compact and nimble. This Business is, therefore, poised to gain market share as it goes along. The Tyre Business's gains will add to the Company's profitability and productivity.

IV. Disclosures:

The required disclosures are given in the Report on Corporate Governance annexed to the Directors' Report.

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

By Order of the Board

Gautam Ganguli
Company Secretary

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31st MARCH, 2016

The Board of Directors has pleasure in presenting this Ninety- seventh Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2016.

FINANCIAL RESULTS

₹ / crore

Particulars	31st March, 2016	31st March, 2015
Total Revenue from :		
Continuing operations	4217.57	4682.37
Discontinuing operations	288.77	256.75
Total Revenue	4506.34	4939.12
Profit/(Loss) before interest, depreciation, tax and other amortisations ("EBIDTA")	(162.82)	209.74
Add : Exceptional Income including profit of ₹ 381.41 crore on disposal of assets and liabilities from discontinuing operation	1136.76	409.20
Less : Depreciation and Amortisation Expenses (Net of transfer from Revaluation Reserve)	124.78	273.88
Finance Costs	677.54	680.58
Tax Expenses – Net	-	-
	802.32	954.41
Profit/(Loss) for the year from continuing operations	171.62	(335.47)
Profit/(Loss) for the year from discontinuing operations	(34.50)	(31.21)
Profit/(Loss) for the year	137.12	(366.68)
Balance of Profit/(Loss) at the beginning of the year	(588.35)	(221.67)
Loss Carried Forward	451.23	588.35

DIVIDEND

The Board recommends payment of the contractual dividend amounting in total to ₹ 750/- (Rupees seven hundred and fifty only) to the holders of the 0.001% Optionally Convertible Redeemable Preference Shares issued during the year. No dividend on Equity Shares is recommended.

SHARE CAPITAL

The Paid-up Equity Share Capital as on 31st March, 2016 amounting to ₹ 117.27 crore is comprised as follows:

₹ / crore

Equity Share Capital as on 1 st April, 2015	109.77
Add : Issued during the year on preferential basis	7.50
Closing Equity Share Capital	<u>117.27</u>

In addition, the Company has issued, on preferential basis, 7,50,000 numbers 0.001% Optionally Convertible Redeemable Preference Shares of ₹ 100 each amounting to ₹ 7.50 crore. The Company will redeem these Shares at the end of eighteen months from the date of allotment unless converted into Equity Shares by the holders before that date.

Premium received against the two aforementioned preferential issues amounting in total to ₹165 crore has been credited to the Securities Premium Account.

SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES

10.50% Secured Redeemable Non Convertible Debentures amounting to ₹ 200 crores issued during the previous year were redeemed in full on 13th April, 2016.

DEPOSITS

The Company has not, during the year, accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 (“the Act”). Deposits amounting to ₹ 4.46 lakhs from two persons remained unclaimed as at the end of the year. There are no deposits not in compliance with the requirements of Chapter V of the Companies Act, 2013 (“the Act”).

GENERAL REVIEW

The Company reported a Profit after Tax of ₹ 137.12 crore against a Loss of ₹ 366.68 crore in the previous year. The Company has, in the last two years, embarked upon a number of initiatives to return to profit and also to strengthen its Balance Sheet. It took a number of actions that have resulted in a turnaround of the bottom-line after a lapse of five years.

The Company operates in three business segments – Cement, Tyres and Rayon. The businesses performed in the backdrop of continuing stagnancy in the macro-economic environment. The Businesses had to deal with the ongoing depressed infrastructure market. This resulted in weak demand, unfavourable volumes and a difficult pricing environment across businesses.

Total Revenue for the year under review stood at ₹ 4554.23 crore as compared to ₹ 4963.00 crore in the previous year. De-growth in revenue has been on account of the reasons cited above.

The Cement market in South India, where the Company operates, continued to suffer from slackness in demand and pricing pressures arising from overcapacity in the region. Despite these hindrances, the Cement Business reported a steady revenue of ₹ 2406.47 crore during the Financial Year 2015-16 against ₹ 2319.21 crore in the previous year. The Business penetrated new geographies, changed its product mix and resorted to aggressive selling resulting in increased sales volume of 56.98 lakh MT during the Financial Year 2015-16 as compared to 51.99 lakh MT in the previous year.

The Tyre Business reported a revenue of ₹ 2146.76 crore during the Financial Year 2015-16 against ₹ 2643.79 crore in the previous year. The decline is attributable to a slowdown in the heavy duty commercial vehicle tyre segment in the country as well as lower export volumes. The 2-3 wheeler and off-the-road tyre segments performed comparatively well. The Business is currently being adequately reinforced in order to further increase market share.

The Rayon Business had to contend with start-up capital costs relating to the modernisation programme undertaken in the previous year. It also had to contend with power disruptions resulting in loss of production. Despite these odds, the Business recorded steady revenue of ₹ 322.80 crore during the Financial Year 2015-16 against ₹ 285.81 crore last year.

As mentioned earlier, the Company commenced various initiatives in order to strengthen its Balance Sheet. These are as follows:

1. As stated in the Annual Report last year, the Tyre Undertaking situated at Laksar in Uttarakhand was transferred to the Company’s subsidiary, Cavendish Industries Limited (“Cavendish”), and was held for sale. The said Undertaking was transferred to the JK Tyre Group in April 2016 and the deal concluded. The net realisation from such disposal was used to partially retire the Company’s portfolio of long term borrowings so as to bring down debt to a more credible level;
2. The Undertakings of the two businesses under suspension of work, viz. Spun Pipe & Foundries and Heavy Chemicals, were sold and transferred, effective close of business 31st March, 2016, through the slump sale route under Sections 50B of the Income Tax Act, 1961 to Camden Industries Limited (CIN : U24100WB2015PLC206721) after obtaining the requisite shareholder approval;
3. The Rayon Undertaking was transferred to Cygnet Industries Limited (CIN : U74900WB2015PLC206720) (“Cygnet”), effective close of business 31st March, 2016 also through the slump sale route after obtaining the requisite shareholder approval. Cygnet has since become a wholly owned subsidiary effective 7th May, 2016;
4. Equity Shares of several listed companies held by the Company as Investments over many years were disposed of.

A brief analysis of the performance of each Business during the Financial Year 2015-16 and the outlook going forward appears in the Management Discussion & Analysis.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE

A Management Discussion & Analysis and the Report on Corporate Governance are attached as **Annexures I and II** respectively of this Annual Report.

RISK MANAGEMENT

The Company's Risk Management Policy is well defined to identify and evaluate business risks across all businesses. It assesses all risks at both pre and post-mitigation levels and looks at the actual or potential impact that a risk may have on the business together with an evaluation of the probability of the same occurring. Risk mapping exercises are carried out with a view to regularly monitor and review the risks, identify ownership of the risk, assessing monetary value of such risk and methods to mitigate the same.

GOING CONCERN STATUS

Regulators or Courts or Tribunals passed no significant or material orders during the year affecting the Company's going concern status and its future operations.

INTERNAL FINANCIAL CONTROL

The Board has *inter alia* reviewed the adequacy and effectiveness of the Company's internal financial controls relating to its financial statements.

The Board also discussed major financial risk exposures and the steps taken by it to monitor and control such exposures. The internal control structure showed no reportable material weaknesses.

The Company's Internal Financial Control framework is in line with current best practices and effectively addresses emerging challenges of its businesses.

EVALUATION OF BOARD PERFORMANCE

The Board carried out an annual evaluation of its own performance, of each Board Member individually as well as the working of its Committees. The manner in which the evaluation was carried out has been explained in the Report on Corporate Governance, which forms part of this Report.

As required under the provisions of the Act, a Meeting of all Independent Directors was duly convened and held during the Financial Year 2015-16.

NUMBER OF BOARD MEETINGS

A tentative calendar of Board Meetings is prepared and circulated to Board Members in advance. During the Financial Year 2015-16, ten Board Meetings were duly convened and held, details of which are provided in the Report on Corporate Governance.

NOMINATION AND REMUNERATION POLICY

The Company's Nomination and Remuneration Policy prepared in accordance with Section 178(3) of the Act is available in **Annexure III** to this Report.

AUDIT COMMITTEE

Members of the Audit Committee as on 31st March 2016 were Amitabha Ghosh as Chairman and Vinay Sah, K P Khandelwal, Sudip Banerjee and Lee Seow Chuan as Members. The Company Secretary is the Secretary of the Committee. The Chief Business Officer and the Chief Financial Officer are permanent invitees to the Meetings.

Pesi Kushru Choksey was Chairman of the Committee till his demise on 26th December, 2015. Amitabha Ghosh succeeded him as Chairman of the Committee during the year.

All recommendations of the Audit Committee were duly accepted by the Board and there were no instances of any disagreements between the Committee and the Board.

CORPORATE SOCIAL RESPONSIBILITY

Over the past several decades, the Chairman of the Company was very persistent in ensuring that the Company performs its corporate social responsibilities.

Accordingly, the Company has taken several initiatives in the areas of education, health, hygiene, empowerment, livelihood and community development during the Financial Year 2015-16 that satisfies the requirements of Section 135 of the Act.

The Company has a codified Social Responsibility Policy, the text of which is available on www.kesocorp.com. The Corporate Social Responsibility Committee was constituted on 29th April, 2014 and the Members as on 31st March, 2016 were Manjushree Khaitan as

Chairperson and Amitabha Ghosh and Kamal Chand Jain as Members. Tridib Kumar Das has since replaced Kamal Chand Jain as a Member effective 1st April, 2016.

The Report on Corporate Social Responsibility (CSR) activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in **Annexure IV** to this Report.

RELATED PARTY TRANSACTIONS

All related party transactions / arrangements entered during the year under Report were on an arm's length basis and in the ordinary course of business.

There was no materially significant related party transaction entered into by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons, which could conflict with the interest of the Company as a whole.

Based upon shareholder approvals granted under Section 188 of the Act, the Company's Rayon and Transparent Paper Undertakings were transferred to Cygnet. Cygnet is now a wholly owned subsidiary of the Company.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations, 2015"), related party transactions are placed before the Audit Committee for approval. Where required, prior approval of the Audit Committee is obtained on an omnibus basis for continuous transactions and the corresponding actual transactions become a subject of review at subsequent Audit Committee Meetings.

The relevant Form AOC-2 pursuant to Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached in **Annexure V** to this Report.

The Company's Related Party Transaction Policy appears on its website with web link www.kesocorp.com/DOCS/management_corner.php#slide_5.

SUBSIDIARY AND JOINT VENTURE COMPANY

Cavendish was a subsidiary company as at 31st March, 2016. The ownership of this subsidiary was transferred to the JK Tyre Group in April, 2016. In view of such disposal, Cavendish has not been considered for consolidation with the Company's Financial Statements as at 31st March, 2016.

Gondkhari Coal Mining Limited ("Gondkhari"), a Special Purpose Vehicle ("SPV"), was incorporated in 2008 as a Joint Venture between the Company (45.46% shareholding), Maharashtra Seamless Limited (30.30% shareholding) and Dhariwal Infrastructure Limited (24.24% shareholding). The joint venture was set up as per Central Government directives to develop and work the Gondkhari Coal Block in the State of Maharashtra that the Central Government had allocated. The Supreme Court, vide judgment dated 25th August, 2014, read with Order dated 24th September, 2014, cancelled the allocation of all coal blocks (including Gondkhari) by the Central Government. The deallocation of the coal block has made the SPV defunct.

In view of the provisions of Paragraphs 11, 28 of Accounting Standards ("AS") 21 and Paragraph 38 of AS 27, consolidation of the Financial Statements of these companies as at 31st March, 2016 are not mandated. Therefore, a Report on the performance and financial position of these companies, as required under Rule 8(1) of the Companies (Accounts) Rules, 2014, is not annexed to this Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loan, corporate guarantee or security nor made any investment covered under Section 186 of the Act during the Financial Year 2015-16.

VIGIL MECHANISM

The Company has a codified Whistle Blower Policy which is hosted on its website www.kesocorp.com.

STATUTORY AUDITORS

Shareholders have already reappointed at the Company's Ninety-fifth Annual General Meeting, Messrs. Price Waterhouse, Chartered Accountants, Kolkata (Firm Regn. No.301112E) as the Company's Auditors for a period of three years till the conclusion of the Company's Ninety Eighth Annual General Meeting. Their appointment will, therefore, need ratification at the Company's forthcoming Ninety-seventh Annual General Meeting for which an appropriate Resolution will be proposed.

COST AUDITORS

The Board, upon a recommendation from the Audit Committee, appointed Mani & Co., and B. Ray & Associates, Cost Accountants as Cost Auditors to audit the cost accounting records maintained by the Company for the Financial Year ended 31st March, 2016 at a total

remuneration of ₹ 8.31 lakh, excluding taxes and reimbursement of out of pockets as indicated in the matrix below:

Product	Name of Cost Auditor	Remuneration (₹ / Lakh)
Cement	Mani & Co.	2.82
Tyre, Tube & Flaps	Mani & Co.	3.49
Rayon	B. Ray & Associates	0.83
Transparent Paper	B. Ray & Associates	0.55
Inorganic Chemicals	B. Ray & Associates	0.62
Total		8.31

As per Section 148(3) of the Act, the remuneration payable to the Cost Auditors requires ratification by Shareholders.

Accordingly, a Resolution seeking such ratification has been included as part of the Notice convening the Ninety-seventh Annual General Meeting.

SECRETARIAL AUDITOR

The Board appointed Salil Banerjee, FCS, Practising Company Secretary (CP Registration No. 1140) to audit the secretarial records of the Company in respect of the Financial Year 2015-16.

The Report of the Secretarial Auditor is attached in **Annexure VI** to this Report. There are no qualifications in the Report.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other particulars as prescribed under the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in **Annexure VII** and forms part of this Report. None of the employees listed in the said Annexure is related to any Director of the Company.

As per the provisions of Section 136 of the Act, this Annual Report and Accounts is being sent to each Member and others entitled thereto, excluding the information on employee particulars as per Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. This information is readily available for inspection by Members at the Company's Registered Office between 3:00 PM and 5:00 PM on all working days (excluding Saturdays) up to the date of the forthcoming Annual General Meeting. Should any Member be interested in obtaining a copy (including through e-mail gg@kesoram.net), s/he should write to the Company Secretary at the Company's Registered Office.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place the requisite Internal Committees as envisaged in the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaints on the issues covered by the above Act were received during the year.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) the Act and, based upon representations from the Management, the Board, to the best of its knowledge and belief, states that:

- in the preparation of the Annual Accounts, applicable accounting standards has been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2016 and of the profit for that period;
- proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of

this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the Annual Accounts have been prepared on a going concern basis;
- (e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) proper systems have been devised to ensure compliance by the Company with the provisions of applicable laws and that such systems were adequate and working effectively.

DIRECTORS

Pesi Kushru Choksey (DIN 00060508), Independent Director, passed away on 26th December, 2015, ending an association that spanned over three decades. A Finance professional gifted with rare erudition, his contributions to Board and Committee deliberations have been immeasurable. The Board will greatly miss his august presence.

Kamal Chand Jain's (DIN 00029985) ("K C Jain") tenure as a Whole-time Director expired by efflux of time effective close of business on 31st March, 2016. Consequently, he retired from the Board and the Company from this date. K C Jain had an illustrious tenure in the Company as an employee having served it with distinction for over 50 years. He was elevated as a Whole-time Director effective 15th April, 2011. The Board wishes to gratefully acknowledge K C Jain's loyal and dedicated services to the Company.

Tridib Kumar Das (DIN 01063824), Chief Financial Officer, has been appointed a Whole-time Director, effective 1st April, 2016. A Special Resolution proposing his appointment and the payment of remuneration to him is included as part of the Notice convening the forthcoming Ninety-seventh Annual General Meeting.

All Independent Directors have furnished to the Company the requisite declarations that they meet the independence criteria as laid down under Section 149(6) of the Act and the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Basant Kumar Birla (DIN 00055856), Chairman, retires by rotation and, being eligible, offers himself for reappointment. An Ordinary Resolution is included as part of the Notice convening the forthcoming Annual General Meeting.

Brief profiles of Directors being appointed / re-appointed are given in the Report on Corporate Governance.

KEY MANAGERIAL PERSONNEL

The following functioned as Key Managerial Personnel during the year:

Manjushree Khaitan	Executive Vice Chairperson
Arvind Kumar Singh	Chief Executive Officer–Business Operations (till 4 th May, 2016)
Tridib Kumar Das	Chief Financial Officer
Enrico Malerba	Chief Business Officer (effective 26 th February, 2016)
Gautam Ganguli	Company Secretary
Kamal Chand Jain	Whole time Director (till 31 st March, 2016)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, set out in **Annexure VIII** to this Report.

MATERIAL CHANGES BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

As already stated elsewhere in this Report:

- (a) Cavendish ceased to be a subsidiary effective 13th April, 2016 upon its ownership being transferred to the JK Tyre Group; and
- (b) Cygnet, to whom the Rayon and Transparent Paper Undertakings was transferred effective close of business 31st March, 2016, became a wholly owned subsidiary of the Company on 7th May, 2016.

EXTRACTS FROM ANNUAL RETURN

Details forming part of extract from the Company's Annual Return in Form MGT 9 are furnished in **Annexure IX** to this Report.

ANNEXURES FORMING PART OF THIS REPORT

Annexure	Particulars
I	Management Discussion & Analysis
II	Report on Corporate Governance
III	Nomination & Remuneration Policy
IV	Report on Corporate Social Responsibility (CSR) activities
V	AOC -2
VI	Secretarial Audit Report
VII	Remuneration related disclosures per Section 197
VIII	Energy Conservation Particulars
IX	Annual Return Extracts

APPRECIATION

The Board wishes to gratefully acknowledge the understanding and support received by the Company from its employees. It would wish to thank the banking system, the Central Government, the various State Governments and the local authorities for the support received during the year.

This Report will be incomplete without a specific appreciation for the Members of the Company who have shown immense confidence and understanding in the Company's well being.

Basant Kumar Birla
Chairman

Manjushree Khaitan
Executive Vice Chairperson

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

Enrico Malerba
Chief Business Officer

Gautam Ganguli
Company Secretary

Amitabha Ghosh
Kashi Prasad Khandelwal
Sudip Banerjee
Lee Seow Chuan

Directors

Place: Kolkata
Date: 25th May, 2016

MANAGEMENT DISCUSSION & ANALYSIS
ANNEXURE - I
Performance Overview

A snapshot of the Company's Business-wise performance during the year appears below:

₹		/ crore	
S.No.	Particulars	2015-16	2014-15
1.	EBIDTA		
a)	Cement	336	434
b)	Tyres	(358)	(167)
c)	Rayon	(32)	(28)
d)	Total EBIDTA before Corporate Expenses	(54)	239
e)	Unallocated Expenses	(143)	57
	Total EBIDTA	(197)	182
2.	Exceptional Income	1137	409
3.	Finance Cost including interest	678	681
4.	Cash Profit / Loss	262	(90)
5.	Depreciation	125	277
6.	Profit Before Tax	137	(367)
7.	Tax Provision	-	-
8.	Profit After Tax	137	(367)

The Company endeavoured to manage its operations in the best possible manner under general economic constraints. Infrastructural demand was sluggish. The interest cost regime remained at a high trajectory. However, during the year Company recorded a profit after tax.

The Company completed several restructuring exercises during the year except disposal of its subsidiary Cavendish Industries Limited, which was concluded in April 2016. The Company will derive the benefit of such restructuring during the coming years. With the different restructuring processes, the Company achieved significant improvement in the debt equity ratio as on 31st March, 2016 as compared to the last year.

Business-wise Resumes and Outlook Going Forward
Tyres

A matrix showing the Tyre Business turnover during past three years is given below :

Particulars	2015-16	2014-15	2013-14
Turnover	2140	2633	3151

The Tyre Business had been closely evaluating its product portfolio and manufacturing footprints *vis-à-vis* industry demand and expected future growth. Such evaluation showed that the Tyre Business had a mismatch of manufacturing facilities as against demand for its products. As a result, it did not have a positive EBIDTA during the last two years.

The Business, therefore, decided to concentrate manufacturing facilities in one location and decided to make the Balasore manufacturing facility, a world class production base, by strengthening its capabilities in commercial vehicle bias tyres, off the road tyres, farm tyres, introducing two and three wheeler tyres and passenger car radial tyres from the Financial Year 2016-17 onwards. The demand for commercial vehicle radials will be serviced through contract manufacturing in the short term. However, the Balasore facility is ready with the civil structure to house the commercial vehicle radial production facility, and, within a period of around 18 months, will be able to cater to the demand as it starts gearing up. Following from the above, it was decided to divest the Laksar manufacturing facility. This divestment was completed during April, 2016.

The Business is enhancing investments in Research and Development ("R & D"). A new R & D facility is presently under construction at Balasore and is expected to be ready by the end of the year. This will enable the Business to further optimise

on costs, begin predictive testing for increasing tyre life and focus on developing tyres that meet global labelling standards.

The above stated realignments will give a positive impact to the Business.

Cement

A matrix showing the Cement Business turnover over the past three years is given below :

Particulars	2015-16	2014-15	2013-14
Turnover	2402	2318	1962

The Cement Business did well to record a 10% volumetric growth as compared to the previous year despite subdued demand in the markets that the Business services. Cement demand was impacted by a drought like situation in many parts of Maharashtra. Volume growth was possible by penetrating markets in semi urban and rural areas in different geographies.

The year was characterised equally by acute price volatility actuated largely by low demand. .

To mitigate the loss of profit from price drops, the Business managed costs by way of efficiency in procurement, supply chain and better product mix

The Business expects that general growth in infrastructure by the third quarter of Financial Year 2016-17 will boost cement demand and result in price stabilisation.

Rayon

A matrix showing the Rayon Business turnover over the past three years is given below :

Particulars	2015-16	2014-15	2013-14
Turnover	323	286	304

The Business invested in balancing equipment to stabilise product quality and controls. This will help in producing higher and lower denier products for different uses more economically.

A key constraint that the Business had to contend with during the year was the stagnant demand for viscose filament yarn in the market. To further compound matters, the demand for transparent paper was depressed.

The Business's expansion into continuous spun yarn, the lower denier yarn, whose demand is relatively stable is complete. Feedback received during trials has been encouraging and commercial production will begin over the next few months.

The use of transparent paper owing to its fire retardant qualities was largely confined to the firecracker industry. The Business has begun showcasing other inherent advantages of this product in the form of bio degradability, non toxicity and natural origin to promote it in such sectors as food packaging and stationery.

The Business will operate the Financial Year 2016-17 under Cygnet Industries Limited, a separate legal entity, albeit also a wholly owned subsidiary of the Company.

Overall, the Company has good reasons to look at the future with confidence.

Internal Control Systems and its adequacy

This has already been covered in the Directors' Report.

Material Developments in Human Resources

Industrial relations were cordial during the year.

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer
Enrico Malerba
Chief Business Officer
Gautam Ganguli
Company Secretary

Basant Kumar Birla
Chairman
Manjushree Khaitan
Executive Vice Chairperson
Amitabha Ghosh
Kashi Prasad Khandelwal
Sudip Banerjee
Lee Seow Chuan

Directors

Place: Kolkata
Date: 25th May, 2016

REPORT ON CORPORATE GOVERNANCE
1. GOVERNANCE PHILOSOPHY

The Company's philosophy on governance is founded upon and structured on a rich legacy of principles and practices that predicates dealings with stakeholders based on fairness, transparency and ethical behaviour. It seeks to assiduously build mutual trust and confidence as the basis for all working relationships with stakeholders. Implicit in this philosophy is also the recognition and demonstration of a two way communication between the Company and its stakeholders. While the Company welcomes constructive ideas and encourages dissent, it also acts fearlessly and with conviction.

2. BOARD OF DIRECTORS
i) Composition of the Board, Directorships & Committee positions held in other Companies and shares held as on 31st March, 2016:

As on 31st March, 2016, the Company had eight Directors. The composition of the Board complies with the provisions of the Companies Act, 2013 ("the Act"), the Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of Board composition are as follows:

Directors	Designation	Category	No. of other Directorships held *	No. of Independent Directorships held in Listed Companies *	No. of other Board Committees ** (of companies*)		Shareholding in the Company
					As a Member	As a Chairman / Chairperson	
Basant Kumar Birla	Chairman	Non-executive	4	None	None	None	402496
Manjushree Khaitan	Executive Vice Chairperson	Executive	2	None	None	None	720158
Pesi Kushru Choksey***	Director	Non-executive Independent	None	None	None	None	500
Amitabha Ghosh	Director	Non-executive Independent	4	3	3	1	Nil
Vinay Sah	Nominee Director, LIC (Equity Investor)	Non-executive	None	None	None	None	Nil
Kashi Prasad Khandelwal	Director	Non-executive Independent	2	2	3	None	Nil
Sudip Banerjee	Director	Non-executive Independent	2	2	None	None	Nil
Steven John Dekrey #	Additional Director	Non-executive Independent	None	None	None	None	Nil
Lee Seow Chuan	Director	Non-executive Independent	None	None	None	None	Nil
Kamal Chand Jain	Whole-time Director	Executive	2	None	2	None	Nil

Note: Tridib Kumar Das was appointed a Whole-time Director effective 1st April, 2016.

* Excluding Kesoram Industries Limited, Private Companies, Companies under Section 8 of the Companies Act, 2013 ("the Act") and foreign companies.

** Only two Committees viz., the Audit Committee and the Stakeholders' Relationship Committee have been considered for this purpose in terms of Clause 49(II)(D) of the Listing Agreement & Regulation 26(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

*** Deceased 26th December, 2015 and therefore his details are not available.

Resigned effective 8th June, 2015.

The following persons are/were related as per the provisions of the Act:

Basant Kumar Birla and Manjushree Khaitan;

ii) Attendance of Directors at Meetings held during the Financial Year 2015-16

Ten Board Meetings were held during the Financial Year ended 31st March, 2016 on 29th April, 2015, 28th August, 2015, 12th September, 2015, 19th October, 2015, 6th November, 2015, 12th December, 2015, 19th December, 2015, 22nd January, 2016, 16th February, 2016 and 26th March, 2016.

The attendance of each Director at these Meetings and at the Ninety-sixth Annual General Meeting (“AGM”) held on 12th December, 2015 was as follows:

Members	Attendance	
	No. of Board Meetings	AGM
Basant Kumar Birla	3	No
Manjushree Khaitan	10	Yes
Pesi Kushru Choksey (deceased 26 th December, 2015)	1	No
Amitabha Ghosh	4	No
Vinay Sah	6	Yes
Kashi Prasad Khandelwal	10	Yes
Sudip Banerjee	10	Yes
Steven John Dekrey (resigned effective 8 th June, 2015)	0	N.A.
Lee Seow Chuan	6	No
Kamal Chand Jain	10	Yes

iii) Details of Remuneration and Meeting Fees paid to Directors during the Financial Year 2015-16

Sl.No.	Name of the Directors	Sitting fees paid for ¹	
		Board Meetings (₹)	Committee Meetings* (₹)
1	Basant Kumar Birla	2,50,000	-
2	Manjushree Khaitan **	-	-
3	Pesi Kushru Choksey	75,000	50,000
4	Amitabha Ghosh	3,50,000	5,20,000
5	Vinay Sah***	5,00,000	5,50,000
6	Kashi Prasad Khandelwal	8,25,000	8,40,000
7	Sudip Banerjee	8,25,000	6,00,000
8	Lee Seow Chuan #	7,23,594	5,78,874
9	Steven John Dekrey ##	-	-
10	Kamal Chand Jain **	-	-
	Total	35,48,594	31,38,874

¹ Exclusive of 0.5% Swachh Bharat Tax (chargeable w.e.f. 15.11.2015).

* Includes non-statutory Committees of the Company as well as Meeting of Independent Directors.

** Sitting fee is not payable to Whole-time Directors.

*** Fees paid to Life Insurance Corporation of India ("LIC").

Inclusive of taxes borne by the Company.

Resigned effective 8th June, 2015.

No Commission was paid to the Directors during the Financial Year 2015-16.

Kamal Chand Jain was appointed a Whole-time Director at the Annual General Meeting held on 11th July, 2012 for a period of three years. His term expired as at close of business on 31st March, 2015. His appointment was further renewed at the Ninety-sixth Annual General Meeting held on 12th December, 2015 for a period of one year effective 1st April, 2015. His term expired as at close of business on 31st March, 2016. The total remuneration paid to him during 2015-16 is given below:

Particulars	Amount paid ₹/lakh
Gross Salary :	
(a) Salary [Section 17(1) of Income Tax Act, 1961]	336.27
(b) Value of perquisites	21.89
(c) Others : Contribution to Provident Fund and Superannuation Fund	19.00
Total	377.16

Manjushree Khaitan was appointed as a Whole-time Director for a period of five years with effect from 5th February, 2013 at the Ninety-fourth Annual General Meeting held on 31st July, 2013. At the Ninety-sixth Annual General Meeting held on 12th December, 2015, Special Resolution was passed for payment of remuneration for the period commencing from 1st April, 2015 to 4th February, 2018. The total remuneration paid to her during 2015-16 is given below:

Particulars	Amount paid ₹/lakh
Gross Salary :	
(a) Salary [Section 17(1) of Income Tax Act, 1961]	169.04
(b) Value of perquisites	Nil
(c) Others : Contribution to Provident Fund	7.20
Total	176.24

Apart from the above, no other pecuniary relationships (including stock options) or transactions vis-a-vis the Company exists with any Director.

iv) Code of Conduct

The Company has a Code of Conduct applicable to all Board Members and Senior Management staff for avoidance of conflict of interest between each of these individuals and the Company. Each Board Member and Senior Management staff have declared their compliance with the Code of Conduct as at 31st March, 2016. There were no materially significant transactions during the Financial Year with Board Members and Senior Management, including their relatives that had or could have had a potential conflict of interest with the Company.

The Code of Conduct is available on the website of the Company.

3. AUDIT COMMITTEE

i) Terms of Reference

The Audit Committee has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreement & Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference also conform to the requirements of Section 177 of the Act.

ii) Composition, Names of Members and Chairman

As on 31st March, 2016 the Audit Committee had five Non-Executive Independent Directors as Members with Amitabha Ghosh as the Chairman of the Committee.

The composition of the Committee and the attendance of each Member at Meetings were as follows:

Members	No. of Meetings attended
Amitabha Ghosh (Chairman effective 22.01.2016)	4
Pesi Kushru Choksey (Chairman till 26.12.2015)	1
Vinay Sah	5
Kashi Prasad Khandelwal	8
Sudip Banerjee	8
Steven John Dekrey (from 01/04/2015 to 08/06/2015)	0
Lee Seow Chuan	5

Eight Meetings were held during the Financial Year ended 31st March, 2016 on 29th April, 2015, 28th August, 2015, 19th October, 2015, 6th November, 2015, 12th December, 2015, 22nd January, 2016, 16th February, 2016 and 26th March, 2016.

The quorum for an Audit Committee Meeting is two Members personally present. The Company Secretary acts as the Secretary to the Audit Committee.

The following were invited to Audit Committee Meetings:

- the Statutory Auditors.
- the Internal Auditors, as and when necessary.
- the Cost Auditors, as and when necessary.
- Kamal Chand Jain, Whole-time Director; Arvind Kumar Singh, Chief Executive Officer-Business Operations; Enrico Malerba, Chief Business Officer; Tridib Kumar Das, Chief Financial Officer; U. S. Asopa, Chief of Treasury and Accounts and Suresh Sharma, Chief of Secretarial & Investor Services.

The late Pesi Kushru Choksey, who was Chairman of the Audit Committee till his demise on 26th December, 2015, was a senior Chartered Accountant and a former Senior Partner of Price waterhouse and possessed expert knowledge in finance, accounting and audit.

Amitabha Ghosh and Kashi Prasad Khandelwal, Members of the Committee are senior Chartered Accountants with expert knowledge in finance, accounting and audit. Vinay Sah is a senior executive of the Life Insurance Corporation of India. Lee Seow Chuan is a fellow member of the Association of International Accountants, UK. Sudip Banerjee is an Honours graduate in Economics and holds a Management Diploma from All India Management Association. All Members of the Committee are therefore financially literate.

The Chairman of the Audit Committee did not attend the last Annual General Meeting (“AGM”) held on 12th December, 2015.

4. NOMINATION AND REMUNERATION COMMITTEE

i) Composition, Names of Members and Chairman

As on 31st March, 2016, the Nomination and Remuneration Committee consisted of four Members of whom, three were Non executive Independent Directors.

The Committee met three times during the Financial Year 2015-16 on 28th August, 2015, 16th February, 2016 and 26th March, 2016. Pesi Kushru Choksey was the Chairman of the Committee till his demise on 26th December, 2015. Thereafter, Amitabha Ghosh was appointed Chairman of the Committee on 22nd January, 2016.

The Company Secretary acts as the Secretary to the Committee. The composition of the Committee and the attendance of each Member at Meetings were as follows:

Members	No. of Meetings attended
Amitabha Ghosh (<i>Chairman effective 22.01.2016</i>)	2
Manjushree Khaitan (<i>Ceased to be a Member of the Committee after SEBI (LODR) Regulations, 2015 became effective</i>)	1
Pesi Kushru Choksey (<i>Member till 26.12.2015</i>)	0
Kashi Prasad Khandelwal	3
Vinay Sah	3

The terms of reference of the Nomination and Remuneration Committee traverses the areas covered under Clause 49(IV) of the Listing Agreement, Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Act.

ii) The Nomination and Remuneration Policy:

This Policy formulated and recommended by the Committee to the Board was approved on 29th April, 2015. The Policy is attached as Annexure III to the Directors' Report.

The performance of individual Board Members including Independent Directors was subject to peer evaluation during the Financial Year.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

i) Composition, Names of Members and Chairman

At its Meeting held on 29th April, 2014, the Board constituted a Stakeholders Relationship Committee.

The Committee met five times during the Financial Year 2015-16 on 29th April, 2015, 28th August, 2015, 12th December, 2015, 22nd January, 2016 and 26th March, 2016. Amitabha Ghosh chaired these Meetings.

The Company Secretary acts as Secretary to the Committee. The composition of the Committee and the attendance of each Member at Meetings were as follows:

Members	No. of Meetings attended
Amitabha Ghosh	3
Vinay Sah	4
Kashi Prasad Khandelwal	5
Kamal Chand Jain	5

The terms of reference of the Committee cover all the areas as mentioned under Clause 49(VIII) (E) (4) of the Listing Agreement, Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

ii) Shareholder complaints received and redressed during the Financial Year 2015-16:

Nature of Grievances	Complaints received from				Total complaints received during 2015-16	Total complaints redressed	No. of complaints outstanding as on 31 st March, 2016
	Investors directly	Stock Exchanges	SEBI "SCORES"	R O C			
Non-receipt of Dividend/Interest/ Redemption Warrants/NECs	9	1	Nil	Nil	10	10	Nil
Non-receipt of Share / Debenture Certificate(s)	2	Nil	Nil	Nil	2	2	Nil
Non-receipt of Duplicate Share/ Debenture Certificate(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Demat related	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non-receipt of Annual Report	12	1	Nil	Nil	13	13	Nil
Status of Application lodged for Rights Issue	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Reason for Non-Allotment of Shares in Rights Issue	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Change of Name on Securities	11	Nil	3	Nil	14	14	Nil
TOTAL	34	2	3	Nil	39	39	Nil

iii) Details of outstanding shares in the Unclaimed Suspense Account:

Particulars	Total No. of Shareholders	No. of Outstanding Shares lying in Unclaimed Suspense Account
As on 1 st April, 2015	4,009	1,53,853
Shareholders who have approached the Company for transfer/delivery during 2015-16	25	686
Shares transferred/delivered during the year 2015-16	9	346
Shareholders who have approached the Company for transfer/ delivery pending compliance of verification process	16	340
Balance as on 31 st March, 2016	4,000	1,53,507

Voting rights on these outstanding shares in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As required under Section 135 of the Act, a Corporate Social Responsibility Committee was constituted on 29th April, 2014 with Amitabha Ghosh, Kamal Chand Jain as Members and Manjushree Khaitan as the Chairperson. The terms of reference of this Committee are aligned with the requirements of Section 135 of the Act.

The Committee met two times during the Financial Year 2015-16 on 29th April, 2015, and 16th February, 2016. Manjushree

Khaitan chaired these Meetings.

The Company Secretary acts as Secretary to the Committee. The composition of the Committee and the attendance of each Member at Meetings were as follows:

Members	No. of Meetings attended
Manjushree Khaitan	2
Amitabha Ghosh	2
Kamal Chand Jain	2

7. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As per stipulations in Section VII of the Code for Independent Directors in Schedule IV of the Act and as per the Listing Agreement and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Company's Independent Directors was held on 6th November, 2015.

8. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarisation programme for Independent Directors is available on the website of the Company under the weblink http://www.kesocorp.com/DOCS/management_corner.php#slide_6.

9. ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The annual evaluation exercise carried out by the Board during the year spanned its own performance, the performance of Board Committees as well those of individual Directors.

The evaluation process this year endeavoured to delve into uncharted territory. Realising that this was a year of transformation for the Company, the Board chose to deviate from conventional evaluation techniques by embarking on a mechanism that evaluated each Board Member's prowess in envisioning what lay ahead for the Company and the manner this linked with the performance of the Board as a whole and that of its Committees. The Board postulated that the *raison d'être* for its existence was governance and this process had to be rooted to the specifics of the transformation exercise. For, if the transformation was not successful, governance would be a casualty. Obviously, the requirement for perspicacity amongst individual Board Members and dovetailing this capacity in measuring the performance of the Board as a whole called for a fair amount of application of objectivity.

The conclusion reached was that each Board Member was able to offer implementable solutions to the issues before them. When debated at the Board level, interactions gave rise to meaningful dialogues that effectively projected the Board as an integrated whole. It was noted that each Board Committee contributed in equal measure to complement the role of the Board in the Company's governance process.

10. COMPLIANCE OFFICER

The Company Secretary, is the Compliance Officer under the Listing Agreement Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable SEBI Regulations and Rules.

11. GENERAL BODY MEETINGS

(A) Details of last three AGMs

AGMs	Date of AGM	Location	Time
96th AGM	12th December, 2015	"Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017	11:00 A.M.
95th AGM	8th July, 2014	"Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017	11:00 A.M.
94th AGM	31st July, 2013	"Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017	11:00 A.M.

(B) Special Resolutions passed at previous three AGMs**a) AGM on 12th December, 2015:**

Six Special Resolutions were proposed and passed as stated hereunder :

- i) Reappointment of Kamal Chand Jain as Whole-time Director and payment of remuneration for the period of one year effective 1st April, 2015 in terms of Sections 196, 197 and Schedule V of the Act read with Rules made thereunder.
- ii) Appointment of Amolak Preet Singh, a non resident Indian, as Whole-time Director and payment of remuneration for the period commencing from 1st December, 2014 until 14th January, 2015 in terms of Sections 196, 197 and Schedule V of the Act read with Rules made thereunder.
- iii) Payment of remuneration to Manjushree Khaitan, a Whole-time Director, for the period commencing from 1st April, 2015 to 4th February, 2018 in terms of Sections 196, 197 and Schedule V of the Act read with Rules made thereunder.
- iv) Divestment of Company's entire investment in Cavendish Industries Limited, a material non-listed subsidiary company in terms of Clause 49(V) (F) of the Listing Agreement with Stock Exchanges.
- v) A new set of Memorandum of Association pursuant to Section 13 and other applicable provisions of the Act and Rules made thereunder.
- vi) A new set of Articles of Association pursuant to Section 14 and other applicable provisions of the Act and Rules made thereunder.

b) AGM on 8th July, 2014:

One Special Resolution was proposed and passed viz. acceptance of deposits by the Company in compliance of the Act and Rules made thereunder.

c) AGM on 31st July, 2013:

No Special Resolution proposed.

(C) Postal Ballot : Pursuant to Section 108 and other applicable provisions of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended, three postal ballots were held during 2015-16, details of which are given as follows :

i) Date of Result - 3rd February, 2016

Date of Notice of Postal Ballot	19 th December, 2015			
Record Date	18 th December, 2015			
e-Voting period	9.00 AM of 1 st January, 2016 to 5.00 PM of 30 th January, 2016			
e-Voting platform	NSDL			
Special Resolutions	1. To raise funds for an amount not exceeding ₹650 crores under Sections 42,62(1) (c) of the Act and other applicable laws.			
	2. To transfer the undertakings comprised in the Company’s Spun Pipe as well as Heavy Chemicals businesses to Camden Industries Limited under Section 180 (1)(a) of the Act.			
	3. To re-adopt Company’s Memorandum of Association in terms of Rule 22(16) (a) of the Companies (Management and Administration) Rules, 2014.			
Scrutiniser	Salil Banerjee (ICSI CP Registration No. 1140)			
Result :				
Resolution No. as given in the Postal Ballot Notice dated 19th December, 2015	Particulars of the Votes Cast			Result
		No of votes	%	
Resolution No. 1 as a Special Resolution	Votes cast in favour	5,58,28,786	96.06	Approved by requisite majority
	Votes cast against	22,88,751	3.94	
Resolution No. 2 as a Special Resolution	Votes cast in favour	5,81,05,849	99.98	Approved by requisite majority
	Votes cast against	11,348	0.02	
Resolution No. 3 as a Special Resolution	Votes cast in favour	5,81,09,516	99.99	Approved by requisite majority
	Votes cast against	7,681	0.01	

(ii) Date of Result - 28th March, 2016

Date of Notice of Postal Ballot	16 th February, 2016		
Record Date	12 th February, 2016		
e-Voting period	9.00 AM of 23 rd February, 2016 to 5.00 PM of 23 rd March, 2016		
e-Voting platform	NSDL		
Special Resolutions	1. To issue and allot 75,00,000 Equity Shares of face value ₹10 per share for an aggregate amount of upto ₹ 90 crore to Manav Investment and Trading Company Limited, an unlisted promoter group Company under Sections 42 and 62(1)(c) of the Act and in accordance with Chapter VII of SEBI ICDR Regulations, 2009.		
	2. To issue and allot 7,50,000 Optionally Convertible Redeemable Preference Shares of face value ₹ 100 per share for an aggregate amount of upto ₹ 90 crore to IndusInd Bank Limited under Sections 42 and 62(1)(c) of the Act and in accordance with Chapter VII of SEBI ICDR Regulations, 2009.		
Scrutiniser	Salil Banerjee (ICSI CP Registration No. 1140)		

Result :				
Resolution No. as given in the Postal Ballot Notice dated 16 th February, 2016	Particulars of the Votes Cast			Result
		No of votes	%	
Resolution No. 1 as a Special Resolution	Votes cast in favour	4,92,68,783	99.96	Approved by requisite majority
	Votes cast against	19,292	0.04	
Resolution No. 2 as a Special Resolution	Votes cast in favour	5,79,08,812	99.97	Approved by requisite majority
	Votes cast against	17,943	0.03	

(iii) Date of Result - 3rd May 2016

Date of Notice of Postal Ballot	26 th March, 2016			
Record Date	18 th March, 2016			
e-Voting period	9.00 AM of 1 st April, 2016 to 5.00 PM of 30 th April, 2016			
e-Voting platform	NSDL			
Special Resolutions	1. To invest in 50,000 Equity Shares of Cygnet Industries Limited of face value Rs. 10 per share amounting to ₹ 5 lakh under Section 186 of the Act.			
	2. To transfer the undertakings comprised in the Company's Rayon and Transparent Paper to Cygnet Industries Limited under Sections 180(1)(a) and 188 of the Act.			
Scrutiniser	Salil Banerjee (ICSI CP Registration No. 1140)			
Result :				
Resolution No. as given in the Postal Ballot Notice dated 26 th March, 2016	Particulars of the Votes Cast			Result
		No of votes	%	
Resolution No. 1 as a Special Resolution	Votes cast in favour	5,75,35,830	100.00	Approved by requisite majority
	Votes cast against	1,673	0.00	
Resolution No. 2 as a Special Resolution	Votes cast in favour	5,75,36,547	100.00	Approved by requisite majority
	Votes cast against	2,036	0.00	

12. DISCLOSURES IN RELATION TO THE APPOINTMENTS AND RE-APPOINTMENTS OF DIRECTORS

As required under Clause 49(VIII)(E)(1) of the Listing Agreement and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profiles of Basant Kumar Birla and Tridib Kumar Das are appended :

i) Basant Kumar Birla (Non-Executive Director) DIN 00055856: Basant Kumar Birla was appointed a Director of the Company in 1940. He is 95 years of age and an industrialist of repute. He has more than 70 years experience in several diverse businesses and is also associated with various charitable trusts and educational institutions. He is a Director of Century Enka Limited, Century Textiles & Industries Limited, Jay Shree Tea & Industries Limited, Pilani Investment & Industries Corporation Limited and BK Birla Foundation. He holds 402496 shares of the Company.

ii) Tridib Kumar Das (Executive, Whole time Director) DIN 01063824: Tridib Kumar Das, (59) has been the Company's Chief Financial Officer since 29.04.2014. He is a Chartered Accountant with additional qualifications as a Cost and Management Accountant. His experience spanning over three decades has covered finance, accounting, strategic planning, business analysis and business restructuring. After a stint with Castrol India Limited, he has spent much of his career with Philips as part of its senior management team both in India as well as Amsterdam. His last position in Philips was as a Board Member of Philips

Electronics India Limited. He is a Director of Aditya Marketing & Manufacturing Limited and PIC Realcon Limited. He has no shareholding in the Company.

13. DISCLOSURES

1. The Audit Committee at its Meeting held on 8th August, 2014 has approved the Related Party Transaction Policy which is placed on the website of the Company. The weblink is http://www.kesocorp.com/DOCS/management_corner.php#slide_5.
2. Transactions with Related Parties, as per requirements of Accounting Standard 18 in the prescribed format of Para A of Schedule V of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 are disclosed in the Notes to Accounts annexed to the Financial Statements. There are no materially significant transactions with Related Parties viz. Promoters, Directors or the Management or their relatives or Subsidiaries that had or could have potential conflict with the Company's interest. Particulars of Related Party Transactions in terms of Section 188(1)(b) read with Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 has been disclosed in the Directors' Report.
3. The Company has complied with all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing the Financial Statements.
4. There are/were no pecuniary relationships or transactions of Non-Executive Directors *vis-à-vis* the Company which has or could have potential conflict with the interests of the Company at large.
5. The Company has complied with all requirements of the Listing Agreement as well as the regulations and guidelines prescribed by the Securities and Exchange Board of India ("SEBI") except for non-submission of audited financial results for the financial year ended 31st March, 2015 under Clause 41(I)(d), unaudited quarterly results for the quarters ended 30th June, 2015 and 30th September, 2015 under Clause 41(I)(c) of the Listing Agreement with the Stock Exchanges within the stipulated time. The Company subsequently submitted the Audited Financial Results for the year ended 31.03.2015 and unaudited quarterly results for the above mentioned quarters and the paid the required penalties. The Company's shares were moved by the Stock Exchanges to the trade to trade category for a brief period during the year. This position was soon reversed. No other penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
6. The Company has in place a mechanism to inform Board Members about risk assessment and mitigation plans and periodical reviews to ensure that critical risks are controlled by the executive management. No Risk Management Committee has been constituted since this is not mandated for the Company under the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
7. As on 31st March, 2016, the Company had a material unlisted subsidiary. This Company ceased to be a subsidiary effective 13th April, 2016. The Policy on Material Subsidiaries is available on the Company's website for which the weblink is http://www.kesocorp.com/DOCS/management_corner.php#slide_5.
8. Independent Directors have confirmed to the Company that they meet the criteria of 'Independence' as stipulated under Clause 49 of the Listing Agreement and Regulation 16 (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
9. The Company has adopted a Whistle Blower Policy that has been placed on the website of the Company at the weblink http://www.kesocorp.com/DOCS/management_corner.php#slide_5. The Policy contains guidelines to be followed by whistle blowers. No person has been denied access to the Audit Committee.
10. Commodity price risks and foreign exchange risks are hedged from time to time in accordance with a Board approved Hedging Policy.
11. The Company has complied with Corporate Governance Requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
12. The status of compliance with non-mandatory recommendations of the Clause 49 of the Listing Agreement with Stock Exchanges and Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided below:
 - a) Non-Executive Chairman's Office : The Non-Executive Chairman maintains an office at the Company's Head Office.
 - b) Shareholders' Rights : As the quarterly and half yearly financial performance are submitted to the Stock Exchanges, published in the news papers and posted on the Company's website, these are not sent to shareholders separately.
 - c) Audit Qualifications : The Company's financial statements for the year 2015-16 do not contain any audit qualification.

- d) Separate posts of Chairman and CEO : The Chairman of the Board is a Non-Executive Director and his position is separate from that of the CEO.
- e) Reporting of Internal Auditor : The Internal Audit Team reports to the Audit Committee.

14. MEANS OF COMMUNICATION

(i) Financial results, Annual Report etc.:

The quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board are sent to / filed with the Stock Exchanges where the Company's shares are listed and then published in various leading national newspapers, viz. Business Standard (English – all editions) and Dainik Statesman (Bengali edition). The Results are also posted on the Company's website www.kesocorp.com. All official releases and other related information are also displayed on this website.

The quarterly Unaudited Financial Results and the Annual Financial Results along with the Report on Segment Revenue, Results and Capital Employed, Balance Sheet, Statement of Profit & Loss, Directors' Report, Auditor's Report, Cash Flow Statement, Corporate Governance Report, Management Discussion and Analysis and Shareholding Pattern etc. can also be accessed by investors from the Company's website www.kesocorp.com.

(ii) Management Discussion and Analysis

The Management Discussion and Analysis, as reviewed by the Audit Committee, is part of this Annual Report.

15. GENERAL SHAREHOLDER INFORMATION

- **Next AGM**

Time	11.00 AM.
Day	Thursday
Date	28 th July, 2016
Venue	"Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700 017

- **The Company's Financial Year**

The Financial Year of the Company is from 1st April to 31st March.

- **Date of Book Closure**

22nd July, 2016 to 28th July, 2016 (both days inclusive)

- **Stock Exchange related information**

- a. **Listing on Stock Exchanges:**

Equity Shares	BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
	National Stock Exchange of India Limited ("NSE"), Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051
	The Calcutta Stock Exchange Ltd. ("CSE"), 7, Lyons Range, Kolkata-700 001
	Societe de la Bourse de Luxembourg, Societe Anonyme/R.C.B. 6222, B.P.165, L-2013 Luxembourg (for GDRs)
Privately-placed Secured Redeemable Non-Convertible Debentures	BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

b. Codes:

i) Equity Shares	
BSE	502937
NSE	KESORAMIND
CSE	10000020
Luxembourg Stock Exchange	US4925322053
ii) Secured Redeemable Non- Convertible Debentures (privately placed)	
BSE	950718

There are no arrears in payment of Listing Fees

c. ISIN No. for the Company's Listed Securities

Equity Shares in Demat Form	INE087A01019
Global Depository Receipts	US4925322053
Secured Redeemable Non-Convertible Debentures (privately placed)	INE087A07644

d. Depository Connectivity: National Securities Depository Limited and Central Depository Services (India) Limited.

e. Stock Market Price Data:
₹ / Share

Month	BSE Sensex Close	Share Price		
		High	Low	Close
April, 15	27,011.31	148.85	116.50	123.90
May, 15	27,828.44	127.40	87.45	92.65
June, 15	27,780.83	93.55	69.50	74.60
July, 15	28,114.56	99.95	74.90	96.75
August, 15	26,283.09	118.70	71.60	91.40
September, 15	26,154.83	116.50	75.00	82.80
October, 15	26,656.83	90.40	76.40	80.35
November, 15	26,145.67	106.50	77.10	102.85
December, 15	26,117.54	117.40	91.60	110.70
January, 16	24,870.69	123.50	90.00	93.20
February, 16	23,002.00	95.00	72.10	85.05
March, 16	25,341.86	111.00	84.00	102.65

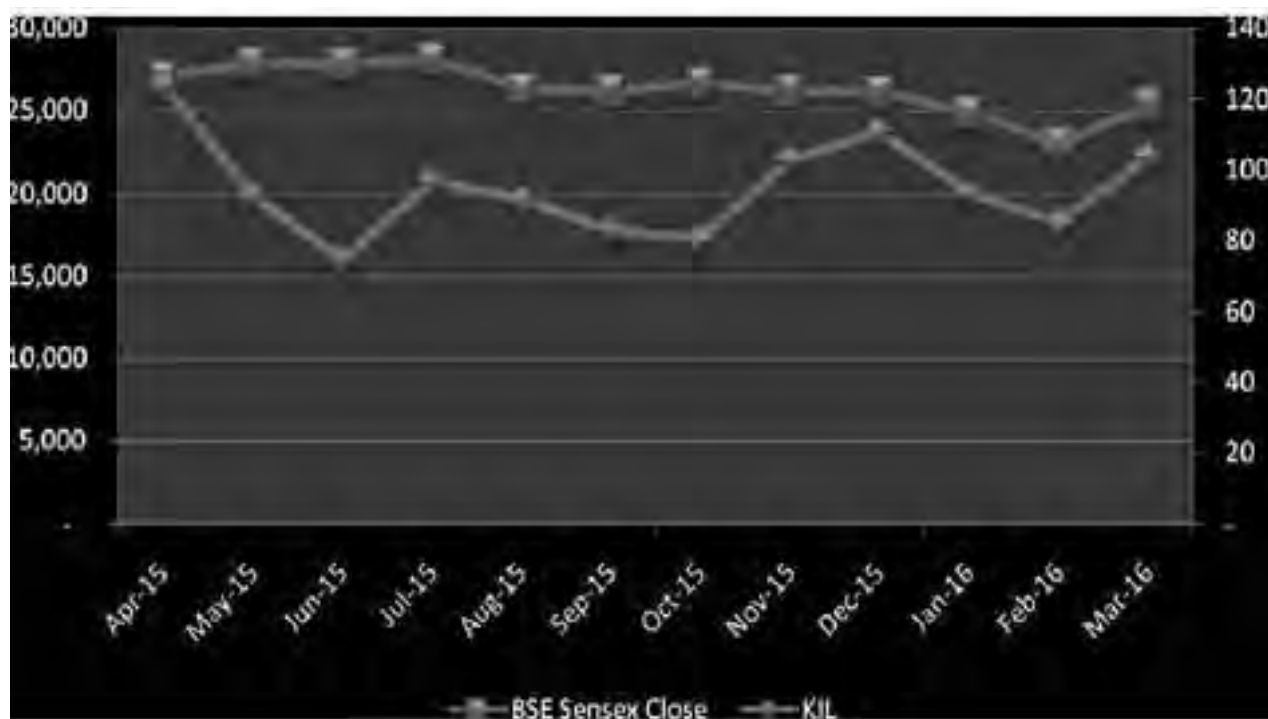
₹ / Share

Month	NSE Nifty Close	Share Price		
		High	Low	Close
April, 15	8,181.50	148.55	116.65	124.45
May, 15	8,433.65	127.20	87.40	92.50
June, 15	8,368.50	93.40	69.55	74.45
July, 15	8,532.85	99.80	74.95	96.80
August, 15	7,971.30	118.80	71.40	91.40
September, 15	7,948.90	116.30	75.20	83.10
October, 15	8,065.80	89.95	77.20	81.20
November, 15	7,935.25	106.95	77.55	103.05
December, 15	7,946.35	117.30	92.75	111.20
January, 16	7,563.55	123.30	89.90	93.05
February, 16	6,987.05	95.00	72.00	85.05
March, 16	7,738.40	111.40	84.00	102.65

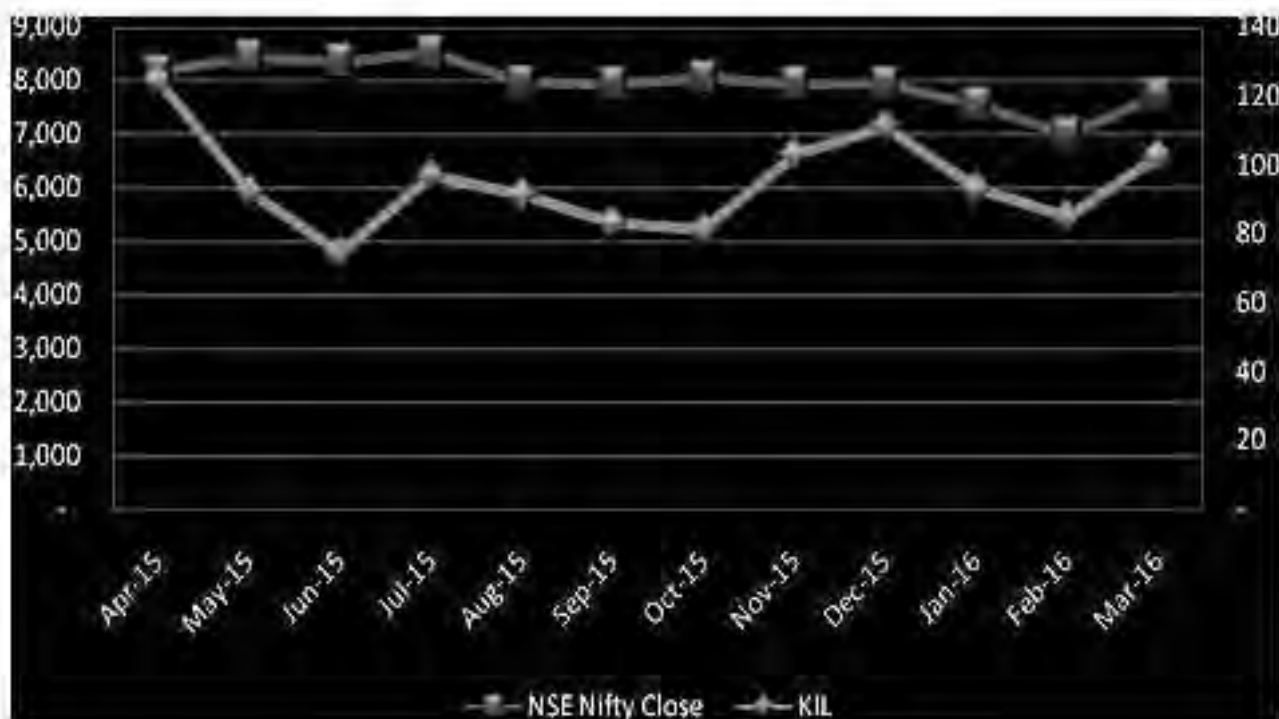
During the year there was no trading on The Calcutta Stock Exchange Ltd. as well as Societe de la Bourse de Luxembourg.

f. Performance in comparison to broad based indices such as BSE SENSEX and NSE NIFTY

Kesoram Industries Limited (KIL) Share Price on BSE vis-a-vis BSE Sensex (2015-16)



Kesoram Industries Limited (KIL) Share Price on NSE vis-a-vis NSE Nifty (2015-16)



g. Registrar and Share Transfer Agent:

MCS Share Transfer Agent Limited
(Unit: Kesoram Industries Ltd.)
12/1/5, Manoharpukur Road, Kolkata -700 026
Phone Nos.: +91 33 40724051 to 54
Fax No.: +91 33 40724050
E-mail : mcssta@rediffmail.com

h. Share Transfer System

Subject to documentation being in order, transfer requests of Equity Shares in the physical form lodged with the Share Department of the Company/Registrar and Share Transfer Agent are processed no later than fifteen days from the date of receipt. Individual share transfer requests in physical form are dealt with and approved at the level of Company Executives.

i. Distribution of shareholding as on 31st March, 2016

(a) According to category of holding

Category	No. of Share holders	% of Share holders	No. of Shares	% of Shares
Promoters	17	0.02	5,80,04,989	49.46
Mutual Funds / UTI	11	0.01	1,52,440	0.13
Financial Institutions & Banks	42	0.05	14,32,014	1.22
Foreign Institutional Investors	16	0.02	32,05,276	2.73
Insurance Companies	6	0.01	42,34,546	3.61
NRI/OCB's/Foreign Companies	581	0.68	72,18,870	6.16
Enemy Property	38	0.04	8,099	0.01
Private Body Corporates/Trust	1,078	1.27	1,18,33,801	10.09

Unclaimed Suspense A/c	1	0.00	1,53,507	0.13
GDRs	1	0.00	70,41,875	6.01
Total	84,968	100.00	11,72,68,650	100.00

(b) According to the number of Equity Shares held :

No. of Equity Shares held	No. of Share holders	% of Shareholder	No. of Shares	% of Shares
1-100	63,388	74.60	20,80,707	1.77
101-200	7,513	8.84	12,25,001	1.05
201-500	7,329	8.63	26,32,888	2.25
501-1000	3,103	3.65	25,37,284	2.16
1001-5000	2,794	3.29	65,43,378	5.58
5001-10000	381	0.45	28,65,988	2.44
10001 and above	460	0.54	9,93,83,404	84.75
Total	84,968	100.00	11,72,68,650	100.00

j. Dematerialisation and Rematerialisation

Requests for Dematerialisation and Rematerialisation should be sent either to the Company's Registrar and Share Transfer Agents or to the Share Department of the Company at Birla Building, 8th Floor, 9/1 R. N. Mukherjee Road, Kolkata-700 001.

k. Dematerialisation of shareholding

The Company's Equity Shares are compulsorily traded in the dematerialisation form. 11,58,56,853 Equity Shares of the Company representing 98.80% of the total Equity Shares issued were held in dematerialised form as on 31st March, 2016. Investors have an option to dematerialise their Equity Shares either with National Securities Depository Limited or Central Depository Services (India) Limited.

l. Outstanding GDRs

70,41,875 Equity Shares of the Company were held as Global Depository Receipts as on 31st March, 2016.

m. Insider Trading

The Code of Internal Procedure & Conduct under the SEBI (Prohibition of Insider Trading) Regulations, 2015, has been effective 15th May, 2015 and the Company has implemented the same.

n. Plant Locations

Section	Factory Location	City Office	Run under name & style of
Cement	Sedam, Dist. Gulbarga Karnataka-585222 Phone: +91-8441-276005/276391/277403 Fax: +91-8441-276139 E-mail: communication@vasavadattacement.com Storage and Packing Unit : T-3 MIDC Chincholi, Taluk : Mohal Solapur -413255, Maharastra State	613 to 616, White House, Block III, 6 th Floor, 6-3-1192/1/1, Kundanbagh Begumpet, Hyderabad – 500016 (Telangana) Phone : +91-40-43344555 Fax: +91-40-43344534	Vasavadatta Cement
	Basantnagar, Dist. Karimnagar Andhra Pradesh-505187 Phone : +91-8728 -228152/228121 Fax: +91-8728-228160 E-mail: communication@kesoramcement.com	613 to 616, White House, Block III, 6 th Floor, 6-3-1192/1/1, Kundanbagh Begumpet, Hyderabad – 500016 (Telangana) Phone : +91-40-43344555 Fax: +91-40-43344534	Kesoram Cement
Automobile Tyres and Tubes	At/P.O. Chhanpur, Via. Kuruda, Dist. Balasore, Odisha, Pin-756056 Phone: +91-6782-255259/780/620 Fax: +91-6782-255225 E-mail: btbls@birlatyres.org	7 th Floor, Birla Building 9/1, R. N. Mukherjee Road Kolkata-700001 Phone: +91-33-2262 4411-13 +91-33-22624355-57 Fax: +91-33-2262 4359 E-mail:ho@birlatyre. com	Birla Tyres
Rayon & Transparent Paper*	P.O. Nayarai, Rly. Station: Kuntighat, On Howrah-Katwa Route, Dist. Hooghly, West Bengal-712513 Phone: +91-33-26846431-34 Fax : +91-33-26846461 E-mail: works@kesoramrayon.com	“Industry House”, 11 th Floor 10, Camac Street Kolkata-700017 Phone : +91-33-22824721-24 Fax: +91-33-22828879 E-mail: rayon@kesoramrayon.com	Kesoram Rayon
Spun Pipes & Foundries (under suspension of work)**	P.O. Adconagar, Bansberia, Dist. Hooghly West Bengal-712121 Phone: +91-33-26346465	“Industry House” 10, Camac Street Kolkata-700017 Phone : +91-33-22822476 Fax: +91-33-22829370	Kesoram Spun Pipes & Foundries
Heavy Chemicals (under suspension of work)**	19, B. T. Road, Khardah, P.O. Balaram Dharma Sopan Kolkata-700116 Phone : +91-33-25535183	“Industry House” 10, Camac Street Kolkata-700017	Hindusthan Heavy Chemicals

* Undertaking spun off into Cygnet Industries Limited (“Cygnet”) effective close of business 31st March 2016. Cygnet is a wholly owned subsidiary of the Company.

** Disposed of during the year.

o. Address for Correspondence
(a) For routine matters:

Any assistance regarding share transfer and transmission, change of address, non-receipt of dividend, duplicate / missing Share Certificate, demat and other matters, investors are welcome to get in touch with the Share Department of the Company at the address given below:

Kesoram Industries Limited
8th Floor, Birla Building,
9/1, R. N. Mukherjee Road, Kolkata-700 001
Phone No.: +91 33 22101545
Fax No. : +91 33 22109455
E-mail :sharedepartment@kesoram.net

Or

Registrar and Share Transfer Agent:

M/s. MCS Share Transfer Agent Limited
(Unit: Kesoram Industries Ltd.)
12/1/5, Manoharpukur Road, Kolkata 700 026
Phone Nos.: +91 33 40724051 to 4054
Fax No.: +91 33 40724050
E-mail : mcssta@rediffmail.com

For Redressal of Complaints and Grievances:

The Company Secretary	Telephone Nos. : +91 33 22435453/ 22429454/ 22135121
Kesoram Industries Limited	Fax No. : +91 33 22109455
8 th Floor, Birla Building	E-mail : corporate@kesoram.net
9/1 R. N. Mukherjee Road	
Kolkata-700001	

16. CERTIFICATE FROM CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

A Certificate has been issued by the CEO and CFO as required under Clause 49(IX) of the Listing Agreement and Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

17. COMPLIANCE CERTIFICATE FROM A PRACTISING COMPANY SECRETARY

The Company has obtained a Certificate from a practising Company Secretary confirming that it is in compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Basant Kumar Birla
Chairman

Manjushree Khaitan
Executive Vice Chairperson

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

Enrico Malerba
Chief Business Officer

Gautam Ganguli
Company Secretary

Amitabha Ghosh
Kashi Prasad Khandelwal
Sudip Banerjee
Lee Seow Chuan

Directors

Place: Kolkata

Date: 25th May, 2016

DECLARATION

All Board Members and Senior Management Personnel have affirmed their compliance of the 'Code of Conduct for Members of the Board and Senior Management' for the period from 1st April, 2015 to 31st March, 2016 in terms of Clause 49(II)(E)(2) of the Listing Agreement with the Stock Exchanges and Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Kesoram Industries Limited.

Place: Kolkata
Dated: 25th May 2016

Tridib Kumar Das
Whole-time Director & Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of
Kesoram Industries Limited

We have examined all relevant records of Kesoram Industries Limited for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement and as per Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Regulation 34(2) of the said Listing Regulations (Hereinafter, Collectively referred to as the Listing Regulations) of the Company with stock exchanges in India for the Financial Year ended on 31st March, 2016. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedure and implementation thereof and was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced and explanations furnished, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

CS Kamal Kumar Sharma
Company Secretaries
Certificate of Practice No. 4057
Membership No. FCS 3337

Kolkata
Date: 25th May, 2016

Nomination and Remuneration Policy

The Board of Directors of Kesoram Industries Limited (“**the Company**”) constituted a Nomination and Remuneration Committee” at the Meeting held on April 29, 2014 consisting of three (3) Non-Executive Directors, all of whom are Independent Directors and one Executive Director. In compliance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as on 31st March, 2016 the Nomination and Remuneration Committee consists of three (3) members all of whom are Non-Executive and two of them are Independent Directors.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy will be in compliance with Section 178 of the Companies Act, 2013 together with the applicable rules thereto and Clause 49 of the Listing Agreement.

The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and other Senior Management Personnel one level below the Board.
- 1.2. To evaluate the performance of Board Members on the criteria decided.
- 1.3. To recommend to the Board on remuneration payable to Directors, Key Managerial Personnel and Senior Management.
- 1.4. To ensure that Key Managerial Personnel and Senior Management Personnel one level below the KMPs are remunerated based upon their efforts, performance, dedication and achievement relating to the Company’s operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons.
- 1.6. To devise a policy on Board diversity.
- 1.7. To evolve an evaluation process and develop a succession plan for the Board.

2. DEFINITIONS

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means the Board of Directors of the Company.
- 2.3. **Directors** mean Directors constituting the Board of the Company.
- 2.4. **Key Managerial Personnel (KMPs).**
 - 2.4.1. Chief Executive Officer or the Managing Director or the Manager under the Act.
 - 2.4.2. Whole-time Director;
 - 2.4.3. Chief Financial Officer;
 - 2.4.4. Company Secretary; and
 - 2.4.5. Such other officer as may be prescribed by law.
- 2.5. **Senior Management Personnel** means personnel only those who are members of its core management team placed one level below the KMPs including the Chief Operating Officer.

3. ROLE OF THE COMMITTEE

The role of the Committee *inter alia* will be the following:

- 3.1 To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- 3.2 To recommend to the Board the appointment and removal of Key Managerial Personnel and other Members of the Senior Management one level below the KMPs.
- 3.3 To carry out evaluation of Director’s performance and recommend to the Board his/her removal based on his/her performance.
- 3.4 To formulate, if so required, a policy relating to remuneration of Directors, Key Managerial Personnel and other Senior Management one level below the KMPs.

- 3.5 To ensure that the level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- 3.6 To devise a policy on Board diversity.
- 3.7 To develop a succession plan for the Board.

4. MEMBERSHIP

- 4.1 The Committee shall consist of at least three Directors, two of whom should be Independent Directors.
- 4.2 Minimum two (2) members shall constitute a quorum for a Committee Meeting. However, Meetings can be conducted by circulation as well as through tele-conferencing. Meeting can be held as and when necessary.
- 4.3 Committee Members will continue in office at the discretion of the Board.

5. CHAIRMAN

- 5.1 The Chairman of the Committee shall be an Independent Director appointed by the Board.
- 5.2 In the absence of the Chairman, Members of the Committee present at a Meeting shall choose one amongst them to act as Chairman.

6. COMMITTEE MEMBERS' INTEREST

- 6.1 A Member of the Committee is not entitled to be present when his or her own remuneration is discussed or when his or her performance is being evaluated.
- 6.2 The Committee may invite such Executives, as it considers appropriate, to be present at meetings of the Committee.

7. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

8. VOTING

- 8.1 Matters arising for determination at Committee Meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 8.2 In the case of equality of votes, the Chairman of the Meeting will have a casting vote.

9. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters will include:

- 9.1 Ensuring that there is an appropriate induction in place for new Directors, Key Managerial Personnel and other Members of Senior Management one level below the KMPs.
- 9.2 Ensuring that on appointment to the Board, Non-Executive Independent Directors receive a formal letter of appointment in accordance with the Act.
- 9.3 Determining an appropriate size, diversity and composition of the Board.
- 9.4 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board.
- 9.5 Developing a succession plan for the Board, Key Managerial Personnel and other Members of Senior Management one level below the KMPs.
- 9.6 Evaluating the performance of Board Members, Key Managerial Personnel and other Senior Management Members one level below the KMPs in the context of the Company's performance.
- 9.7 Delegating any of its powers to one or more of its members or to the Secretary of the Committee.
- 9.8 Recommend any necessary changes to the Board and
- 9.9 Considering any other matter that may be referred to it by the Board.

10. REMUNERATION DUTIES

Duties of the Committee in relation to remuneration matters will include:

- 10.1 To consider and determine a rational Remuneration Policy, based on performance and bearing in mind the fact that remuneration should be reasonable and sufficient to attract, retain and motivate Members of the Board as well as those constituting the Senior Management and such other factors as the Committee may deem appropriate.
- 10.2 To approve the remuneration of Directors, Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company. The remuneration of other Senior Management Personnel one level below the KMPs would be decided by the Key Managerial Personnel team.
- 10.3 To ensure that the Company has in place a professional indemnity and liability insurance for Directors and Key Managerial Personnel.

11. CRITERIA FOR APPOINTMENT AND QUALIFICATIONS

- 11.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- 11.2 A person should possess adequate qualification, expertise and experience for the position before he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- 11.3 The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of Shareholders by passing a Special Resolution based on the explanatory statement annexed to the Notice for such motion indicating the justification for extension of appointment beyond seventy years.

12. EVALUATION CRITERIA

- 12.1 The Committee shall carry out evaluation of performance of every Director at regular intervals.
- 12.2 The Committee shall evaluate the performance of Non-Executive / Independent Directors through a peer evaluation process at least once every year. Each Board Member will evaluate Board Member based on select performance indicators. On the basis of performance, other evaluation, the Board will decide whether to extend the term of appointment of an Independent Director.
- 12.3 Independent Directors have three key roles, namely governance, control and guidance. Performance indicator of Independent Directors will include *inter alia*, acumen, ability to strategise, competence in marrying plurality of views and the capability of functions in an uncertain operating environment.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:

The Company fully recognises its commitment to the fulfillment of its social responsibilities. Programmes to benefit society in general and those living in the vicinity of its facilities in particular have been consistently implemented over the years. In so doing, the Company has been faithfully following and implementing the vision of its Chairman, Basant Kumar Birla, who instilled in the Company the consciousness of being responsive to the needs of the less privileged. Such observance has been Company Policy for decades much before statutory mandates were even thought of. Although, under the provisions of Section 135(5) of the Companies Act, 2013, the Company need not statutorily spend on CSR activities owing to absence of profit over the last three years, the Company's CSR schemes primarily focusses on activities that benefit the less privileged.

The Company's CSR Policy has been hosted on the Company's website www.kesocorp.com.

2. The composition of the CSR Committee:

The Committee is chaired by Manjushree Khaitan with Amitabha Ghosh and Kamal Chand Jain (upto 31.03.2016) and Tridib Kumar Das (effective 01.04.2016) as Members.

3. Average net profit of the company for last three financial years:

Particulars	Last three financial years (₹/ crore)			Average Net Profit/(Loss) for calculating CSR expenditure (₹ in crore)
	2014-15	2013-14	2012-13	
Net Profit (Loss)*	(366.68)	(515.55)	(329.23)	(403.82)

**Dividend income of ₹ 4.38 crore, ₹ 5.77 crore and ₹ 5.62 crore for the financial years 2014-15, 2013-14 and 2012-13 respectively have not been deducted from the net profits of the respective financial years in terms of the proviso to Clause (ii) to Rule 2(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.*

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above):

The Company has not made any profit during the last three financial years hence there can be no average net profit for the last three financial years. Therefore, there is no mandated CSR expenditure during the Financial Year 2015-16.

5. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year:

Nil

- (b) Amount unspent, if any:

Not Applicable

(c) Manner in which the amount spent during the financial year is detailed below:

Sl. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (i) Local area or others; (ii) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	2	3	4	5	6	7	8
Not Applicable for Financial Year under review							

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

It is hereby stated that the implementation and monitoring of CSR Policy is in compliance/ will be in compliance with CSR objectives and Policy of the company.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 25th May, 2016

Enrico Malerba **Manjushree Khaitan**
Chief Business Officer *Chairperson of CSR Committee*

FORM NO. AOC-2

(Pursuant to 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : None. Hence, not applicable.

- (a) Name(s) of the related party and nature of relationship :
- (b) Nature of contracts/arrangements/transactions :
- (c) Duration of the contracts / arrangements / transactions :
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any :
- (e) Justification for entering into such contracts or arrangements or transactions :
- (f) Date(s) of approval by the Board :
- (g) Amount paid as advances, if any :
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 :

2. Details of material contracts or arrangement or transactions at arm's length basis:

- (a) Name(s) of the related party and nature of relationship: Cavendish Industries Limited, a material non-listed subsidiary held for sale.
- (b) Nature of contracts / arrangements / transactions: Job Work by the contractor together with rendering of corresponding technical assistance by the Company to enable the contractor to effectively undertake jobs entrusted to it from time to time
- (c) Duration of the contracts / arrangements/transactions: 01.04.2015-31.03.2016
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Cavendish Industries Limited manufactured automotive tyres for the company on contract basis. Total payments made during financial year 2015-16 is ₹ 347.78 crore.
- (e) Date(s) of approval by the Board, if any: 29.04.2015
- (f) Amount paid as advances, if any: Nil

Basant Kumar Birla
Chairman

Manjushree Khaitan
Executive Vice Chairperson

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

Enrico Malerba
Chief Business Officer

Amitabha Ghosh
Kashi Prasad Khandelwal
Sudip Banerjee
Lee Seow Chuan

Directors

Place: Kolkata
Date: 25th May, 2016

Gautam Ganguli
Company Secretary

Form No. MR-3**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]**

**TO,
THE MEMBERS,
KESORAM INDUSTRIES LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KESORAM INDUSTRIES LIMITED** ('the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31ST MARCH, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31ST MARCH, 2016** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (vi) Foreign Exchange Management Act, 1999 and the Rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 till 14th May, 2015 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 from 15th May, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT) and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from 1st December, 2015;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (w.e.f 1st July, 2015).
- (ii) The Listing Agreements entered into by the Company with NATIONAL STOCK EXCHANGE, BOMBAY STOCK EXCHANGE and CALCUTTA STOCK EXCHANGE till 30th November, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditors for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in **Annexure I**.

I further report that during the audit period and subsequent thereto, the company has

- (i) issued & allotted 7,500,000 equity shares of the Company of face value Rs. 10/- each on preferential basis to Manav Investment & Trading Company Limited,
- (ii) issued & allotted 750,000 Optionally Convertible Redeemable Preference Shares of Rs. 100/- each of the Company on preferential basis to IndusInd Bank Limited,
- (iii) entered into an agreement with Cygnet Industries Limited whereby company's Rayon and Transparent Paper Undertaking was transferred to Cygnet Industries Limited at consideration as may be decided by the Board subject to such aggregate consideration not being less than Rs. 480 crores. As part consideration of such transfer Cygnet Industries Limited would transfer its 50,000 equity shares to the Company. The total investment would amount to Rs. 5,00,000 and Cygnet Industries Limited would become a wholly owned subsidiary of the Company.
- (iv) entered into an agreement with Camden Industries Limited whereby company's Spun Pipe Undertaking at P.O. Adconagar, Bansberia, District Hooghly, West Bengal 712 121 and the Heavy Chemicals Undertaking at 19 B T Road, Khardah, P.O. Balaram Dharma Sopan, Kolkata 700 116 was transferred to Camden Industries Limited subject to such aggregate consideration for both undertakings not being less than Rs. 150 crores.
- (v) disposed of its entire shareholding interest in Cavendish Industries Limited to the J K Tyre Group.

Place: KOLKATA

Date: 25.05.2016

SALIL BANERJEE

FCS 2288 CP 1140

This report should be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE - I

The List of Various Applicable Laws to the Company

1. Employees' Provident Fund Act, 1952 and Rules,
2. Professional Tax Act, 1975 and Rules,
3. Apprentices Act, 1961,
4. Contract Labour (R&A) Act, 1970,
5. Employees State Insurance Act, 1947,
6. Employees Provident Fund & Misc Provision Act, 1952,
7. Minimum Wages Act, 1948,
8. Payment of Bonus Act, 1965,
9. Central Excise Act and Rules including CENVAT Rules,

10. West Bengal Shops and Establishments Act and Rules,
11. The West Bengal State Tax on Professions, Trades, Callings and Employments Act & Rules,
12. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act And Rules, 2013,
13. Water (Prevention & Control of Pollution) Act, 1974,
14. Water (Prevention & Control of Pollution) Cess Act and Rules,
15. Payment Of Wages Act, 1936,
16. The West Bengal Tax on Entry of Goods into Local Areas Act and Rules,
17. West Bengal Value Added Tax Act and Rules,
18. The Industrial Disputes Act, 1947 and Rules,
19. Central Sales Tax Act,
20. Income Tax Act, 1961, and
21. Finance Act, 1994

ANNEXURE - A

To,

The Members

KESORAM INDUSTRIES LIMITED

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: KOLKATA

Date: 25th May, 2016

SALIL BANERJEE

FCS 2288 CP 1140

ANNEXURE - VII

Details as required under Sections 134(3)(g) and 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2016.

Sl No.	Requirement	Details
(i)	The ratio of the remuneration of each Director to the median of remuneration of employees of the Company for the Financial Year.	Basant Kumar Birla - 0.82:1 Manjushree Khaitan - 57.95:1 Pesi Kushru Choksey - 0.41:1 Amitabha Ghosh - 2.86:1 Vinay Sah - 3.45:1 Kashi Prasad Khandelwal - 5.48:1 Sudip Banerjee - 4.69:1 Steven John Dekrey - 0.00:1 Lee Seow Chuan - 4.28:1 Kamal Chand Jain - 124.02:1
(ii)	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in Financial Year.	Directors : Basant Kumar Birla - 108.33 Manjushree Khaitan - 0.00 Pesi Kushru Choksey - (-) 43.18 Amitabha Ghosh - 411.77 Vinay Sah - 517.64 Kashi Prasad Khandelwal - 474.14 Sudip Banerjee - 738.24 Steven John Dekrey - (-) 100.00 Lee Seow Chuan - 899.99 Kamal Chand Jain - (-) 4.67 Key Managerial Personnel : Arvind Kumar Singh, CEO - 4.86 Tridib Kumar Das, CFO - 6.43 Gautam Ganguli, CS - 6.20 Enrico Malerba, CBO - 0.00
(iii)	The percentage increase in median remuneration of employees in the Financial Year.	10.62%
(iv)	The number of permanent employees on the rolls of Company.	8,266 employees as on 31.03.2016
(v)	The explanation on the relationship between average increase in remuneration and Company per formance.	The average increase in employee remuneration was 9.48%. Given the improved performance of the Company during the Financial Year 2015-16, the average increase in remuneration is considered reasonable.
(vi)	Comparison of the remuneration of Key Managerial Personnel (KMP) against the performance of the Company.	Increase in KMP remuneration is based, <i>inter alia</i> , on a combined view of talent brought to table, Company's business interests, industry standards and applicable regulatory framework.

Sl No.	Requirement	Details
(vii)	Variations in a) The market capitalisation of the Company. b) Price earnings ratio, as at the closing date of the current Financial Year and previous Financial Year. c) percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with last public offer.	a) ₹ 1203.76 crore on 31.03.2016 and ₹ 1282.10 crore on 31.03.2015. b) 2015-16: 8.22:1; 2014-15: not computed in view of loss. c) increase of 57.92% as compared to the Rights Issue that closed on 27th June, 2013.
(viii)	a) Average percentile increase already made in salaries of employees other than the managerial personnel in the last Financial Year b) Its comparison with the percentile increase in the managerial remuneration. c) Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	a) 5.73% b) 17.32% c) Increase in remuneration granted is based <i>inter alia</i> on an overall appraisal of talent brought to the table, Company's business interests, industry standards and the applicable regulatory framework. The number of Key Managerial Persons in receipt of remuneration from the Company increased during the Financial Year 2015-16.
(ix)	Comparison of the each remuneration of the KMP against the performance of the Company.	See Clause (ii) and (vi) above. The Company's performance has registered an improvement during the Financial Year 2015-16.
(x)	The key parameters for any variable component of remuneration availed by the Directors.	No variable component.
(xi)	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	0.94:1
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Account) Rules, 2014]

A. CONSERVATION OF ENERGY:

i) Steps taken or impact on conservation of energy:

The following measures have been taken by various businesses of the Company to conserve energy by continuous improvement in maintenance and operating practices by the Company.

Cement

Installation of SPRS Controller for Preheater Fans, Roto Scale Installation for Fly ash feeding removed Fan inlet dampers in major process fans, resulting in pressure drop and less power consumption, enhancement of oil change hours in Mines Dumpers (Used Sheel Oil), power optimisation of Fine Coal Bins Bag Filter Fans in Coal Mill-4, changing connection from Delta to Star Connection in Kiln-1 shall cooling Fans resulting in power reduction, removal of ID Fan Damper in Unit-1 & 2 and CA Damper in Unit - 4 Coal power optimization in Unit-2 PC Firing Blower, use of water proof SME explosive to reduce explosive requirement, installation of VFD for ACWP-1 in Unit- 5 power plant, use of synthetic oil in air cooled condenser of Unit-5 power plant, replacement of 150W street light fitting with 60W LED light fitting in various areas of plant, lighting circuit modification at wagon tippler tunnel.

Optimization of blending silo's air compressor operations by stopping 4 Nos. reciprocating compressors and operating with one screw air compressor and one reciprocating compressor re-rooting oil pipe line by reducing number of bends of Cement Mill-3 main gear box-1 to reduce load on the motor, reduction of CMD from 6500 KVA to 6000 KVA as per requirement of Cement Plant operation, optimizing transformer voltage by reducing transformer voltage from 434.4 V to 422.3 V optimization of Packing Plant surge bin hopper aeration by inter locking the aeration with packer fill silo gate operation helping to avoid run of one compressor, installation of VVVF drive to TPH raw water pump to reduce power consumption, [energy saver tapping position minimized and maintained voltage at 216V] to reduce the power plant lighting power consumption and TPH Coal Crusher dust collector fan motor converted into star mode so that PF improved from 0.5 to 0.8 and reduction in Power consumption.

Tyre

Complete outsourcing of dipped fabric, implementation of 16watts LED tube lights instead of 80watts florescent lamps, VFD arrangement for boiler-6 ID fan, VFD arrangement for 250kw boiler 5 and 6 feed water pump, VFD arrangement for boiler-5 ID fan, cutoff timer arrangement to prevent idle running of blower in banbury-1 extruder/calander DC motors, horizontal deployment of blower interlock in BB-2,3,5,6 and 7, package ac capacity reduction in tyre testing, hydraulic pump-4 VFD arrangement, cold water pump -4 VFD arrangement, ejector pump VFD arrangement, horizontal deployment of mixer TCU pumps along with main motor in bb-2,3,4,5,6 and 7, switch off cap cracker mill-2 in dual extruder by increasing utilization of cap cracker mill-1, package ac capacity reduction in bb-7 ext/cal drive room, reduction in mill power consumption in 10 inch mp extruder by implementing additional conveyor, number of working zone's reduced in TCU's, modification of boiler 6 ash handling off cycle time on Sundays, interlocking of knife heaters in tyre building.

Rayon

Conversion of spinbath cooling tower from cross flow to counter flow resulting in steam saving and chiller Unit for Viscose Solution Lye resulting in further steam saving.

ii) Steps taken by the company for utilising alternate sources of energy

Cement

Carbon Black Feeding to Coal Mill in Unit-3 & 4 and consumption of 22385.55 MT of alternative fuel.

Increase in Fly Ash injection in PPC from 32.50 % to 34.00% for PPC Manufacturing and consumption of 3336 MTs of hazardous waste as alternate fuel along with raw coal reducing coal, consumption.

Tyre

None

Rayon

None

iii) Capital investment on energy conservation equipments
Cement

₹ 1.58 crore

Tyre

₹ 0.16 crore

Kesoram Rayon

₹ 1.31 crore

B. TECHNOLOGY ABSORPTION:
i) Efforts made towards technology absorption
Cement

Installation of Roto Scale for fly ash dozing to maintain accuracy and to doze more percentage of fly ash and usage of coal additive in power plants.

Replacement of Cement Mill -3 first chamber shell liners to improve the grinding efficiency, installation of new energy efficient screw air compressor in powerplant and installation of FD fan with energy efficient motor.

Tyre

4 Belt Technology in TBR (Truck Bus Radial) was developed to introduce in- coming TBR tyres to fulfill the Indian market needs towards mileage, load carrying and retreading capability. A wide range of high performance tubeless PCR (Passenger car radial) is under development using high tech design and simulation software for Indian and export markets.

Rayon

Continuous spinning yarn (CSY) is a new technology, was adopted for yarn making as compared to the traditional Pot Spun Yarn (PSY), CSY is an automated process which required less manpower with superior quality of yarn with less broken filament and higher 1st quality.

ii) Benefits derived like product improvement, cost reduction, product development or import substitution:
Cement

Fly ash dozing increased to 33% from March 2016 reduced unburnt coal percentage in ash generated.

In Kiln-1, damaged tip casting segments fixing shell area repaired with internal resources and extended the life, wornout EOT Crane grab guide roller area repaired in workshop for reuse than procuring new from manufacturer, In house machining of cooling tower gear box output shaft, thereby avoiding procurement from OEM. In TPH, boiler drained bed material was sieved by using in- house made arrangement and charged to the boiler by mixing old and new bed material and avoided procurement of 30MT of bed material and beyond repair Mines L&T 300CK main hydraulic pumps were dismantled and identified as useful components and assembled 2 Nos. of hydraulic pumps from 4 Nos. of pumps.

Tyre

New dipping technology with OBC compound introduced in all products to improve performance. Fabric EPDM optimized to get cost benefit. New 'PLATINA' series premium tyres have been introduced in BIAS segment with better heat resistance compound to suit in continuous run and load condition.

Rayon

None

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

No technology was imported during the last three years by the Company except for CSY manufacturing machines in 2014 by Rayon Business, technology of which has been fully disclosed.

iv) Expenditure incurred on Research & Development:
Cement

₹ 4.65 crore

Tyre

₹ 9.87 crore

Rayon

Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ / crore

Particulars	2015-2016	2014-2015
Foreign exchange earned (F.O.B basis)	165.31	126.82
Foreign exchange outflow	475.52	658.82

ANNEXURE - IX
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]
I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L17119WB1919PLC003429
(ii)	Registration Date	18 th October, 1919
(iii)	Name of the Company	KESORAM INDUSTRIES LIMITED
(iv)	Category/Sub-Category of the Company	Public Company
(v)	Address of the Registered Office and contact details	9/1, R.N. Mukherjee Road, Kolkata 700001. Phone: +91 33 22429454/22435453, Fax: +91 33 22109455 E-mail: corporate@kesoram.net
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited 12/1/5, Manoharpukur Road, Kolkata 700026 Phone: +91 33 40724051 to 4053, Fax: +91 33 40724050 E-mail: mcssta@rediffmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Tyres & Tubes	22111	44.04
2	Cement	23942	49.34

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name and Address of the Company	CIN	Holding Subsidiary / Associates	% of shares held	Applicable Section
1	Cavendish Industries Limited 8th Floor, Birla Building, 9/1, R. N. Mukherjee Road, Kolkata 700 001	U74900WB2015PLC204899	Subsidiary	99.99	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held as on 1 st April, 2015				No. of Shares held as on 31 st March, 2016				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1312409	Nil	1312409	1.20	1312409	Nil	1312409	1.12	(-) 0.08
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	51289068	Nil	51289068	46.72	56692580	-	56692580	48.34	1.62
e) Banks/Fls	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	52601477	Nil	52601477	47.92	58004989	-	58004989	49.46	1.54
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Others-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fls	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) =(A) (1)+(A)(2)	52601477	Nil	52601477	47.92	58004989	-	58004989	49.46	1.54
B. Public Shareholding									
1. Institution									
a) Mutual Funds	145460	11430	156890	0.14	141010	11430	152440	0.13	(-) 0.01
b) Bank/Fls	1445007	19402	1464409	1.33	1412612	19402	1432014	1.22	(-) 0.11
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	4337086	200	4337286	3.95	4234346	200	4234546	3.61	(-) 0.34
g) FIIs	5384187	7100	5391287	4.91	3198176	7100	3205276	2.73	(-) 2.18
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	11311740	38132	11349872	10.33	8986144	38132	9024276	7.69	(-) 2.64
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	9676042	156011	9832053	8.96	11647440	153939	11801379	10.06	1.10
ii) Overseas	3741945	790	3742735	3.41	3741945	790	3742735	3.19	(-) 0.22
b) Individuals									
i) Individuals shareholders holding nominal share capital upto ₹ 1 lakh	11468958	1225372	12694330	11.56	16841151	1185609	18026760	15.37	3.81

ii) Individuals shareholders holding nominal share capital excess of ₹1 lakh	11857823	24822	11882645	10.83	5931651	24822	5956473	5.08	(-) 5.75
c) Others (specify)									
i) NRI	451580	7209	458789	0.42	751524	7209	758733	0.65	0.23
ii) Enemy Property	-	8099	8099	0.01	6803	1296	8099	0.01	0.00
iii) Trust	2922	-	2922	0.00	32422	-	32422	0.03	0.03
iv) Unclaimed Suspense A/c	153853	-	153853	0.14	153507	-	153507	0.13	(-) 0.01
v) Foreign Companies	-	-	-	-	2717402	-	2717402	2.32	2.32
Sub-total (B)(2)	37353123	1422303	38775426	35.33	41823845	1373665	43197510	36.84	1.51
Total Public Shareholding (B) = (B)(1)+(B)(2)	48664863	1460435	50125298	45.66	50809989	1411797	52221786	44.53	(-) 1.13
C. Shares held by Custodian for GDRs & ADRs	7041875	-	7041875	6.42	7041875	-	7041875	6.00	(-) 0.41
Grand Total (A+B+C)	108308215	1460435	109768650	100	115856853	1411797	117268650	100	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding as on 1 st April, 2015			Share holding as on 31 st March, 2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Basant Kumar Birla	402496	0.367	-	402496	0.343	-	(-) 0.03
2	Sarala Devi Birla*	121802	0.111	-	-	-	-	(-) 0.10
3	Rajashree Birla	3250	0.003	-	3250	0.003	-	0.00
4	Kumar Mangalam Birla	300	0.000	-	300	0.000	-	0.00
5	Vasavadatta Bajaj	5750	0.005	-	5750	0.005	-	0.00
6	Jayashree Mohta	65078	0.059	-	65078	0.055	-	0.00
7	Manjushree Khaitan	598356	0.545	-	720158	0.614	-	0.06
8	Vidula Jalan	115377	0.105	-	115377	0.098	-	(-) 0.01
9	Manav Investment & Trading Company Ltd.	9552525	8.702	-	16138250	13.762	7.366	5.06
10	M/s. Aditya Marketing & Manufacturing Ltd.	2449111	2.231	-	2449111	2.088	-	(-) 0.14
11	Parvati Tea Company Private Ltd.	1182213	1.077	-	-	-	-	(-) 1.01
12	B.K. Birla Foundation	7012	0.006	-	7012	0.006	-	0.00
13	Birla Education Trust	954171	0.869	-	954171	0.814	-	(-) 0.06
14	Prakash Educational Society	910922	0.830	-	910922	0.777	-	(-) 0.05
15	Birla Educational Institution	362643	0.330	-	362643	0.309	-	(-) 0.02
16	Birla Institute of Technology & Science	1515806	1.381	-	1515806	1.293	-	(-) 0.09

17	Century Textiles & Industries Ltd.	5116800	4.661	-	5116800	4.363	-	(-) 0.30
18	Pilani Investment And Industries Corporation Ltd.	27338750	24.906	-	27338750	23.313	-	(-) 1.59
19	Padmavati Investment Ltd.	1899115	1.730	-	1899115	1.619	-	(-) 0.11
	Total	52601477	47.92	-	58004989	49.46	-	1.61

*deceased on 28/03/2015. Shares were transmitted within promoter group.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of Promoter	Shareholding as on 1 st April, 2015		Shareholding as on 31 st March, 2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Sarala Devi Birla *	121802	0.111	0	0
2	Manav Investment & Trading Company Limited	9552525	8.702	16138250	13.762
3	Parvati Tea Company Ltd.	1182213	1.077	0	0
4	Manjushree Khaitan	598356	0.545	720158	0.614

*deceased on 28/03/2015. Shares were transmitted within promoter group.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of Shareholder	Shareholding as on 1 st April, 2015		Shareholding as on 31 st March, 2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Jhunjhunwala Rekha Rakesh	5000000	4.56	0*	0.00
2	Life Insurance Corporation of India	3716952	3.39	3716952	3.17
3	Devi Investment And Development INC.	3441945	3.14	3441945	2.94
4	Finqest Securities Private Ltd.	677900	0.62	704300	0.60
5	Century Enka Ltd.	1403985	1.28	1403985	1.20
6	Bharat Jayantilal Patel**	1379446	1.26	345994	0.29
7	Orange Mauritius Investments Ltd.	1500000	1.37	0*	0.00
8	Life Insurance Corporation of India P&GS Fund	1266865	1.15	1266865	1.08
9	EOS Multi Strategy Fund Ltd.	1180000	1.07	0*	0.00
10	Dimensional Emerging Markets Value Fund	802002	0.73	659522	0.56
11	Hypnos Fund Ltd.	0	0.00	2700000	2.30
12	EM Resurgent Fund	0	0.00	1500000	1.28

13	India Infoline Ltd.	0	0.00	721827	0.62
14	Jigar Lalchand Shah***	0	0.00	619019	0.53
		20369095	18.57	17080409	14.57

* the shareholding had ceased and was not part of top 10 shareholders on 31/03/2016.

** was a top ten shareholder on 31/03/2015 but was no more a top ten shareholder on 31/03/2016.

*** was a top ten shareholder on 31/03/2016

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding as on 1 st April, 2015		Shareholding as on 31 st March, 2016	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Basant Kumar Birla	402496	0.37	402496	0.34
2	Manjushree Khaitan	598356	0.55	720158	0.61
3	P K Choksey*	500	0.00	0	0.00
4	Arvind Kumar Singh**	16000	0.01	0	0.00
5	Gautam Ganguli	740	0.00	740	0.00
		1018092	0.93	1123394	0.95

* deceased on 26/12/2015

** resigned effective 04 /05/2016

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness ₹ / crores
Indebtedness at the beginning of the Financial Year (1st April, 2015)				
i) Principal Amount	4698.68	207.47	286.24	5192.39
ii) Interest due but not paid	20.53	-	3.94	24.47
iii) Interest accrued but not due	3.17	-	1.45	4.62
Total (i+ii+iii)	4722.38	207.47	291.63	5221.48
Change in Indebtedness during the Financial Year				
Addition	4375.05	881.13	140.07	5396.25
Reduction	4469.12	696.22	160.37	5325.71
Net Change	-94.07	184.91	-20.30	70.54
Indebtedness at the end of the Financial Year (31st March, 2016)				
i) Principal Amount	4604.61	392.38	265.94	5263.71
ii) Interest due but not paid	21.08	-	2.23	23.31
iii) Interest accrued but not due	4.40	-	-	4.40
Total (i+ii+iii)	4630.09	392.38	268.17	5290.64

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of WTD		Total Amount ₹
		Kamal Chand Jain	Manjushree Khaitan	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	3,36,27,154	1,69,04,460	5,05,31,614
	(b) Value of perquisites u/s 17 (2) Income Tax Act 1961	21,89,600	Nil	21,89,600
	(c) Profits in lieu of salary under section 17 (3) Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others	Nil	Nil	Nil
5.	Others -Provident Fund -Superannuation Fund	18,00,000 1,00,000	7,20,000 Nil	25,20,000 1,00,000
	Total (A)	3,77,16,754	1,76,24,460	5,53,41,214
	Ceiling as per Act	Remuneration is within limits of provisions of law		

B. Remuneration to other Directors:
I. Independent Directors

Particulars of Remuneration	Name of Directors					Total Amount (₹)
	Pesi Kushru Choksey (deceased on 26.12.2015)	Amitabha Ghosh	Kashi Prasad Khandelwal	Sudip Banerjee	Lee Seow Chuan *	
Fees for attending Board & Committee Meetings	1,25,000	8,70,000	16,65,000	14,25,000	13,02,468	53,87,468
Commission	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil
Total (1)	1,25,000	8,70,000	16,65,000	14,25,000	13,02,468	53,87,468

II. Other Non-Executive Directors

Particulars of Remuneration	Name of Directors			Total Amount (₹)
	Basant Kumar Birla	Vinay Sah	Steven John Dekrey <i>*(resigned on 08/06/2015)</i>	
Fees for attending Board & Committee Meetings	2,50,000	10,50,000	Nil	13,00,000
Commission	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil
Total (2)	2,50,000	10,50,000	Nil	13,00,000
Total B = (1)+(2)				66,87,468
Ceiling as per Act	Remuneration is within limits of provisions of law			

* Includes Income Tax borne by the Company

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		Chief Executive Officer *	Chief Business Officer**	Company Secretary	Chief Financial Officer	Total ₹
1.	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	3,55,74,150	35,41,811	1,90,83,032	3,15,08,112	8,72,98,993
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	36,19,995	1,97,122	3,16,032	3,02,652	44,35,801
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others	Nil	Nil	Nil	Nil	Nil
5.	Others - PF	7,29,639	Nil	5,93,280	6,67,440	19,90,359
	Total	3,99,23,784	37,38,933	1,99,92,344	3,24,78,204	9,37,25,153

* resigned effective 04 /05/2016

** appointed effective 26/02/2016

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

TYPE	SECTION OF COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY/ PUNISHMENT/ COMPOUNDING FEES IMPOSED	AUTHORITY [RD/NCLT/COURT]	APPEAL MADE, IF ANY
A. COMPANY					
PENALTY	Nil				
PUNISHMENT					
COMPOUNDING					
B. DIRECTORS					
PENALTY	Nil				
PUNISHMENT					
COMPOUNDING					
C. OTHER OFFICERS IN DEFAULT					
PENALTY	Nil				
PUNISHMENT					
COMPOUNDING					

Summarised Balance Sheet for the Last Five Years

₹ / crore

	<u>31-03-2016</u>	<u>31-03-2015</u>	<u>31-03-2014</u>	<u>31-03-2013</u>	<u>31-03-2012</u>
A. ASSETS OWNED BY THE COMPANY					
1 NON CURRENT ASSETS					
a. Net Fixed Assets					
Gross Fixed Assets	3635.18	3784.58	6,210.11	6,091.91	5,854.03
Less: Total Depreciation	1677.43	1689.60	2,252.17	1,940.65	1,643.30
	1957.75	2094.98	3,957.94	4,151.26	4,210.73
b. Non Current Investments	5.57	66.36	66.36	66.36	66.36
c. Long Term Loans and Advances	294.72	85.44	89.77	126.66	156.23
d. Other Non Current Assets	87.07	0.48	0.32	0.94	2.21
2 CURRENT ASSETS					
a. Current Investments	700.05	700.05	-	-	-
b. Inventories	555.61	734.06	894.13	912.75	995.16
c. Trade Receivables	545.28	766.72	904.00	835.67	672.44
d. Cash and Bank Balances	443.50	140.27	77.21	83.66	69.59
e. Short Term Loans and Advances	2,016.57	1,532.94	217.54	282.97	311.73
f. Other Current Assets	31.74	7.26	25.11	13.63	38.26
Total Assets	6637.86	6128.56	6,232.38	6,473.90	6,522.71
B. (i) DUES TO BE PAID BY THE COMPANY					
1. NON CURRENT LIABILITIES					
a. Long Term Borrowings	3,444.09	3,364.62	2,549.75	2,774.39	2,755.77
b. Deferred Tax Liabilities (net)	-	-	-	-	57.21
2. CURRENT LIABILITIES					
a. Short Term Borrowings	1,259.51	1,131.93	1,494.11	1,630.80	1,349.57
b. Trade Payables	587.20	563.10	585.39	490.63	527.85
c. Other Current Liabilities	866.73	912.14	1,059.08	918.09	845.74
d. Short Term Provisions	77.24	69.42	73.24	79.75	71.56
Total Liabilities	6,234.77	6,041.21	5,761.57	5,893.66	5,607.70
(ii) THEREFORE, COMPANY'S NET WORTH REPRESENTED BY					
1. Equity Share Capital	124.77	109.77	109.77	45.74	45.74
2. Reserves & Surplus	278.32	(22.42)	361.04	534.50	869.27
	403.09	87.35	470.81	580.24	915.01

Figures for the previous year(s) have been regrouped / rearranged where considered necessary.

Summarized Statement of Profit and Loss for the Last Five Years

₹ / crore

		<u>2015-16*</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
RECEIPTS						
1. Revenue From Operations		4,387.10	4,873.37	5,080.91	5,710.82	5,920.86
2. Other Income		1,256.00	474.95	124.54	131.04	95.22
Total Receipts	(A)	<u>5,643.10</u>	<u>5,348.32</u>	<u>5,205.45</u>	<u>5,841.86</u>	<u>6,016.08</u>
EXPENDITURES						
1. Raw Materials and Finished Goods		1,643.71	2,087.08	2,430.21	2,877.14	3,601.35
2. Employee Benefit Expenses		389.13	469.61	412.12	384.05	334.68
3. Other Expenses		2,670.82	2,200.83	1,952.49	2,137.57	2,082.75
4. Finance Costs		677.54	680.58	572.83	514.36	410.15
Total Expenses	(B)	<u>5,381.20</u>	<u>5,438.10</u>	<u>5,367.65</u>	<u>5,913.12</u>	<u>6,428.93</u>
GROSS PROFIT /(LOSS)	(A-B)	<u>261.90</u>	<u>(89.78)</u>	<u>(162.20)</u>	<u>(71.26)</u>	<u>(412.85)</u>
APPROPRIATIONS/TRANSFERS						
1. Depreciation (Net)		124.78	276.90	318.10	305.93	297.40
2. Provision for Taxation		-	-	-	-	-
3. Reversal of MAT Credit Entitlement		-	-	35.25	9.25	-
4. Provision for Deferred Tax - charge/ (credit)		-	-	-	(57.21)	(329.21)
5. Provision for Fringe Benefit Tax - charge/ (credit)		-	-	-	-	(1.30)
6. Transfer to/(from) Debenture Redemption Reserve		-	-	-	-	(65.00)
7. Interim Dividend (with Distribution Tax thereon)		-	-	-	-	-
8. Proposed Dividend (with Dividend Tax thereon)		-	-	-	5.35	5.31
9. Reserves		-	-	-	-	-
10. Surplus/(Deficit)		137.12	(366.68)	(515.55)	(334.58)	(320.05)
		<u>261.90</u>	<u>(89.78)</u>	<u>(162.20)</u>	<u>(71.26)</u>	<u>(412.85)</u>

*All figures are inclusive of Discounting Operations.

Figures for the previous year(s) have been regrouped / rearranged where considered necessary.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KESORAM INDUSTRIES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Kesoram Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

9. We draw your attention to Note 44 to the financial statements regarding remuneration aggregating Rs 1.70 crore paid to a whole-time director of the Company in excess of the limits prescribed under Section 197 read with Schedule V to the Act. The Company is in the process of obtaining Central Government approval in this regard. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its financial statements — Refer Note 31;
 - ii. The Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts — Refer Note 34;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Kolkata
Date : 25th May, 2016

Prabal Kr. Sarkar
Partner
Membership Number 52340

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Kesoram Industries Limited on the financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Kesoram Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

2. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
3. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that

the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Kolkata
Date : 25th May, 2016

Prabal Kr. Sarkar
Partner
Membership Number 52340

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Kesoram Industries Limited on the financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 11 on fixed assets to the financial statements, are held in the name of the Company, except for

Total number of Cases	Whether leasehold / freehold	Gross block (₹/crore)	Net block (₹/crore)	Remarks
1	Freehold	14.65	14.65	-

- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has granted unsecured loan, to a company covered in the register maintained under Section 189 of the Act. The Company has not granted any secured/unsecured loans to firms /LLPs/ other parties covered in the said register maintained under Section 189 of the Act.
 - (a) The aforesaid loan was granted without specifying any repayment terms and is therefore, in our opinion, prejudicial to the interest of the company.
 - (b) In respect of the aforesaid loans, the principal amount is fully provided for and hence, the question of its repayment does not arise.
 - (c) In respect of the aforesaid loans, as no repayment terms were stipulated, the question of determining overdue amount does not arise.
- iv. The Company, during the year, has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 186 of the Act in respect of a loan given prior to the commencement of the Companies Act 2013.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public prior to the commencement of the Act. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of value added tax and central sales tax, though there has been a slight delay in a few cases and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, and duty of customs, which have not been deposited on account of any dispute. The partic-

ulars of dues of sales tax, service tax, duty of excise, value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹/crore)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Central Excise	3.55	2000-01, 2001-02, 2005-06, 2006-07, 2007-08, 2009-10, 2010-11, 2013-14, 2014-15, 2015-16.	Additional Commissioner
Central Excise Act, 1944	Central Excise	4.22	1991-94, 1993-94, 1994-95, 1995-96, 1996-97, 1997-98, 1998-99, 1999-00, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2009-10, 2010-11.	Assistant Commissioner
Central Excise Act, 1944	Central Excise	59.06	1985-90, 1988-89, 1994-95, 1997-98, 1998-03, 1998-99, 1999-00, 2000-01, 2001-02, 2002-03, 2003-05, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16.	Commissioner
Central Excise Act, 1944	Central Excise	2.89	1994-95, 1995-96, 1997-98, 2002-03, 2003-04, 2004-05, 2004-06, 2005-06, 2007-11, 2009-10, 2010-11, 2011-12, 2012-13.	Commissioner (Appeals)
Central Excise Act, 1944	Central Excise	172.42	1992-93, 1993-97, 1997-98, 1999-00, 1999-03, 2000-04, 2000-01, 2001-02, 2002-03, 2003-04, 2003-05, 2003-06, 2004-05, 2005-06, 2005-06 to 2008-09, 2006-07, 2006-08, 2006-09, 2006-10, 2007-08, 2007-09, 2008-09, 2009-10, 2009-11, 2010-11, 2011-12, 2012-13.	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Central Excise	0.03	1994-95, 2004-05, 2010-11	Deputy Commissioner
Central Excise Act, 1944	Central Excise	0.86	1994-95, 2005-06, 2008-09.	High Court
Central Excise Act, 1944	Central Excise	0.99	1987-88, 1994-95, 1995-96, 2007-08, 2008-09, 2014-15.	Joint Commissioner

Name of the statute	Nature of dues	Amount (₹/crore)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Central Excise	1.76	1979-81, 1980-81, 1982-83, 1995-96, 1996-97, 1998-99, 1999-00, 2002-03, 2005-06, 2006-07, 2009-10, 2012-13 2014-15.	Superintendent, Central Excise and Customs
Central Excise Act, 1944	Central Excise	0.73	2005-06	Supreme Court
Finance Act, 1994	Service Tax	0.45	2006-07, 2007-08, 2008-09.	Additional Commissioner
Finance Act, 1994	Service Tax	0.47	2004-05, 2004-06, 2009-10, 2009-12, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14.	Assistant Commissioner
Finance Act, 1994	Service Tax	22.80	2006-07, 2007-08, 2008-09, 2008-09 to 2009-10, 2009-10, 2010-11, 2011-12, 2012-13	Commissioner
Finance Act, 1994	Service Tax	0.98	2002-03, 2003-05, 2007-08, 2008-09, 2009-10, 2010-11, 2010-12.	Commissioner (Appeals)
Finance Act, 1994	Service Tax	0.04	2009-10	Deputy Commissioner
Finance Act, 1994	Service Tax	0.03	2009-10, 2010-11, 2011-12.	Superintendent, Central Excise and Customs
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	0.05	2001-02	High Court
Andhra Pradesh General Sales, Tax Act, 1957	Sales Tax	0.24	2001-02, 2003-04.	Tribunal
AP VAT Act	VAT	0.26	2006-07, 2007-08.	Appellate Tribunal
AP VAT Act	VAT	0.28	2007-08, 2008-09.	Tribunal
Bengal Finance Sales Tax Act, 1941	Sales Tax	0.04	1995-96	Tribunal
Bihar VAT Act 2005	VAT	0.00	2008-09	Tribunal
Bombay Sales Tax Act	Sales Tax	0.32	2003-04, 2004-05.	Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	0.28	1996-97, 1997-98, 1998-99, 1999-00, 2005-06.	Additional Commissioner

Name of the statute	Nature of dues	Amount (₹/crore)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	0.75	1995-96, 2003-04.	Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	0.03	1987-88, 2010-11.	Assessing Authority
Central Sales Tax Act, 1956	Central Sales Tax	0.22	1998-99, 1999-00.	Assessing Officer
Central Sales Tax Act, 1956	Central Sales Tax	0.23	2003-04	Commercial Tax officer
Central Sales Tax Act, 1956	Central Sales Tax	0.08	2004-05, 2012-13.	Deputy Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	84.10	2003-04, 2009-10, 2010-11.	High Court
Central Sales Tax Act, 1956	Central Sales Tax	14.84	2001-02, 2002-03, 2014-15.	Joint Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	0.44	2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 2013-14.	Joint Commissioner (Appeals)
Central Sales Tax Act, 1956	Central Sales Tax	0.47	1993-94, 1995-96, 1997-98, 1998-99, 2001-02, 2007-08, 2008-09, 2009-10, 2010-11.	Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	8.55	2000-01, 2003-04.	Supreme Court
Central Sales Tax Act, 1956	Central Sales Tax	5.45	1992-93, 1994-95, 1995-96, 1997-98, 1999-00, 2002-03, 2004-05, 2007-08 2008-09.	Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	0.52	2006-07	Tribunal & High Court
Central Sales Tax Act, 1956	Central Sales Tax	7.36	2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11.	WB Appellate & Revisional Board
UP Trade Act, 1948	Central Sales Tax	0.01	2005-06, 2006-07.	Additional Commissioner (Appeals)
Delhi Sales Act 1975	Sales Tax	0.42	1999-00	Assessing Authority
Jharkhand VAT 2005	VAT	0.20	2010-11	Commissioner
Jharkhand VAT 2005	VAT	0.06	2011-12	Deputy Commissioner

Name of the statute	Nature of dues	Amount (₹/crore)	Period to which the amount relates	Forum where the dispute is pending
Jharkhand VAT 2005	VAT	0.13	2011-12, 2012-13.	Joint Commissioner (Appeals)
Jharkhand VAT 2005	VAT	0.14	2010-11	Tribunal
Karnataka Sales Tax Act, 1957	Sales Tax	0.63	2001-02	High Court
Maharashtra VAT Act	VAT	0.00	2012-13	Deputy Commissioner
Maharashtra VAT Act	VAT	0.14	2010-11	Joint Commissioner (Appeals)
Odisha Sales Tax Act, 1947	Sales Tax	1.01	2005-06, 2006-07, 2007-08.	Additional Commissioner
Odisha Value Added Tax Act, 2004	Sales Tax	8.12	2010-11	Additional Commissioner (Appeals)
Odisha Value Added Tax Act, 2004	VAT	6.39	2008-09, 2009-10	Tribunal
Rajasthan VAT Act	VAT	0.01	2008-09	Deputy Commissioner
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	0.18	1999-00	High Court
UP Trade Tax Act, 1948	Sales Tax	0.09	2006-07	Additional Commissioner (Appeals)
UP VAT Act	VAT	0.47	2010-11, 2011-12	Additional Commissioner (Appeals)
Uttarakhand VAT Act, 2005	VAT	0.17	2013-14	High Court
W.B VAT ACT, 2003	VAT	16.33	2007-08, 2008-09, 2009-10, 2010-11	Revisional Board
W.B VAT ACT, 2003	VAT	7.39	2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10	WB Appellate & Revisional Board
W.B VAT ACT, ACT, 2003	VAT	0.15	2006-07	West Bengal Taxation Tribunal
W.B VAT ACT, 2003	VAT	0.02	1987-88	Assessing Authority

Name of the statute	Nature of dues	Amount (₹/crore)	Period to which the amount relates	Forum where the dispute is pending
WB Sales Tax Act, 1994	Sales Tax	0.04	1999-00	Additional Commissioner
WB Sales Tax Act, 1994	Sales Tax	0.25	1995-96, 1997-98, 2001-02	Deputy Commissioner
WB Sales Tax Act, 1994	Sales Tax	0.24	2004-05	Senior Joint Commissioner
WB Sales Tax Act, 1994	Sales Tax	3.40	1995-96, 1998-99, 2003-04 2004-05	WB Appellate & Revisional Board

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. We draw your attention to note 44 to the financial statements which states that the remuneration paid to a whole-time director is in excess of the limits prescribed under Schedule V to the Act by Rs. 1.70 crore. Except for the above, the managerial remuneration paid/ provided for by the Company is in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act. The Company is in the process of obtaining Central Government approval in this regard.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has made a preferential allotment / private placement of shares during the year under review, in compliance with the requirements of Section 42 of the Act. The money raised amounting to ₹ 180 crore stands unutilized at the year end.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Kolkata
Date : 25th May, 2016

Prabal Kr. Sarkar
Partner
Membership Number 52340

BALANCE SHEET AS AT 31ST MARCH, 2016

			₹ / crore
	Notes	31st March, 2016	31st March, 2015
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUND			
(a) Share capital	3	124.77	109.77
(b) Reserves and surplus	4	278.32	(22.42)
		403.09	87.35
(2) NON CURRENT LIABILITIES			
(a) Long term borrowings	5	3,444.09	3,364.62
(b) Deferred tax liabilities (net)	6	-	-
		3,444.09	3,364.62
(3) CURRENT LIABILITIES			
(a) Short term borrowings	7	1,259.51	1,131.93
(b) Trade payables	8		
Total outstanding dues of micro enterprises and small enterprises		0.75	0.50
Total outstanding dues of creditors other than micro enterprises and small enterprises		586.45	562.60
(c) Other current liabilities	9	866.73	912.14
(d) Short term provisions	10	77.24	69.42
		2,790.68	2,676.59
TOTAL		6,637.86	6,128.56
II. ASSETS			
(1) NON CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	11	1,392.37	1,540.95
(ii) Intangible Assets	11	9.49	5.71
(iii) Capital work in progress		555.89	548.32
		1,957.75	2,094.98
(b) Non current investments	12	5.57	66.36
(c) Long Term loans and advances	13	294.72	85.44
(d) Other non current assets	14	87.07	0.48
		2,345.11	2,247.26
(2) CURRENT ASSETS			
(a) Current Investments	12	700.05	700.05
(b) Inventories	15	555.61	734.06
(c) Trade receivables	16	545.28	766.72
(d) Cash and bank balances	17	443.50	140.27
(e) Short term loans and advances	13	2,016.57	1,532.94
(f) Other current assets	14	31.74	7.26
		4,292.75	3,881.30
TOTAL		6,637.86	6,128.56
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date

Basant Kumar Birla
Chairman

For Price Waterhouse

Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar

Partner
Membership No 52340

Place: Kolkata
Date : 25th May, 2016

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer

Enrico Malerba
Chief Business Officer

Gautam Ganguli
Company Secretary

Manjushree Khaitan
Executive Vice Chairperson

Amitabha Ghosh
Kashi Prasad Khandelwal
Sudip Banerjee
Lee Seow Chuan

Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

₹/ crore, except per share data			
	Notes	2015-2016	2014-2015
INCOME			
Revenue from operations (Gross)	18	4,554.23	4,963.00
Less: Excise Duty		453.94	345.45
Revenue from operations (Net)		4,100.29	4,617.55
Other Income	19	117.28	64.82
Total Revenue (I)		4,217.57	4,682.37
EXPENSES			
Cost of materials consumed	20	1,369.12	1,882.95
Purchases of stock-in-trade		73.38	58.53
Changes in inventories of finished goods, and			
Work-in-progress	21	73.76	44.99
Employee benefits expense	22	292.58	387.93
Other expenses	23	2,574.03	2,098.23
Total Expenses (II)		4,382.87	4,472.63
Profit/(Loss) before interest, tax and depreciation and amortisation (EBITDA) [(I) - (II)]		(165.30)	209.74
Depreciation and amortization expenses	11	122.31	273.88
Finance costs	24	677.53	680.53
Profit/(Loss) before exceptional item and tax		(965.14)	(744.67)
Exceptional item (net)	25	755.35	409.20
Profit/(Loss) before tax from continuing operations		(209.79)	(335.47)
Tax Expenses:			
Current Tax		-	-
Deferred Tax		-	-
		-	-
Profit/(Loss) for the year from continuing operations		(209.79)	(335.47)
Profit/(Loss) before tax from discontinuing operations	51	(34.50)	(31.21)
Tax expense of discontinued operations		-	-
Profit/(Loss) for the year from discontinuing operation after tax		(34.50)	(31.21)
Profit on Disposal of Assets and Liabilities of			
Discontinuing Operations	51	381.41	-
Profit/(Loss) for the year from discontinuing operations		346.91	(31.21)
Profit/(Loss) for the year		137.12	(366.68)
Earnings per equity share	27		
[Nominal Value per share: ₹ 10 (2014-15: ₹ 10)]			
(a) Basic - ₹		12.49	(33.40)
(b) Diluted - ₹		12.49	(33.40)
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
This is the Statement of profit and loss referred to in our report of even date

Basant Kumar Birla
Chairman

For Price Waterhouse

Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar

Partner
Membership No 52340

Place: Kolkata
Date : 25th May, 2016

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer

Enrico Malerba
Chief Business Officer

Gautam Ganguli
Company Secretary

Manjushree Khaitan
Executive Vice Chairperson

Amitabha Ghosh
Kashi Prasad Khandelwal
Sudip Banerjee
Lee Seow Chuan

Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31st March, 2016	₹ / crore Year ended 31st March, 2015
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before tax (including discontinuing operations)	137.12	(366.68)
Adjustments for:		
Depreciation and amortisation	124.78	276.90
Debt/advance/deposits written off	0.31	0.74
Provision for bad and doubtful debts	91.75	58.96
Provision for doubtful advances	9.64	12.28
Provision for diminution in value of investments	2.09	-
Finance costs	677.54	680.58
Unrealised loss/(gain) on derivative contracts	-	2.81
Unrealised loss/(gain) on foreign currency fluctuation	(1.29)	5.58
Profit on sale of investments	(369.57)	-
Profit on assets transferred to Subsidiary	-	(409.20)
Profit on sale of undertaking to Cygnet Industries Ltd.	(381.41)	-
Loss on sale of fixed assets (net)	5.30	3.65
Profit on sale of undertakings (HHC + Spun Pipes)	(385.78)	-
Liabilities no longer required written back	(28.37)	(9.66)
Interest income	(3.72)	(6.91)
Dividend income from long term investment (other than trade)	(3.92)	(4.38)
Operating profit / (loss) before working capital changes	(125.53)	244.67
Changes in Working Capital:		
Increase / (decrease) in trade and other payables	187.81	10.95
(Increase) / decrease in trade and other receivables	16.38	90.16
(Increase) / decrease in inventories	127.22	160.07
Cash Generated from Operations	205.88	505.85
Taxes paid (net of refunds)	3.65	13.61
Net cash generated from operating activities	209.53	519.46
B. Cash flow from Investing Activities:		
Purchase of fixed assets/Capital Advance given	(292.31)	(54.70)
Sale of fixed assets	1.19	1.43
Proceeds from sale of undertakings (HHC + Spun Pipe)	400.00	-
Acquisition by investment in subsidiary	-	(0.05)
Proceeds from sale of Long Term Investments	428.27	-
Interest received	3.94	6.61
Income from long term investments (other than trade)	3.92	4.38
Net cash used in investing activities	545.01	(42.33)
C. Cash flow from Financing Activities		
Dividends paid	(0.47)	(0.31)
Finance cost paid	(678.92)	(678.49)
Proceeds from Issue of Equity Shares	90.00	-
Proceeds from Issue of OCRPS	90.00	-

Proceeds from		
- Long term borrowings	2,313.00	1,843.24
- Short term borrowings	3,083.26	2,276.50
Repayment of		
- Long term borrowings	(2,372.93)	(1,214.38)
- Short term borrowings	(2,731.15)	(2,076.63)
Increase/(decrease) in cash credit and overdrafts from banks	(218.30)	(564.00)
Net cash used in financing activities	(425.51)	(414.07)
Net increase in cash and cash equivalents	329.03	63.06
Cash and Cash Equivalent tranferred to Cygnet Industries Ltd.	(25.78)	-
Cash and Cash Equivalent tranferred to Camden Industries Ltd.	(0.02)	-
Cash and cash equivalents at the beginning of the year	140.27	77.21
Cash and cash equivalents at the end of the year	443.50	140.27

Notes:

- The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statements.

	<u>31st March, 2016</u>	<u>31st March, 2015</u>
2 Cash and Cash Equivalents comprise :		
Cash on hand	0.04	0.11
Cheques on hand	37.20	30.44
Balances with banks on current account	311.70	57.21
Balances with banks on Cash Credit Accounts	2.89	22.48
Others		
In post office saving bank account	0.00*	0.00*
Other Bank Balances:		
Balances with banks		
On deposit accounts	90.77	28.66
On unpaid dividend accounts	0.90	1.37
	443.50	140.27

* Amount is below the rounding off norm adopted by the Company

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants
Prabal Kr. Sarkar
Partner
Membership No 52340
Place: Kolkata
Date : 25th May, 2016

Tridib Kumar Das
Whole-time Director &
Chief Financial Officer
Enrico Malerba
Chief Business Officer
Gautam Ganguli
Company Secretary

Basant Kumar Birla
Chairman

Manjushree Khaitan
Executive Vice Chairperson

Amitabha Ghosh
Kashi Prasad Khandelwal
Sudip Banerjee
Lee Seow Chuan

Directors

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. General Information

Kesoram Industries Limited (the Company) is a public company domiciled and incorporated under the provisions of the Indian Companies Act, 1913. The Company is flagship company of B. K. Birla group of companies. The Company is a multi-product and multi location company. Cement and automobile tyre business are its core businesses and it also had interest in rayon and cellulose paper, cast iron spun pipes and caustic soda & allied chemicals. Its shares are listed on three stock exchanges in India (Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange) and its Global Depositary Receipts (GDR) are listed on Luxembourg Stock Exchange. The Company markets its automobile tyres under the brand name "Birla Tyres" and cement is marketed under "Birla Shakti" brand, Rayon yarn and transparent paper are marketed as "Kesoram Rayon" and "Kesophane" respectively.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply.

Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities

2.2 Tangible Fixed assets and Depreciation

- (a) Fixed Assets, except land, are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing costs if capitalisation criteria are met and other directly attributable cost of bringing the assets to its working condition for intended use. The cost also comprises of exchange differences arising on translation /settlement of long term foreign currency monetary items pertaining to acquisition of such depreciable assets . Any trade discounts and rebates are deducted in arriving at the purchase price.
- (b) Land of Cement (at Basantnagar) unit as at 31st March, 1983 is stated at valuation made by the professional valuers in 1982-83 at the then current value.
- (c) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.
- (d) Capital work in progress is stated at cost [including borrowing cost, where applicable and adjustment for exchange difference referred to in Note 2.8 below], incurred during construction/ installation/ pre-operative period relating to items or projects in progress.
- (e) Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.
- (f) Depreciation is provided on pro-rata basis using straight line method over the estimated useful lives of assets and are same as the lives prescribed under Schedule II to the Companies Act, 2013.
- (g) Leasehold land is amortised over the lease period.

2.3 Intangible fixed assets and Amortisation

Intangible fixed assets are capitalised where it is expected to provide future enduring economic benefits and amortised on a straight line basis over a period of three years from the date of capitalisation. Capitalisation costs include license fees and the cost of implementation/ system integration services. The Costs are capitalised in the year in which the relevant intangible asset is implemented for use.

2.4 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.5 Impairment

Cash generating units assets are assessed for possible impairment at Balance Sheet date based on external and internal sources of information. Impairment losses, if any, are recognised as an expenses in Statement of Profit and Loss.

2.6 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

2.7 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average / first-in, first-out (FIFO) basis, as considered appropriate by the Company. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provision is made for obsolete/slow moving/defective stocks, wherever necessary.

2.8 Foreign Currency Translation /Transaction

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/losses (other than relating to reporting of Long term foreign currency monetary items) arising out of fluctuations in the exchange rates are recognised in Statement of Profit and Loss in the period in which they arise. Exchange differences arising on reporting of long term foreign currency monetary items (i) relating to acquisition of depreciable capital assets is adjusted to the carrying amount of such assets (to be depreciated over the balance life of the related asset and (ii) in other cases accumulated in a 'Foreign Currency Monetary Item Translation Difference Account' (to be amortised over the balance period of the related long term monetary asset/liability). Differences between the forward exchange rates and the exchange rates at the date of transactions are accounted for as income/expense over the life of the contracts.

2.9 Derivative Contracts

In respect of derivative contracts (other than forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'), gains/losses on settlement and mark to market loss (net) relating to outstanding contracts as at the Balance Sheet date is recognised in the Statement of Profit and Loss.

Refer Note 2.8 above for forward exchange contracts covered under Accounting Standard 11 on 'The Effects of Changes in foreign Exchange Rates'.

2.10 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sales of goods

Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts/allowance, sales return and sales taxes/value added tax.

2.11 Other Income

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the right to receive dividend is established.

2.12 Employee Benefits

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

Contributions towards superannuation fund, at rates specified in related approved scheme covering eligible employees, are recognised as expenses on accrual basis and funded.

Provident Fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on monthly basis.

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The interest rates payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for.

In view of the company's obligation to meet the shortfall, this is a defined benefit plan. The Company's liability is actuarially determined (in accordance with the Guidance Note 29 issued by The Institute of Actuaries of India) at the end of the year and any gain/loss is recognised in the Statement of Profit and Loss. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Gratuity: The Company provides gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary last drawn and the tenure of employment. The Company's liability is provided and funded on the basis of year end Actuarial Valuation (using the Projected Unit Credit method). Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences: Accumulated compensated absences which are expected to be availed or encashed within 12 months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise. The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Employees' State Insurance

Contribution to Central Government administered Employees' State Insurance Scheme for eligible employees is recognised as charge in Statement of Profit and Loss in the year in which they arise.

2.13 Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Deferred taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred taxes is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

As at the Balance Sheet date, unless there is evidence to the contrary, deferred tax assets pertaining to business loss are only recognised to the extent that there are deferred tax liabilities offsetting them.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax in excess of MAT during the specified period. Such assets reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.14 Research and Development Expenditure

Revenue Expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred and Capital Expenditure relating to Research and Development are included in Fixed Assets.

2.15 Government Grants

Grants of Capital nature and related to specific Fixed Assets are deducted from gross value of assets. Other grants of capital nature are credited to Capital Reserve. Grant related to revenue are recognised in the Statement of Profit and Loss on a systematic basis to match them with related costs.

2.16 Lease

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in the Statement of Profit and Loss over the lease term.

2.17 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit/(loss) for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.19 Provision and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.20 Provision for Sales related obligations

The estimated liability for sales related obligations is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. The timing of outflow will vary as and when the obligation will arise – being typically upto three years.

2.21 Segment reporting

Identification of segments

The company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The company operates predominantly within the geographical limits of India and accordingly secondary segments havenot been considered.

Inter-segment transfers

The company accounts for intersegment sales and transfers at cost.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocable to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

2.22 Use of estimates

The preparation and presentation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

3. SHARE CAPITAL

	₹ / crore	
	31st March, 2016	31st March, 2015
AUTHORISED		
55,00,00,000 Equity Shares of ₹ 10 each	550.00	550.00
1,50,00,000 Preference Shares of ₹ 100 each	150.00	150.00
	<u>700.00</u>	<u>700.00</u>
ISSUED, SUBSCRIBED AND PAID-UP		
11,72,68,650 (31st March, 2015 - 10,97,68,650) Equity Shares of ₹ 10 each fully paid up	117.27	109.77
7,50,000 (31st March, 2015 - NIL) Optionally Convertible Redeemable Preference Shares of ₹ 100 each fully paid up	7.50	-
	<u>124.77</u>	<u>109.77</u>

(a) Reconciliation of the number of shares outstanding as at 31st March, 2016 and 31st March, 2015 is set out below :

Equity Shares

Particulars	31st March, 2016	31st March, 2015
Number of shares outstanding at the beginning of the year	109,768,650	109,768,650
Add: Shares issued during the year	7,500,000	-
Number of shares outstanding at the end of the year	117,268,650	109,768,650

Optionally Convertible Redeemable Preference Shares (OCRPS)

Particulars	31st March, 2016	31st March, 2015
Number of shares outstanding at the beginning of the year	-	-
Add: Shares issued during the year	750,000	-
Number of shares outstanding at the end of the year	750,000	-

(b) Rights, preferences and restrictions attached to shares

Equity Shares:

The company has equity shares having a par value of ₹ 10 per share. All equity shareholders are entitled to one vote per share.

The company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings.

Optionally Convertible Redeemable Preference Shares (OCRPS):

The company has during the year issued Optionally Convertible Redeemable Preference Shares ("OCRPS") shares having a par value of ₹ 100 per share.

OCRPS carry a cumulative dividend of 0.001% per annum per OCRPS. Each OCRPS carry a right of conversion into 10 equity shares of the company within a time frame not exceeding 18 months of allotment. In case, OCRPS are not converted into equity shares, the company will redeem the OCRPS together with the cumulative dividend and applicable yield within a period not exceeding 18 months or such extended time as may be legally permissible based upon such term and conditions and at such price as may be mutually agreed.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Equity Shares

Sl. No.	Name of the shareholders	31st March, 2016		31st March, 2015	
		No. of shares	% age	No. of shares	% age
1	Pilani Investments and Industries Corporation Limited	27,338,750	23.31	27,338,750	24.91
2	Manav Investment & Trading Co. Ltd	16,138,250	13.76	9,552,525	8.70
		43,477,000	37.07	36,891,275	33.61

Optionally Convertible Redeemable Preference Shares (OCRPS)

Sl. No.	Name of the shareholders	31st March, 2016		31st March, 2015	
		No. of shares	% age	No. of shares	% age
1	IndusInd Bank Ltd.	750,000	100.00	-	-
		750,000	100.00	-	-

4. RESERVES AND SURPLUS

	₹ / crore	
	31st March, 2016	31st March, 2015
Capital Reserve		
(a) Development Grant/ Subsidy	0.40	0.40
(b) Amalgamation Reserve	2.91	2.91
	<u>3.31</u>	<u>3.31</u>
Capital Redemption Reserve	3.59	3.59
Securities Premium		
Balance at the beginning of the year	342.22	342.22
Add: Received during the year on issue of Equity Shares	82.50	-
Add: Received during the year on issue of OCRPS	82.50	-
	<u>507.22</u>	<u>342.22</u>
Forfeiture of shares	0.00*	0.00*
Revaluation Reserve		
Balance at the beginning of the year	2.38	2.38
Less: Withdrawal of residual amount added on revaluation consequent to sale/disposal of revalued assets	2.25	-
	<u>0.13</u>	<u>2.38</u>
General Reserve	224.00	224.00
Other Reserves:		
(a) Doubtful Debts & Contingencies	0.20	0.20
(b) Share Buy Back Reserve	7.01	7.01
	<u>7.21</u>	<u>7.21</u>
Foreign Currency monetary item translation difference account		
Balance at the beginning of the year	(16.78)	-
Less : Reversal / (Created) during the year	0.87	(16.78)
	<u>(15.91)</u>	<u>(16.78)</u>
Surplus/(Deficit)		
Balance at the beginning of the year	(588.35)	(221.67)
Add : Profit/(Loss) for the period	137.12	(366.68)
Amount available for appropriation	<u>(451.23)</u>	<u>(588.35)</u>
Less : Appropriations :		
Transfer to Debenture Redemption Reserve	-	-
Proposed Dividend	-	-
Tax on Proposed Dividend	-	-
Proposed Dividend on OCRPS	0.00*	-
Tax on Proposed Dividend (OCRPS)	0.00*	-
	<u>0.00*</u>	<u>-</u>
	<u>(451.23)</u>	<u>(588.35)</u>
	<u>278.32</u>	<u>(22.42)</u>

* Amount is below the rounding off norm adopted by the Company

5. LONG TERM BORROWINGS

₹ / crore

		Non current portion		Current maturities	
		31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Secured:					
Debentures					
2000 (March 31, 2015: 2000)					
Redeemable	#	200.00	200.00	-	-
Non-Convertible Debentures					
[Refer Note (a) below]					
Term Loans:					
From Bank					
Indian rupee loan	#	2,138.06	1,622.26	356.12	604.55
Foreign currency loan	#	179.12	429.85	52.50	9.48
From others					
Indian rupee loan	#	683.17	841.55	150.04	77.49
Finance lease obligation		-	0.67	0.67	4.32
Unsecured:					
Deposits from selling agents and others		243.74	270.29	-	-
		3,444.09	3,364.62	559.33	695.84
The above amount includes:					
Secured borrowings		3,200.35	3,094.33	559.33	695.84
Unsecured borrowings		243.74	270.29	-	-
Amount disclosed under the head					
“other current liabilities” (refer Note 9)		-	-	(559.33)	(695.84)
		3,444.09	3,364.62	-	-

The finance lease obligation is in respect of SAP software which is secured against the said assets. The above mentioned facilities are to be repaid in equal instalments over the period of the respective loans.

Movable and Immovable Assets transferred to Cavendish Industries Limited (subsidiary) and Cygnet Industries Limited continue to be hypothecated and mortgaged respectively against the above mentioned loans. The assets of aforesaid subsidiary have subsequently been vacated from such charge

₹ / crore

(a) Debentures

	31-Mar-16	31-Mar-15	Nature of Security	Repayment Terms
10.50% Non Convertible Debentures	200.00	200.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of various units of the company.	Repayment at the end of 5 years from the allotment date of 28th August, 2014. Interest payable quarterly @ 10.50% p.a.
	<u>200.00</u>	<u>200.00</u>		

(b) Repayment terms and nature of securities given for Indian rupee term loans from banks are as follows:

Bank	31-Mar-16	31-Mar-15	Nature of Security	Repayment Terms
Axis Bank Ltd.	400.00	400.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of various units of the company.	Repayment in quarterly instalments after a 27 month moratorium period from the date of first disbursement in the following manner:(a) First 10 instalments of ₹ 33 crore each; (b) Next 2 instalments of ₹ 35 crore each. Interest Payable monthly @ Base rate plus 1% p.a.
Axis Bank Ltd.	1250.00	-	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of various units (excluding land at Solapur) of the company.	Repayment in 40 unequal quarterly instalments starting from 30th April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. Interest payable monthly @ Base Rate plus 1% p.a.
Bank of Baroda	-	60.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Company.	Repayable in four specified annual instalments commencing from March 2013. Interest is payable monthly @ base rate plus 1.25% p.a.
Bank of Baroda	75.00	100.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Company.	Repayable by four equal annual instalment commencing from 24 months after first disbursement. Interest is payable monthly @ base rate + 1.75% + term premium of 0.15%
Bank of India	-	6.21	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Company.	Repayable in 20 equal quarterly instalments of ₹ 5 crore each commencing after the completion of 24 months from the start of commercial operations. Interest payable monthly base rate plus 2.50% p.a.
	<u>1725.00</u>	<u>566.21</u>	Carried Over	

₹ / crore

Bank	31-Mar-16	31-Mar-15	Nature of Security	Repayment Terms
	1725.00	566.21	Brought forward	
ICICI Bank Ltd.	150.00	210.00	First pari passu charge on all movable and immovable fixed assets (both present and future) of various units of the Company.	Repayable in 20 equal quarterly instalments commencing from the 27th month from the date of disbursement. Interest is payable monthly @ base rate plus 2.7% p.a. with annual reset.
IndusInd Bank Ltd	-	115.20	First Charge on certain immovable fixed assets (non-agricultural land) located at Solapur, Maharashtra, (yet to be created) and 42, Garden Reach Road, Kolkata owned by Kesoram Textile Mills Limited and subservient charge on current assets and movable fixed assets of the Company and Pledge of certain non-current investments.	Repayment at the end of 2 years from the date of first disbursement. Interest payable monthly @ Base rate
IndusInd Bank Ltd	-	200.00	First Charge on certain immovable fixed assets (non-agricultural land) located at Solapur, Maharashtra, (yet to be created) and 42, Garden Reach Road, Kolkata owned by Kesoram Textile Mills Limited and subservient charge on current assets and movable fixed assets of the Company and Pledge of certain non-current investments.	Repayment in 12 equal quarterly instalments after moratorium of 24 months. Interest payable monthly @ Base rate plus 0.25% p.a.
Punjab National Bank	40.00	105.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Company.	Repayable in twenty quarterly instalments starting from June 2012 distributed as first sixteen instalments of ₹ 16.25 Crore each and balance four instalments of ₹ 10 Crore each Interest is payable monthly @ base rate plus 1.5% p.a. plus term premium.
State Bank of India	-	200.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Company.	Repayable in four annual instalments commencing after twenty four months from the date of first disbursement of the loan(First two instalments of ₹ 100 Crore each and balance two instalments of ₹ 200 Crore each). Interest is payable monthly @ base rate plus 2% p.a. with annual reset.
State Bank of India	124.97	291.65	First pari passu charge on all movable and immovable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of the various units of the Company.	Repayable in 12 quarterly instalments commencing from the quarter ending February, 2014 distributed as 11 instalments of ₹ 41.67 Crore each and the last instalment of ₹ 41.63 Crore in November, 2016. Interest is payable monthly @ base rate plus 2% p.a.
	2039.97	1688.06	Carried Over	

₹ / crore

Bank	31-Mar-16	31-Mar-15	Nature of Security	Repayment Terms
	2039.97	1688.06	Brought forward	
Syndicate Bank	-	50.00	First pari passu charge on all movable and immovable fixed assets (both present & future) of various units (excluding Corporate Office) of the Company.	Repayment in last 3 years in 12 quarterly instalments as mentioned below: 11 equal quarterly instalments of ₹ 16.67 Crore beginning Q3 FY 15-16. Last instalment of ₹ 16.63 Crore
The Karur Vysya Bank Ltd.	85.71	100.00	First pari passu charge on all movable and immovable fixed assets (both present & future) of various units (excluding Corporate Office) of the Company.	To be repaid in 28 Quarterly instalment after a moratorium period of one year. Interest is payable monthly @ base rate + 1.5%.
The South Indian Bank Ltd.	92.50	98.50	First pari passu charge on all movable and immovable fixed assets (both present and future) of various units of the Company.	Repayment commencing after a moratorium of 12 months in 6 quarterly instalments of ₹ 1.5 Crore each, next 4 quarterly instalments of ₹ 3 Crore each, next 17 quarterly instalments of ₹ 4.39 Crore each and last instalment of ₹ 4.37 Crore thereafter. Interest is payable @ base rate plus 2.50% p.a. with annual reset.
The South Indian Bank Ltd.	41.00	46.25	First pari passu charge on all movable and immovable fixed assets (both present and future) of various units of the Company.	Repayment commencing after a moratorium of 12 month in 6 quarterly instalments of ₹ 0.75 Crore each, next 4 quarterly instalments of ₹ 1.5 Crore each , next 17 quarterly instalments of ₹ 2.20 Crore each and last instalment of ₹ 2.10 Crore thereafter. Interest is payable @ base rate plus 3% p.a. with annual reset.
The South Indian Bank Ltd.	85.00	94.00	First pari passu charge on all movable and immovable fixed assets (both present and future) of various units of the Company.	Repayment to be made in 28 quarterly instalments after the initial holiday period of 12 months. (First 6 quarters ₹ 1.5 Crore each, next 4 quarters ₹ 3 Crore each, next 17 quarters ₹ 4.39 Crore each, last quarter ₹ 4.37 Crore). Interest payable monthly @ base rate + 2%.
The South Indian Bank Ltd.	150.00	150.00	First pari passu charge on all movable and immovable fixed assets (both present and future) of the various units of the Company.	Repayment in 20 equal quarterly instalments of ₹ 7.50 crore each after moratorium of 24 months from date of first disbursement. Interest payable monthly @ Base Rate plus 2.50% p.a.
	<u>2,494.18</u>	<u>2,226.81</u>		

(c) Repayment terms and nature of securities given for Foreign currency loans from banks are as follows:
₹ / crore

Bank	31-Mar-16	31-Mar-15	Nature of Security	Repayment Terms
IndusInd Bank Ltd	231.62	220.45	First Charge on Certain Immovable fixed assets (non-agricultural land) located at Solapur, Maharashtra, (yet to be created) and first pari passu charge on immovable fixed assets of the Company.	16 equal quarterly instalments after a moratorium period of 24 months. Interest payable @ Base Rate + 75 Basis Points.
IndusInd Bank Ltd	-	209.40	First Charge on certain immovable fixed assets (non-agricultural land) located at Solapur, Maharashtra, (yet to be created) and 42, Garden Reach Road, Kolkata owned by Kesoram Textile Mills Limited and subservient charge on current assets and movable fixed assets of the Company and Pledge of certain non-current investments.	Repayment in 12 equal quarterly instalments after moratorium of 24 months. Interest payable monthly for first three years @ 13.71% p.a. For remaining period @ Base rate plus 2.75% p.a.
State Bank of India	-	9.48	Secured against hypothecation of current assets and second charge on movable and immovable fixed assets, (both present and future) of various units of the Company .	Repayable on different maturity dates upto 360 days with interest rate which varies from libor plus 60-65 bps.
	<u>231.62</u>	<u>439.33</u>		

(d) Repayment terms and nature of securities given for Indian rupee term loans from others are as follows:
₹ / crore

Bank	31-Mar-16	31-Mar-15	Nature of Security	Repayment Terms
HDFC Ltd	300.00	300.00	First pari passu charge on all movable and immovable fixed assets (both present & future) of various units of the Company.	Principal repayment shall have a moratorium of 8 calendar quarters from the date of first disbursement and thereafter repayment in 12 equal calendar quarters starting from the first calendar quarter after the end of the moratorium period. Interest payable at the end of calendar quarters @ HDFC CPLR - 5.25 %
IFCI Ltd	117.85	139.29	First pari passu charge on all movable and immovable fixed assets (both present & future) of various units of the Company.	The loan shall be repaid in 28 structured quarterly instalments commencing from the fifteenth month from the date of first disbursement. Interest is payable monthly @ SBI base rate + 280 basis points.
IFCI Ltd	142.11	150.00	First pari passu charge on all moveable and immoveable fixed assets (both present and future) and second pari passu charge on all current assets (both present and future) of various units of the company.	Repayment in 19 equal quarterly instalments from 18th month from the date of first disbursement. Interest payable monthly @ benchmark rate plus 1.80% p.a.
	<u>559.96</u>	<u>589.29</u>	Carried Over	

₹ / crore

Bank	31-Mar-16	31-Mar-15	Nature of Security	Repayment Terms
	559.96	589.29	Brought forward	
L&T Infrastructure Finance Company Limited	177.75	204.75	First pari passu charge on all movable and immovable fixed assets (both present and future) of various units of the Company.	Repayable in 28 quarterly instalments with 6 quarters of ₹ 3.75 Crore, 4 quarters of ₹ 7.5 Crore and 18 quarters of ₹ 10.97 Crore each. Interest is payable monthly @ L&T Infra plrs minus/plus spread
Tata Capital Financial Services Limited	-	25.00	First pari passu charge on all movable and immovable fixed assets (both present & future) and Second pari passu charge on all the current assets (both present & future) of various units of the Company.	Repayable in 12 equal quarterly instalments commencing from the end of 12 month from the date of first disbursement. Interest is payable monthly @long term lending rate minus 4.50%
West Bengal Infrastructure Development Finance Corporation Ltd.	95.50	100.00	First pari passu charge on all movable and immovable fixed assets (both present and future) and second charge on all current assets (both present and future) of the various units of the Company and second charge on Current Assets ranking Pari Passu with the existing and future charge of other term lenders.	Repayment over a period of 8 years (including 4 quarters of moratorium from the date of first disbursement) structured over 32 quarters. Interest payable monthly @ base rate of State Bank of India plus 2.80% p.a.
	<u>833.21</u>	<u>919.04</u>		

6. DEFERRED TAX LIABILITIES (NET)

	₹ / crore	
	31st March, 2016	31st March, 2015
Deferred Tax Liabilities		
Difference between written down value of block of assets as per Income Tax Laws and book written down value of the fixed assets	272.85	271.10
A	<u>272.85</u>	<u>271.10</u>
Deferred Tax Assets		
Business losses	224.59	221.11
Items allowable for tax purpose on payment	8.89	10.52
Provision for contingencies	7.62	10.38
Others	31.75	29.09
B	<u>272.85</u>	<u>271.10</u>
C (A-B)	<u>-</u>	<u>-</u>

- (a) During the year the Company has recognised deferred tax assets on business losses to the extent of net deferred tax liability.
 (b) Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

7. SHORT TERM BORROWINGS

	₹ / crore	
	31st March, 2016	31st March, 2015
Secured:		
Term Loan		
<u>From Bank</u>		
Packing Credit Loan	-	10.00 #
Working Capital Loan		
<u>From Bank</u>		
Overdraft / Cash Credit	123.47#	341.77#
Working capital demand loan	579.00#	486.90#
Packing credit loan	142.46#	69.84#
Unsecured:		
Term Loan		
<u>From Bank</u>		
Indian rupee loan	343.10	35.00
Foreign currency loan	49.28	172.47
Deposits		
Deposit from others	22.20	15.95
	<u>1,259.51</u>	<u>1,131.93</u>
The above amount includes:		
Secured borrowings	844.93	908.51
Unsecured borrowings	414.58	223.42
	<u>1,259.51</u>	<u>1,131.93</u>

- # (a) Secured by way of hypothecation of current assets and second charge on movable and immovable fixed assets, both present and future assets of the Company.
 # (b) Movable and Immovable Assets transferred to Cavendish Industries Limited (subsidiary) and Cygnet Industries Limited continue to be hypothecated and mortgaged against the above mentioned loans. The assets of aforesaid subsidiary have subsequently been vacated from such charge.
 The cash credit and working capital demand loans are repayable on demand.
 Interest payable on short term borrowings is in the range of 9% to 11%.

8. TRADE PAYABLES

	₹ / crore	
	31st March, 2016	31st March, 2015
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 37)	0.75	0.50
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances	89.75	55.05
(ii) Others	496.70	507.55
	587.20	563.10

9. OTHER CURRENT LIABILITIES

	₹ / crore unless otherwise stated	
	31st March, 2016	31st March, 2015
Current maturities of long-term debt (Refer note 5)	558.66	691.52
Current maturities of long-term Finance lease (Refer note 5)	0.67	4.32
Interest accrued but not due on borrowings	4.40	3.17
Interest accrued and due on borrowings	21.08	20.53
Interest accrued and due on deposits and others	2.23	3.94
Interest accrued but not due on deposits and others	-	1.45
Unpaid dividends	0.90	1.37
Unpaid matured deposits and interest accrued thereon	0.05	0.06

Other payables

Advance from customers	32.52	25.97
Statutory dues	108.90	95.47
Liability for purchases of capital assets	14.08	6.16
Retention & Earnest deposits	10.91	13.71
Employee's benefits payable	7.21	15.29
Marked to market loss on derivative contracts	-	2.81
Forward Contracts payable (net)	-	4.98
Other Payables	105.12	21.39
	866.73	912.14

- (a) There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at Balance Sheet Date other than unclaimed dividend of ₹ 1,87,007 (31st March, 2015: ₹ 1,34,437) pertaining to cases under litigation regarding beneficial ownership of shares.

10. SHORT TERM PROVISIONS

	₹ / crore	
	31st March, 2016	31st March, 2015
Provision for employee benefits		
Provision for gratuity [Refer Note 22 (a)]	6.77	0.43
[Net of Advance ₹ 6.57 Crore(31st March, 2015 : Nil)]		
Provision for leave encashment (unfunded)	21.42	24.03
Other Provisions		
Provision for Income Tax [Net of Advance Tax ₹ 327.15 Crore (31st March, 2015 : ₹ 330.79 crore)]	7.29	3.64
Provision for disputed statutory dues	11.68	11.24
Provision for Contingencies	30.00	30.00
Provision for proposed dividend (OCRPS)	0.00*	-
Provision for dividend tax (OCRPS)	0.00*	-
Provision for Fringe benefit tax	0.08	0.08
	77.24	69.42

* Amount is below the rounding off norm adopted by the Company

11. FIXED ASSETS

11. FIXED ASSETS															
Particulars	GROSS BLOCK					DEPRECIATION AND AMORTIZATION								₹ / crore	
	As at 31st Mar 2015	Additions during the year	Deletions during the year	Transfer of Under takings [Refer Note 25]	Discontinuing Operation [Refer Note 51]	Adjustments during the year	As at 31st Mar 2016	For the year (excluding Discontinuing Operation)	Depreciation for the discontinuing Operation	Transition Adjustment recorded against surplus balance in Statement of Profit and Loss	On Deletions during the year	Transfer of Under takings [Refer Note 25]	Discontinuing Operation [Refer Note 51]	As at 31st Mar, 2016	As at 31st Mar, 2015
I. Tangible Assets:															
Land :															
- Freehold	69.16	-	-	6.65	1.36	(2.25)	58.90	-	-	-	-	-	-	58.90	69.16
- Leasehold	0.80	-	-	-	-	-	0.80	-	-	-	-	-	-	0.21	0.21
Buildings	179.55	1.05	0.05	6.87	10.96	-	162.72	6.89	0.10	-	0.03	4.60	7.62	104.97	116.54
Plant and Equipments	2,864.28	29.41	19.50	20.14	126.16	-	2,727.89	102.60	2.05	-	13.98	18.00	87.02	1,186.15	1,308.19
Furniture and Fixtures	22.97	0.89	0.09	0.77	2.30	-	20.70	1.36	0.12	-	0.09	0.77	0.94	9.55	11.50
Office Equipment	23.02	1.11	0.31	1.03	1.08	-	21.71	2.46	0.14	-	0.26	0.99	0.78	4.70	6.58
Vehicles	19.01	4.09	1.45	0.16	0.54	-	20.95	2.29	0.06	-	0.77	0.16	0.31	13.06	12.23
Others:															
- Livestock	0.11	-	0.01	-	-	-	0.10	-	-	-	-	-	-	0.10	0.11
- Railway Siding	27.02	-	0.76	0.08	-	-	26.18	1.49	-	-	0.55	0.08	-	14.40	16.10
Assets taken on Finance Lease															
- Vehicle	0.35	-	-	-	-	-	0.35	-	-	-	-	-	-	0.33	0.33
(A)	3,206.27	36.55	22.17	35.70	142.40	(2.25)	3,040.30	117.09	2.47	-	15.68	24.60	96.67	1,392.37	1,540.95
II. Intangible Assets:															
Computer Software	19.30	9.00	-	-	-	-	28.30	5.22	-	-	-	-	-	9.49	5.71
Technical Knowhow	10.69	-	-	-	-	-	10.69	-	-	-	-	-	-	-	-
(B)	29.99	9.00	-	-	-	-	38.99	5.22	-	-	-	-	-	9.49	5.71
Total (A+B)	3,236.26	45.55	22.17	35.70	142.40	(2.25)	3,079.29	122.31	2.47	-	15.68	24.60	96.67	1,401.86	1,546.66
Previous Year	5,479.26	76.37	23.23	2,294.67	-	(1.47)	3,236.26	262.81	3.02	11.07	18.15	821.29	-	1,546.66	
(a)	The Company has provided for depreciation in keeping with the requirements of Schedule II of the Companies Act, 2013 (The "Act") as amended vide notification dated 29th August 2014, issued by the Ministry of Corporate Affairs (MCA), which inter-alia includes impact of capitalisation to the extent of ₹ 17.29 crore (2014-15 : Nil) for continuing operations and ₹ 0.57 crore (2014-15 : Nil) for discontinuing operations.														

12. INVESTMENTS

	Number	Face Value of each Share ₹	₹ / crore, except as otherwise stated	
			31st March, 2016	31st March, 2015
CURRENT INVESTMENT				
(valued at lower of cost or fair value)				
Trade Investments (Unquoted)				
Investment in Equity Instruments of Subsidiary				
Cavendish Industries Limited (Fully paid up) [Refer Note 44]	700,046,000	10	700.05	700.05
			<u>700.05</u>	<u>700.05</u>
NON CURRENT INVESTMENT				
(valued at cost less provision for other than temporary diminution)				
A. Long Term – Trade (Unquoted)				
Investment in Equity Instruments of Joint Venture Company (Fully paid up)				
Gondkhari Coal Mining Limited [Refer Note 44]	22,730	10	0.02	0.02
B. Long Term - Other than Trade				
Investment in Equity Instruments (Fully paid up)				
- Unquoted				
Birla Buildings Ltd.	30,000	10	0.03	0.03
Coromandel Stampings & Stones Ltd.	10,000	10	0.00*	0.00*
Kesoram Insurance Broking Services Ltd.	143,000	10	0.03	0.03
Calcutta Stock Exchange Association Ltd.	10,455	1	2.09	
Less : Provision for other than temporary diminution			2.09	-
Essel Mining & Industries Ltd.	119	10	0.24	0.24
Meghdoot Co-operative Housing Society Ltd.	10	100	0.00*	0.00*
Padmavati Investment Ltd.	7,231	10	0.55	0.55
Vasavadatta Services Ltd.	18,800	10	0.02	0.02
JPM Merchandise Agencies Ltd	21,693	10	0.04	0.04
- Quoted				
Aditya Birla Nuvo Ltd. (previous year pledged 6,14,162)**	-	10	-	4.65
Century Enka Ltd. (previous year pledged 13,40,680)**	-	10	-	12.91
Century Textiles & Industries Ltd. (previous year pledged 27,46,100)**	-	10	-	16.93
Grasim Industries Ltd. (previous year pledged 1,42,220)**	-	10	-	0.57
HGI Industries Ltd.	496,100	10	0.00*	0.00*
Hindalco Industries Ltd. (previous year pledged 53,586)**	-	1	-	0.15
Jay Shree Tea & Industries Ltd. (previous year pledged 3,88,116)**	388,116	5	0.01	0.01
Kesoram Textile Mills Ltd.	4,996,986	2	4.63	4.63
Mangalam Cement Ltd. (previous year pledged 38,19,563)**	-	10	-	20.12
Mangalam Timber Products Ltd. (previous year pledged 25,28,462)**	-	10	-	3.37
Manjushree Plantations Ltd.	233,423	10	1.20	1.20
Less : Provision for other than temporary diminution			1.20	-
Vidula Chemicals & Manufacturing Industries Ltd.	44,750	10	0.06	0.06
Less : Provision for other than temporary diminution			0.06	-
			<u>5.57</u>	<u>66.36</u>
* Amount is below the rounding off norm adopted by the Company				
** Pledged against loan taken from banks/others				
(a) Aggregate amount of quoted investments			5.90	64.60
(b) Aggregate amount of unquoted Investments			703.07	703.07
(c) Aggregate provision for diminution in value of investments			3.35	1.26
(d) Aggregate market value of quoted investments			3.17	478.80
(excluding investments in HGI Industries Ltd., Kesoram Textile Mills Ltd., Manjushree Plantations Ltd. and Vidula Chemicals & Manufacturing Industries Ltd. in absence of any current quotation)				

13. LONG / SHORT TERM LOANS AND ADVANCES

				₹ / crore	
		Non-current		Current	
		31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
<i>Unsecured, considered good unless stated otherwise</i>					
Capital advances		227.32	19.52	-	-
Security Deposits		22.95	32.08	-	-
(A)		250.27	51.60	-	-
<i>Loans and advances to related parties</i>					
Considered doubtful [Refer Note 44]		6.77	6.77	-	-
Less: Provisions for doubtful advances		(6.77)	(6.77)	-	-
(B)		-	-	-	-
Balance with Subsidiary Company [Refer Note 38]	(C)	-	-	1,286.94	1,371.45
Receivable from a body corporate towards sale of undertaking [Refer Note 51]				541.14	-
<i>Other loans and advances</i>					
<i>Advances recoverable in cash or kind</i>					
Considered Good		14.06	0.62	107.52	107.75
Considered doubtful		-	-	24.57	11.66
Less Provision for doubtful advances		-	-	(24.57)	(11.66)
Security Deposits		-	-	-	0.24
Prepaid Expenses		-	-	5.83	6.12
Accruals under duty exemption scheme		-	-	-	2.53
Loan to employees		0.01	0.01	3.03	0.07
Loan to other body corporate		-	0.75	4.00	3.25
Balance with statutory/government authorities		30.38	32.46	68.11	41.53
(D)		44.45	33.84	188.49	161.49
Total (A+B+C+D)		294.72	85.44	2,016.57	1,532.94

14. OTHER NON-CURRENT/ CURRENT ASSETS

				₹ / crore	
		Non-current		Current	
		31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Non current bank balance (Refer Note 17)		-	0.48	-	-
Insurance claim		-	-	3.19	4.58
Interest accrued on deposits		-	-	0.22	0.82
Unamortised premium on loan restructuring		87.07	-	7.91	-
Unamortised premium on forward cotntact		-	-	-	0.78
Others		-	-	20.42	1.08
Total		87.07	0.48	31.74	7.26

15. INVENTORIES

		₹ / crore	
		31st March, 2016	31st March, 2015
Raw Materials [Includes material in transit ₹ 1.83 crore (31st March, 2015: ₹ 8.78 crore)]		68.30	114.23
Work-in-Progress		54.54	67.91
Finished Goods [Includes goods in transit ₹ 4.24 crore (31st March, 2015: ₹ 7.19 crore)]		309.38	418.31
Stores and Spare Parts [Includes material in transit ₹ 6.19 crore (31st March, 2015: ₹ 0.72 crore)]		123.39	133.61
		555.61	734.06

16. TRADE RECEIVABLES

	₹ / crore	
	31st March, 2016	31st March, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Secured - Considered good	17.45	16.78
Unsecured - Considered good	12.10	128.61
Unsecured - Considered doubtful	174.96	84.04
	204.51	229.43
Less: Provision for doubtful debts	174.96	84.04
(A)	29.55	145.39
Other debts		
Secured - Considered good	160.77	176.42
Unsecured - Considered good	354.96	444.91
(B)	515.73	621.33
Total (A+B)	545.28	766.72

17. CASH AND BANK BALANCES

	₹ / crore			
	Non-current		Current	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Cash and Cash equivalents				
Cash on hand	-	-	0.04	0.11
Cheques on hand	-	-	37.20	30.44
Balances with bank:				
On Current accounts	-	-	311.70	57.21
On Cash Credit Accounts	-	-	2.89	22.48
Others				
In post office saving bank account	-	-	0.00*	0.00*
Other Bank Balances				
Deposit with original maturity for more than 12 months	-	0.48	-	0.59
Deposit with original maturity for more than 3 months but less than 12 months	-	-	90.77	28.07
Balances with bank:				
On unpaid dividend accounts	-	-	0.90	1.37
	-	0.48	443.50	140.27
Amount disclosed under other non current assets (Refer Note 14)	-	(0.48)	-	-
	-	-	443.50	140.27
(a) Other bank balances on deposits accounts includes :				
- Deposits pledged with the sales tax authorities			0.00*	0.00*
- Held as lien by bank against bank guarantees			0.75	0.06

(b) Other bank balances as of 31st March, 2016 and 31st March, 2015 include restricted bank balances of ₹ 0.90 crore and ₹ 1.37 crore respectively. The restrictions are primarily on account of bank balances held in unclaimed dividends accounts.

* Amount is below the rounding off norm adopted by the Company

18. REVENUE FROM OPERATIONS (Excluding discontinuing operations)

	2015-2016	2014-2015
		₹ / crore
Sale of products	4,542.45	4,950.53
Other operating revenues	11.78	12.47
	4,554.23	4,963.00
Less: Excise duty	453.94	345.45
	4,100.29	4,617.55
Figures for discontinuing operations (Refer Note 51)	286.81	255.82

19. OTHER INCOME (Excluding discontinuing operations)

	2015-2016	2014-2015
		₹ / crore
(a) Interest Income		
- On bank and other deposits	1.60	3.03
- On income tax refund	2.12	3.88
(b) Dividend Income		
- from long term investments	3.92	4.38
(c) Claims from insurance company	1.93	2.03
(d) Liabilities no longer required written back	27.71	9.19
(e) Sale of Power	69.44	38.43
(f) Miscellaneous income	10.56	3.88
	117.28	64.82
Figures for discontinuing operations (Refer Note 51)	1.96	0.93

20. COST OF MATERIALS CONSUMED (Excluding discontinuing operations)

	2015-2016	2014-2015
		₹ / crore
Raw Materials Consumed		
Opening Stock [Excluding discontinuing operations ₹ 8.16 Crores (31st March, 2015 : ₹ 4.70 Crores)]	106.07	192.85
Purchases	1,207.55	1,712.87
	1,313.62	1,905.72
Less : Closing Stock	68.30	106.07
Less : Transfer to Subsidiary	-	6.73
Less: Transferred on sale of HHC and Spun Pipes	0.58	-
	1,244.74	1,792.92
Raising cost of limestone [Refer Note (a) below]	124.38	90.03
	1,369.12	1,882.95
Figures for discontinuing operations (Refer Note 51)	102.25	97.89

	2015-2016	2014-2015
		₹ / crore
(a) Limestone raising costs include:		
Salaries, Wages, Bonus etc.	9.93	9.82
Contribution to Provident and other Funds	0.81	0.75
Workmen and Staff welfare	0.25	0.49
Carried over	10.99	11.06

	Brought forward	10.99	11.06
Dead Rent, Royalty etc.		73.09	43.49
Power and Fuel		0.22	1.81
Stores and spares parts consumed		19.95	17.20
Machinery repairs		4.15	10.44
Other repairs		0.15	0.20
Rates and taxes		0.36	0.14
Contractors-Transport		3.09	4.20
Miscellaneous		12.38	1.49
		<u>124.38</u>	<u>90.03</u>

		Quantity			
		2015-2016	2014-2015	2015-2016	2014-2015
(b) Purchase of stock-in-trade comprise:					
Tyre	Nos	118,299	-	5.92	-
Tubes	Nos	2,666,567	2,928,907	45.30	42.90
Flaps	Nos	893,808	535,971	22.16	15.63
				73.38	58.53

21. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS
(Excluding discontinuing operations)

	2015-2016	₹/ crore 2014-2015
Opening Stock		
- Work - in - progress [Excluding discontinuing operations ₹ 6.10 Crores (31st March, 2015: ₹ 6.94 Crores)]	61.81	108.63
- Finished Goods [Excluding discontinuing operations ₹ 41.77 Crores (31st March, 2015: ₹ 43.65 Crores)]	376.54	374.88
	<u>438.35</u>	<u>483.51</u>
Less: Closing Stock		
- Work - in - progress	54.54	61.81
- Finished Goods	<u>309.38</u>	<u>376.54</u>
	<u>363.92</u>	<u>438.35</u>
Less: Transferred to Capital Jobs	0.57	0.17
Less: Transferred on sale of HHC and Spun Pipes (Refer Note 25)	0.10	-
	<u>73.76</u>	<u>44.99</u>
Figures for discontinuing operations (Refer Note 51)	25.20	2.72

22. EMPLOYEE BENEFITS EXPENSE (Excluding discontinuing operations)

	2015-2016	₹/ crore 2014-2015
Salaries, Wages, Bonus etc.	253.66	343.06
Contribution to Provident Fund [Refer note (b) below]	17.27	23.38
Contribution to Superannuation Fund	0.48	0.46
Contribution to Labour Welfare Fund	0.23	0.32
Contribution to Gratuity Fund [Refer note (a) below]	9.31	6.44
Contribution under Employees State Insurance Scheme	1.18	1.21
Workmen and Staff Welfare	10.45	13.06
	<u>292.58</u>	<u>387.93</u>
Figures for discontinuing operations (Refer Note 51)	96.55	81.68

(a) Gratuity

The Company operates a gratuity plan through the “KICM Gratuity Fund”. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. (Also refer Note 2.12)

The Company has charged ₹ 13.34 crore (2014-2015 : ₹ 8.55 crore) including discontinuing operations of ₹ 4.03 crore (2014-2015 : ₹ 2.11 crore) towards gratuity during the year ended 31st March, 2016 in the Statement of Profit and Loss.

The detail of fund and plan assets position are as follows.

	₹/ crore	
	2015-2016	2014-2015
I. Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation		
(a) Present Value of Obligation at the beginning of the year	84.16	81.76
(b) Current Service Cost	5.67	6.61
(c) Interest Cost	6.45	6.13
(d) Actuarial Loss / (Gain)	4.72	8.10
(e) (Benefits Paid)	(7.12)	(10.32)
(f) Liability pertains to Subsidiary transferred at year end	-	(8.12)
(g) Present Value of Obligation at the end of the year	93.88	84.16
II. Reconciliation of opening and closing balances of the fair value of Plan Assets		
(a) Fair Value of Plan Assets at the beginning of the year	83.73	74.71
(b) Assets pertains to Subsidiary transferred during the year **	(7.44)	-
(c) Expected Return on Plan Assets	6.10	5.98
(d) Actuarial Gain / (Loss)	(2.60)	6.31
(e) Contributions by employer	7.87	7.05
(f) (Benefits Paid)	(7.12)	(10.32)
(g) Fair Value of Plan Assets as at the end of the year	80.54	83.73
III. Reconciliation of the present value of Defined Benefit Obligation in ‘I’ above and the fair value of Plan Assets in ‘II’ above		
(a) Present Value of Obligation as at the end of the year	93.88	84.16
(b) Fair Value of Plan Assets as at the end of the year	80.54	83.73
(c) Liability recognised in the Balance Sheet	13.34	0.43
(d) Experience (Gain) / Loss adjustment on plan liabilities	4.72	8.10
(e) Experience Gain / (Loss) adjustment on plan assets	(2.60)	6.31

** Net of transfer of plan assets in respect of employees transferred to its subsidiary, Cavendish Industries Ltd.

	2015-2016	2014-2015
IV. Expense charged to the Statement of Profit and Loss		
(a) Current Service Cost	5.67	6.61
(b) Interest Cost	6.45	6.13
(c) (Expected Return on Plan Assets)	(6.10)	(5.98)
(d) Actuarial (Gain)/Loss	7.32	1.79
(e) Total expense charged to the Statement of Profit and Loss	13.34	8.55

V. Percentage of each Category of Plan Assets to total Fair Value of Plan Assets

	As at 31st March, 2016	As at 31st March, 2015
(a) NAV / Interest based schemes with Insurance Companies	100.00%	99.81%
(b) Government (Central and State) Securities	0.00%	0.19%
Total	100.00%	100.00%

VI. Amount recognised in current year and previous four years

	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
(a) Present Value of Obligation as at the end of the year	93.88	84.16	81.76	80.70	68.27
(b) Fair Value of Plan Assets as at the end of the year	80.54	83.73	74.71	66.24	57.51
(c) Liability recognised in the Balance Sheet	13.34	0.43	7.05	14.46	10.76
(d) Experience (Gain) /Loss adjustment on plan liabilities	4.72	8.10	1.24	8.88	5.34
(e) Experience Gain/(Loss) adjustment on plan assets	(2.60)	6.31	0.67	0.74	(0.34)

	2015-2016	2014-2015
VII. Actual Return on Plan Assets	3.50	12.16

VIII. Principal Actuarial Assumptions

	31st March, 2016	31st March, 2015
(a) Discount Rate (per annum)	8.00%	8.00%
(b) Expected Rate of Return on Plan Assets (per annum)	8.00%	8.75%
(c) Salary Escalation	5.00%	5.00%
(d) Inflation Rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the portfolio of assets held, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are reasonably diversified

(b) Provident Fund

Provident fund for certain eligible employees is managed by the Company through the “B. K. Birla Group of Companies Provident Fund Institution” and “Birla Industries Provident Fund”, in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated there on are payable to employees at the time of their

separation from the company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

The Guidance on Implementing AS 15, Employee Benefits (Revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving employers established provident funds, which require interest shortfalls to be compensated are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation and there is no shortfall as at 31st March, 2016.

The Company has contributed ₹ 24.56 crore (2014-2015 : ₹ 30.41 crore) including discontinuing operations of ₹ 7.29 crore (2014-2015 : ₹ 7.03 crore) towards provident fund during the year ended 31st March, 2016.

(i) The detail of fund and plan assets position are as follows.

	₹/ crore
	As at 31st March, 2016
	As at 31st March, 2015
Present Value of Obligation as at the end of the year	223.83
Fair Value of Plan Assets as at the end of the year	238.44
(ii) Principal Actuarial Assumptions	
Discount Rate (per annum)	8.75%
Expected Rate of Return on Plan Assets (per annum)	9.02%

23. OTHER EXPENSES (Excluding discontinuing operations)

	₹/ crore
	2015-2016
	2014-2015
Consumption of stores and spare parts	61.64
Power and fuel [Refer Note (a) below]	681.07
Rent	27.55
Repairs and Maintenance [Refer Note (b) below]	
Building	5.90
Plant and Machinery	41.23
Others	3.92
Insurance	6.83
Rates and Taxes	16.97
Job working charges	342.67
Brokerage, Discounts and Claims	204.90
Packing, Carriage and Shipping [Refer Note (c) below]	707.40
Sales Promotion	66.68
Commission to selling agents	36.81
Directors' Fees	0.63
Debts/ Advances/ Deposits written off	0.31
Receivable from subsidiary written off [Refer Note 38]	25.15
Legal & Professional expenses	81.59
Provision for doubtful debts	91.75
Provision for doubtful advance	9.64
Provision for diminution in value of investments	2.09
Payments to the auditor [Refer Note (d) below]	3.10
Guarantee commission	0.22
Loss on Fixed Assets Sold/Discarded	5.30
Excise duty [Refer Note (e) below]	(0.47)
Net loss on foreign currency transaction and translation (other than considered as finance cost)	17.17
Miscellaneous expenses [Refer Note 26]	133.98
	2,574.03
	2,098.23
Figures for discontinuing operations (Refer Note 51)	96.79
	102.60

		₹/ crore
(a) Power and Fuel includes consumption of stores and spares [Excluding discontinuing operations ₹ 39.89 crore 31st March, 2015 : ₹ 39.48 crore)]	572.20	664.28
(b) Repair and Maintenance includes:		
(i) Consumption of stores and spares parts [Excluding discontinuing operations : Nil (31st March, 2015 : Nil)]	5.51	5.14
(ii) Salaries and Wages [Excluding discontinuing operations : Nil (31st March, 2015 : Nil)]	18.69	17.17
(c) Packing, carriage and shipping includes:		
(i) Consumption of stores and spares parts [Excluding discontinuing operations : Nil (31st March, 2015 : Nil)]	55.01	76.39
(ii) Salaries and Wages [Excluding discontinuing operations : Nil (31st March, 2015 : Nil)]	8.09	9.73
(d) Payment to auditor		
Auditors :		
Audit Fees	1.80	1.36
Tax Audit Fees	0.53	0.48
Fees for issuing various certificates (including Limited Reviews)	0.77	0.70
Reimbursement of Expenses	0.00*	0.01
	3.10	2.55
(e) Represents excise duty related to the difference between the closing stock and opening stock of finished goods		
(f) Fixed Assets (Note 11) /Capital Work in Progress include consumption of stores and spares parts during the year	4.08	11.73

* Amount below rounding off norms adopted by the Company

24. FINANCE COST (Excluding discontinuing operations)	2015-2016	₹/ crore 2014-2015
Interest expenses	573.27	566.71
Other borrowing costs	93.52	107.26
Applicable net loss on foreign currency transactions and translation	10.74	6.56
	677.53	680.53
Figures for discontinuing operations (Refer Note 51)	0.01	0.05

25. EXCEPTIONAL ITEM	2015-2016	₹/ crore 2014-2015
Profit from sale of undertakings [Refer Note below]	385.78	-
Profit from sale of Long Term Investments	369.57	-
Profit from sale of Laskar undertakings	-	409.20
	755.35	409.20

Based upon general body approvals accorded under the relevant provisions of the Companies Act, 2013, the Company has, during the Financial Year ended 31st March, 2016, disposed and transferred two Undertakings viz. Spun Pipes & Foundries and Hindustan Heavy Chemicals to Camden Industries Limited, a domestic Indian Company, through the slump sale route. The agreed aggregate consideration of ₹ 400 crore has been received during the year and the difference amounting to ₹ 385.78 crore between the carrying cost in the Company's books of the two Undertakings and the consideration received has been shown as Exceptional Income in these Financial Statements.

26. MISCELLANEOUS EXPENSES INCLUDES

(i) Consumption of stores and spares parts [excludes discontinuing operations : Nil (31st March, 2015 : Nil)]	6.32	6.14
(ii) Payment to cost auditor [excludes discontinuing operations : ₹ 0.02 crore (31st March, 2015 : ₹ 0.02 crore)]	0.06	0.08

27. EARNINGS PER SHARE

	2015-2016	₹/ crore 2014-2015
(i) Basic		
Number of equity shares at the beginning of the year	10,97,68,650	10,97,68,650
Number of equity shares at the end of the year	11,72,68,650	10,97,68,650
Weighted average number of equity shares outstanding during the year (A)	10,97,89,142	10,97,68,650
Nominal value of each equity Share (₹)	10	10
Profit/(Loss) after Tax (₹ in crore) (B)	137.12	(366.68)
Earnings per share (Basic) (₹) (B/A)	12.49	(33.40)
(ii) Diluted		
Weighted average number of equity shares outstanding during the year	109,809,634	109,768,650
Earnings per share (Diluted) (₹)	12.49	(33.40)

28. EXPENDITURE IN FOREIGN CURRENCY DURING THE YEAR :

Technical Service Fees	25.17	9.62
Commission, Brokerage and Discount	0.06	0.03
Interest	26.08	14.17
Miscellaneous (Travelling, Listing fees etc.)	19.79	8.41
	71.10	32.23

29. EARNINGS IN FOREIGN EXCHANGE DURING THE YEAR :

Exports (excluding export to Nepal and Bhutan) of goods [F.O.B.]	165.31	126.82
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30. C.I.F VALUE OF IMPORTS

Raw Materials	253.98	453.36
Components and Spare Parts (including stores)	143.84	158.92
Capital Goods	6.60	14.31
	404.42	626.59

31. CONTINGENT LIABILITIES

	As at 31st March, 2016	₹/ crore As at 31st March, 2015
(a) Guarantees given -		
(i) to excise authorities	0.12	0.12
(ii) by Banks on behalf of the Company (excluding relating to joint venture referred to in note 35 below)	47.91	55.91
(b) Claims against the Company not acknowledged as debts :		
(i) Rates, Taxes, Duties etc. demanded by various Authorities	584.34	357.06
(ii) Amount demanded by Provident Fund Authorities which is sub judice	0.87	0.87
(c) Income Tax matters	17.83	17.55

32. CAPITAL AND OTHER COMMITMENTS

	As at 31st March, 2016	₹/ crore As at 31st March, 2015
(a) Capital Commitments		
Estimated value of contracts in capital account remaining to be executed [net of advances ₹ 26.81 crore (31st March, 2015 : ₹ 7.86 crore)]	114.77	45.88
(b) Other Commitments		
Export Commitments against purchase of imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India.	24.70	65.88
Export Commitments against import under Advance Licence Scheme, of the Government of India.	-	87.57
TOTAL	139.47	199.33

33. RESEARCH AND DEVELOPMENT EXPENDITURE

The Company has incurred ₹ 5.56 Crore (2014-2015: ₹ 6.04 Crore) on account of Research and Development expenses which has been charged to Statement of Profit and Loss. Capital Expenditure relating to Research & Development amounting to ₹ 8.96 crore (2014-2015: NIL) has been included in Fixed Assets.

	2015-2016		2014-2015	
	Capital	Revenue	Capital	Revenue
Unit - Vasavadatta Cement	0.12	3.13	-	3.14
Unit - Kesoram Cement	-	1.40	-	1.42
Unit - Birla Tyre	8.84	1.03	-	1.48
	8.96	5.56	-	6.04

34. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(a) Derivatives outstanding:			₹/ crore			
Particulars	Purpose	Currency	As at 31st March, 2016	As at 31st March, 2015		
(i) Forward Contracts to buy	Hedge against foreign borrowings	USD	-	-	1.79	112.88
(ii) Forward Contracts to sell	Hedge against highly probable forecast transaction	USD	-	-	0.05	3.15
(iii) Currency Swap contracts outstanding		USD	3.50	-	6.82	-

(b) Particulars of unhedged foreign currency exposure:			₹/ crore			
			As at 31st March, 2016	As at 31st March, 2015		
1. Amount receivable in Foreign currency						
FC amount (In EURO)			-	0.00*		
INR value			-	0.18		
FC amount (In Dollar)			3.06	3.07		
INR value			202.65	193.75		

2. Amount payable in Foreign currency

FC amount (In EURO)	0.03	0.02
INR value	2.27	1.65
FC amount (In Dollar)	3.40	2.84
INR value	225.17	179.05
FC amount (In SGD)	0.02	-
INR value	0.93	-
FC amount (In JPY)	-	0.00*
INR value	-	0.00*

(c) Mark-to-Market Losses

Mark-to-Market losses provided for

- Outstanding forward contracts	-	2.59
- Currency Swaps Contracts	-	2.81

* Amount is below the rounding off norm adopted by the Company

35. JOINT VENTURES

The Company has the following investment in a jointly controlled entity

Name of the Joint Venture	Country of Incorporation	Proportion of ownership interest as on 31st March, 2016	Proportion of ownership interest as on 31st March, 2015
Gondkhari Coal Mining Limited [Refer Note 50]	India	45.46	45.46

The Company's share of each of the assets, equity & liabilities, income and expenses (each without elimination of the effect of transaction between the Company and Joint Venture) in the joint venture, based on the unaudited financial statements are as follows:

		₹ / crore	
		31st March, 2016	31st March, 2015
I	ASSETS		
	Tangible assets	0.00*	0.00*
	Capital work in progress	6.41	6.41
	Long term loan and advances	0.03	0.03
	Cash and Bank balances	0.01	0.02
	Short term loans and advances	0.00*	0.00*
	Other current asset	0.22	0.22
		6.67	6.68
II	LIABILITIES		
	Long term borrowings	6.34	6.35
	Other long terms liabilities	0.62	0.62
	Trade payables	0.04	0.04
		7.00	7.01
III	INCOME		
	Revenue	-	0.01
IV	EXPENSES		
	Other Expenses	0.00*	0.01
	Depreciation and amortisation expenses	0.00*	0.00*
V	Share of Contingent Liabilities	5.40	5.40
	(Guarantees given by bank)		

* Amount is below the rounding off norm adopted by the Company

36. LEASES
As a lessee:
Operating Lease

Rent expenditure (under Note 23) includes lease payments of ₹ 2.13 crore (2014-2015 : ₹ 1.62 crore) relating to non cancellable operating lease. The leasing arrangement is for three to nine years and is in respect of office premises. The significant leasing arrangement inter alia includes option for renewal.

With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

	As at 31st March, 2016	₹ / crore As at 31st March, 2015
(i) not later than one year	2.00	1.62
(ii) later than one year but not later than five years	2.98	6.23
(iii) later than five years	1.48	-

With respect to Finance leases, the future minimum lease payments are as follows:

	As at 31st March, 2016	₹ / crore As at 31st March, 2015
(i) not later than one year	0.67	4.32
(ii) later than one year but not later than five years	-	0.67

As a lessor:
Operating Lease

The Company has given one unit of building on operating lease to Lazarus Hospital for 5 years extendable up to 12 years on mutual consent

Gross carrying amount as on balance sheet date	-	1.98
Accumulated depreciation amount as on balance sheet date	-	0.17
Net carrying amount as on balance sheet date	-	1.81
Depreciation recognised in statement of profit and loss	-	0.02

- 37.** The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	31st March, 2016	₹ / crore 31st March, 2015
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.75	0.50
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company

- 38.** The Company had transferred its automotive Tyre manufacturing facility at Laksar, District Haridwar, Uttarakhand, as a going concern on slump sale basis, to Cavendish Industries Limited (Cavendish), a subsidiary whose more than 90% of the share capital was held by the Company.

Pursuant to the execution of a binding term sheet dated 12th September, 2015, between the Company, the subsidiary and the JK Tyre Group, it was agreed that the company would transfer its interest in such subsidiary to the JK Tyre Group at a consideration based on Enterprise Value (EV) of ₹ 2195/- crore and had credited an amount of ₹ 409.20 crore, being net consideration receivable over and above the carrying value of the Laksar undertaking, to “Exceptional Income” in the Statement of Profit and Loss for the year ended 31st March, 2015. Subsequently, the Company had entered into a Share Purchase Agreement dated 28th October, 2015, with the subsidiary and the JK Tyre Group to transfer its interest in the said subsidiary to JK Group. The above mentioned transaction was concluded in April, 2016 and the net consideration received has been used to partially retire the Company’s portfolio of long term borrowings after adjusting ₹ 25.15 crore which has since been written off on account of EV adjustment.

		₹ / crore	
		As at 31st March, 2016	As at 31st March, 2015
39.	Shares of Jay Shree Tea & Industries Ltd. held by the Company at face value being bonus shares remaining unclaimed.	0.02	0.02
40.	The time frame of completion of expansion of 80 MT/day capacity of car radial project at Balasore is being extended to end of 2016-17.		
41.	The time frame for grinding facility of 2.5 million MT cement per annum to be situated at Sholapur in the state of Maharashtra is being extended beyond 2016-17.		

**42. DETAILS OF PRE-OPERATIVE EXPENSES INCURRED RELATING TO EXPANSION/
GREENFIELD PROJECTS REFERRED TO IN NOTE 40**

₹ / crore

2015-2016					
	Up to 31st March 2015	During 2015-2016	Total	Capitalised/ transferred	Balance as on 31st March 2016
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) - (d)
Salaries, Wages, Bonus etc.	4.12	0.69	4.81	-	4.81
Contribution to Provident and Other Funds	0.31	0.05	0.36	-	0.36
Workmen and Staff Welfare	(0.00)*	(0.00)*	(0.00)*	-	(0.00)*
Power and Fuel	0.57	-	0.57	-	0.57
Repairs and Maintenance to Plant & Machinery	0.24	0.01	0.25	-	0.25
Rent	2.00	-	2.00	-	2.00
Rates & Taxes	0.01	-	0.01	-	0.01
Insurance	1.37	1.20	2.57	-	2.57
Miscellaneous Expenses	2.24	7.88	10.12	-	10.12
Total (A)	10.86	9.83	20.69	-	20.69
Electricity/Rent Receipts	0.42	(0.00)*	0.42	-	0.42
Total (B)	0.42	(0.00)*	0.42	-	0.42
Net Pre-Operative Expenses (A-B)	10.44 #	9.83	20.27	-	20.27#

included in capital work in progress

* Amount is below the rounding off norm adopted by the Company

₹ / crore

2014-2015					
	Up to 31st March 2014	During 2014-2015	Total	Capitalised/ transferred	Balance as on 31st March 2015
	(a)	(b)	(c) = (a) + (b)	(d)	(e) = (c) - (d)
Salaries, Wages, Bonus etc.	3.56	0.56	4.12	-	4.12
Contribution to Provident and Other Funds	0.27	0.04	0.31	-	0.31
Workmen and Staff Welfare	(0.00)*	(0.00)*	(0.00)*	-	(0.00)*
Power and Fuel	0.57	-	0.57	-	0.57
Repairs and Maintenance to Plant & Machinery	0.13	0.11	0.24	-	0.24
Rent	2.00	-	2.00	-	2.00
Rates & Taxes	0.01	-	0.01	-	0.01
Insurance	1.00	0.37	1.37	-	1.37
Miscellaneous Expenses	1.93	0.31	2.24	-	2.24
Total (A)	9.47	1.39	10.86	-	10.86
Electricity/Rent Receipts	0.42	(0.00)*	0.42	-	0.42
Total (B)	0.42	(0.00)*	0.42	-	0.42
Net Pre-Operative Expenses (A-B)	9.05#	1.39	10.44	-	10.44#

included in capital work in progress

* Amount is below the rounding off norm adopted by the Company

43. INFORMATION ABOUT BUSINESS SEGMENT
₹ / crore

	2015-2016					
	Continuing Operations			Sub-Total	Discontinuing Operations	Total
	Tyres	Cement	Others		Rayon, T.P. and Chemicals	
Segment Revenue						
Sales	2,140.04	2,402.41	-	4,542.45	322.48	4,864.93
Less: Inter-segment sales (made at cost)	-	-	-	-	-	-
Total	2,140.04	2,402.41	-	4,542.45	322.48	4,864.93
Other operating revenue	7.72	4.06	-	11.78	0.32	12.10
	2,147.76	2,406.47	-	4,554.23	322.80	4,877.03
Segment Results [Profit/(Loss) after considering other income and before interest and tax]	(388.77)	251.02	(4.22)	(141.97)	(34.49)	(176.46)
Interest				(573.27)	(0.01)	(573.28)
Other borrowing cost				(104.26)		(104.26)
Other unallocated income (net of expenditure)				991.12		991.12
Profit/(Loss) Before Tax				171.62	(34.50)	137.12
Segment Assets	1,594.92	1,754.08	-	3,349.00	-	3,349.00
Unallocated Assets				3,288.86	-	3,288.86
Total				6,637.86	-	6,637.86
Segment Liabilities	572.20	352.99	-	925.19	-	925.19
Unallocated Liabilities				5,309.58	-	5,309.58
Total				6,234.77	-	6,234.77
Segment Capital Expenditure	40.82	24.38	-	65.20	23.46	88.66
Unallocated Capital Expenditure				3.75	-	3.75
Total				68.95	23.46	92.41
Segment Depreciation and amortisation	30.60	84.51	0.67	115.78	2.47	118.25
Unallocated Segment Depreciation and amortisation				6.53	-	6.53
Total				122.31	2.47	124.78
Non cash expenditure other than depreciation and amortisation included in segment expense	90.66	2.85	-	93.51	0.00*	93.51
Unallocated Non cash expenditure other than depreciation and amortisation included in segment expense				20.56	-	20.56
				114.07	0.00	114.07
Principal Items manufactured	Tyres, Tubes and Flaps	Cement			Viscose Filament Rayon Yarn, Cellophane Paper, Sulphuric Acid, Caustic Soda Lye, Hydrochloric Acid	

	2014-2015					₹ / crore
	Continuing Operations			Sub-Total	Discontinuing Operations	Total
	Tyres	Cement	Others		Rayon, T.P. and Chemicals	
Segment Revenue						
Sales	2,632.57	2,317.96	0.00*	4,950.53	285.58	5,236.11
Less: Inter-segment sales (made at cost)	-	-	-	-	-	-
Total	2,632.57	2,317.96	0.00*	4,950.53	285.58	5,236.11
Other operating revenue	11.22	1.25	-	12.47	0.23	12.70
	2,643.79	2,319.21	0.00*	4,963.00	285.81	5,248.81
Segment Results [Profit/(Loss)after considering other income and before interest and tax]	(476.47)	351.14	(4.10)	(129.43)	(31.16)	(160.59)
Interest				(566.71)	(0.05)	(566.76)
Other borrowing cost				(113.82)	-	(113.82)
Other unallocated expenditures (net of income)				474.49	-	474.49
Profit/(Loss) Before Tax				(335.47)	(31.21)	(366.68)
Segment Assets	1,843.89	1,837.10	17.28	3,698.27	188.43	3,886.70
Unallocated Assets				2,241.86	-	2,241.86
Total				5,940.13	188.43	6,128.56
Segment Liabilities	372.22	269.76	2.11	644.09	81.51	725.60
Unallocated Liabilities				5,315.61	-	5,315.61
Total				5,959.70	81.51	6,041.21
Segment Capital Expenditure	9.47	23.10	-	32.57	9.64	42.21
Unallocated Capital Expenditure				2.49	-	2.49
Total				35.06	9.64	44.70
Segment Depreciation and amortisation	183.71	83.14	0.86	267.71	3.02	270.73
Unallocated Segment Depreciation and amortisation				6.17	-	6.17
Total				273.88	3.02	276.90
Non cash expenditure other than depreciation and amortisation included in segment expense	70.53	0.24	0.06	70.83	0.40	71.23
Unallocated Non cash expenditure other than depreciation and amortisation included in segment expense				0.62	-	0.62
				71.45	0.40	71.85
Principal Items manufactured	Tyres, Tubes and Flaps	Cement			Viscose Filament Rayon Yarn, Cellophane Paper, Sulphuric Acid, Caustic Soda Lye, Hydrochloric Acid	

The company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

* Amount is below the rounding off norm adopted by the Company

44. RELATED PARTY DISCLOSURES
₹ / crore

Related Party	Relationship	Outstanding at 31st March 2016	Outstanding at 31st March 2015	Payable/ receivable/ others	Nature of Transaction	2015-2016	2014-2015
(A) MSK Travels and Tours Ltd	I	0.58	0.08	Payable	Expenditure-Other Services Expenditure-Commission Reimbursement	14.74 - -	8.58 - 0.00*
(B) Cavendish Industries Limited	II	1,350.35 700.05 63.41 - - -	1,371.45 700.05 - - - -	Receivable Investment in Shares Payable	Sale of undertaking Acquisition of Shares Reimbursement Job Work Charges Purchase of traded goods Management service fees	- - - 342.67 0.62 4.49	2,194.95 700.00 2.50 - - -
(C) Gondkhari Coal Mining Limited	III	6.15 0.62 0.02	6.15 0.62 0.02	Receivable-loan Receivable-Interest Investment in shares		- - -	- - -
(D) Manjushree Khaitan(Whole-time Director)	IV	-	-		Remuneration	1.76	-
(E) K C Jain (Manager/ Whole-time Director) @	IV	-	1.09	Payable	Expenditure-Remuneration **	3.77	3.96
(F) Amolak Prit Singh (Whole -time Director)	IV	-	0.42	Payable	Expenditure-Remuneration	-	0.64
(G) Basant Kumar Birla	V	- -	- -	Payable	Expenditure-Remuneration Dividend paid	0.03 -	0.01 -
(H) Sarala Devi Birla	V	-	-		-	-	-
(I) Jayashree Mohta	V	-	-		-	-	-
(J) Vidula Jalan	V	-	-		-	-	-
(K) Shaila Jain	V	-	-		-	-	-
(L) Anil Kumar Jain	V	-	-		-	-	-
(M) Sunil Kumar Jain	V	-	-		-	-	-
(N) Kumar Kushal Jain	V	-	-		-	-	-
(O) Vimal Chand Jain	V	-	-		-	-	-
(P) Pawan Chand Jain	V	-	-		-	-	-
(Q) Neelam Bhantia	V	-	-		-	-	-
(R) Jay Shree Tea & Industries Limited	VI	0.01	0.01	Investment in shares	Dividend Received	0.04	0.08
(S) Mangalam Cement Ltd #	VI	-	20.12	Investment in shares	Purchases Dividend Received	- -	0.06 1.15
(T) Synergy Enterprise \$	VI	-	0.12	Receivable	Income-sales	-	-

Note 44 Contd.
₹ / crore

Related Party	Relationship	Outstanding at 31st March 2016	Outstanding at 31st March 2015	Payable/receivable/others	Nature of Transaction	2015-2016	2014-2015
(U) A.K. Enterprise \$	VI	-	0.03	Security deposit payable	Expenditure-Commission	-	0.10

* Amount is below the rounding off norm adopted by the Company

** Necessary application has been made to central Government for payment of remuneration in excess of the prescribed limits by ₹ 1.70 crore under section 197 read with Schedule V of the Companies Act, 2013 to Mr. K. C. Jain, whole time director of the company for a period of one year with effect from 1st April, 2015 to 31st March, 2016.

@ cease to be a related party as on 31.03.2016 at the close of business hours

Investment in Mangalam Cement Ltd disposed off during the year

\$ Ceased to be related party w.e.f. 1st April, 2015

I Enterprise where control exists due to Key Management Personnel

II Subsidiary

III Joint venture

IV Key Management Personnel

V Relative of Key Management Personnel

VI Enterprise over which person referred to in V above is able to exercise significant influence.

Disclosure pursuant to Section 186(4) of The Companies Act 2013, regarding loans given, Investment made and Guarantee given are mentioned in the respective notes of Non Current Investments (refer note 12), and Non Current Loans and Advances (refer note 13) and Guarantees (refer note 31 and 35).

45. PARTICULARS IN RESPECT OF GOODS MANUFACTURED :

Manufacturing Section	Class of goods manufactured	CAPACITY		PRODUCTION (Meant for Sale)	
		Licensed	Installed (a)	2015-2016	2014-2015
		2015-16 (Same as 2014-2015 except otherwise indicated)	2015-2016 (Same as 2014-2015 except otherwise indicated)	Unit	
Cement - At Basantinagar	Cement	Not Applicable	15,00,000 M. Tons	M.T.	9,79,785* 9,14,201*
	Cement	Not Applicable	57,50,000 M. Tons	M.T.	47,14,422* 42,84,488*
Spun Pipes & Foundries #	Cast Iron Spun Pipes & Pipe Fittings	45,000 M. Tons per year	45,000 M. Tons per year	M.T.	-
	(i) Tyres	Not applicable	2,160,000 Nos. per year (2014-15 - 1,21,02,000)	No.	71,21,712 76,78,283
Tyre	(ii) Tubes	Not applicable	14,00,000 Nos. per year (2014-15 - 29,50,000)	No.	37,79,066 (including 3,29,836 nos. manufactured by contract manufacturer) 18,22,986 (including nil nos. manufactured by contract manufacturer)
Hindustan Heavy Chemicals #	iii) Flaps	Not applicable	11,00,000 Nos. per year (2014-15 - 15,25,000)	No.	13,40,822 (including 47,969 nos. manufactured by contract manufacturer) 10,45,449 (including 5,73,374 nos. manufactured by contract manufacturer)
	(i) Caustic Soda Lye (100%)	15,120 M. Tons per year	12,410 M. Tons per year	M.T.	-
	(ii) Liquid Chlorine	6,000 M. Tons per year	5,045 M. Tons per year	M.T.	-
	(iii) Sodium Hypochlorite	16,500 M. Tons per year	6,205 M. Tons per year	M.T.	-
	(iv) Hydrochloric Acid (100%)	9,750 M. Tons per year	8,200 M. Tons per year	M.T.	-
	(v) Ferric Alum (including Alum Liquor)	3,200 M. Tons per year	3,200 M. Tons per year	M.T.	-
	(vi) Sulphuric Acid (including Battery Grade)	20,400 M. Tons per year	18,700 M. Tons per year	M.T.	-
	(vii) Purified Hydrogen Gas	30,24,000 M ³ per year	16,20,000 M ³ per year	M ³	-

Note 45. Contd.
**PRODUCTION
(Meant for Sale)**
CAPACITY

Manufacturing Section	Class of goods manufactured	Installed (a)		Unit	2015-2016	2014-2015
		Licensed 2015-16 (Same as 2014- 2015 except otherwise indicated)	2015-2016 (Same as 2014- 2015 except otherwise indicated)			
Discontinuing Operations [Refer Note 51]						
Rayon & Transparent Paper	(i) Carbon-di-Sulphide	3,603	M. Tons per year	3,600	M. Tons per year	7,824 *
	(ii) Cellophane Paper (Transparent Cellulose Film)	150	M. Tons per month	3,600	M. Tons per year	1,399 *
	(iii) Sodium Sulphate	5,311	M. Tons per year	5,500	M. Tons per year	5,482 *
	(iv) Sodium Sulphide	70	M. Tons per year	187	M. Tons per year	3
	(v) Sulphuric Acid	22,530	M. Tons per year	36,500	M. Tons per year	36,521
	(vi) Viscose Filament Rayon Yarn	10	Tons per day	6,500	M. Tons per year	6,691

* Production is inclusive of internal consumption.

Refer note 25

(a) Installed capacities have been certified by the Company's Technical Experts. Furthermore, the installed capacity of the Transparent Paper Section is also as per Company's application to the Government of India for C.O.B. Licence.

46. PARTICULARS IN RESPECT OF STOCKS AND SALES OF GOODS MANUFACTURED/ TRADED :
₹ / crore

	Stock as at 31.03.2014			Stock as at 31.03.2015			Sales			
	Stock as at 01.04.2015			Stock as at 31.03.2016			2015-2016			
	Unit	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
Cement -										
At Basantnagar	M.T.	20,306	6.20	21,271	6.97	10,728	3.47	988,434 [Excluding internal consumption of 1894 MT]	398.16 913,104 [Excluding internal consumption of 132 MT]	392.90
At Sedam	M.T.	88,391	25.60	86,421	25.77	90,343	26.47	4,709,455 [Excluding internal consumption of 1045 MT]	2,004.25 4,285,505 [Excluding internal consumption of 953 MT]	1,925.07
Cast Iron Spun Pipes & Pipe Fittings	M.T.	692	0.04	692	0.04	-	-	-	-	-
Market Fittings	Pcs.	3,813	0.00*	3,813	0.00*	3,813	0.00*	-	-	-
Tyres, Tubes & Flaps (Set) purchased	No.	15	0.02	-	-	-	-	-	15	0.02
Tyres	No.	5,60,061	303.71	826,125	296.30 [Including 73,832 nos. (₹ 2.97 crore) Purchased]	1,155,255	245.41	6,792,582 [Including 44,467 nos.(₹ 3.19 crore) on sale of Purchased]	1,940.96	2,386.84

46. PARTICULARS IN RESPECT OF STOCKS AND SALES OF GOODS MANUFACTURED/ TRADED : (contd.)
₹/crore

	Unit	Stock as at 31.03.2014		Stock as at 31.03.2015		Stock as at 31.03.2016		Sales			
		Stock as at 01.04.2015						2015-16		2014-15	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Tubes	No.	755,449	28.11	809,738	30.22	1,127,961	27.48	3,460,843	161.16	4,697,604	201.30
		[Including 4,45,214 nos. (₹ 6.91 crore) Purchased]		[Including 2,06,694 nos. (₹ 2.85 crore) Purchased]		[Including 8,03,476 nos. (₹ 9.64 crore) Purchased]		[Including 20,69,785 nos. (₹ 96.38 crore) on sale of Purchased]		[Including 31,67,427 nos. (₹ 135.73 crore) on sale of Purchased]	
Flaps	No.	295,433	8.79	325,160	10.30	279,014	6.55	1,386,968	37.92	1,551,693	44.41
		[Including 93,063 nos. (₹ 3.33 crore) Purchased]		[Including 26,161 nos. (₹ 0.84 crore) Purchased]		[Including 1,92,916 nos. (₹ 5.05 crore) Purchased]		[Including 7,26,553 nos. (₹ 19.86 crore) on sale of Purchased]		[Including 6,02,873 nos. (₹ 17.25 crore) on sale of Purchased]	
Caustic Soda Lye (100%)	M.T.	28	0.06	28	0.06	-	-	-	-	-	-
Liquid Chlorine	M.T.	-	-	-	-	-	-	-	-	-	0.00*
Sodium Hypochlorite	M.T.	43	0.01	43	0.01	-	-	-	-	-	-
Hydrochloric Acid (100%)	M.T.	12	0.00*	12	0.00*	-	-	-	-	-	-
Sulphuric Acid (including Battery Grade)	M.T.	11	0.00*	11	0.00*	-	-	-	-	-	-
Purified Hydrogen Gas	M ³	2,395	0.00*	2,395	0.00*	-	-	-	-	-	-
Others			2.34		6.87	-	-	-	-	-	-

46. PARTICULARS IN RESPECT OF STOCKS AND SALES OF GOODS MANUFACTURED/ TRADED : (contd.)
₹ / crore
Discontinuing Operations [Refer Note 51]

Carbon-di-Sulphide	M.T.	123	0.37	131	0.39	202	0.77	1,175 (Excluding internal consumption of 2,295 MT)	4.68	1,736 (Excluding internal consumption of 6,080 MT)	8.14
Cellophane Paper (Transparent Cellulose Film)	M.T.	542	12.06	220	6.10	211	6.46	1,540 (Excluding internal consumption of 12 MT)	62.04	1,720 (Excluding internal consumption of 1 MT)	68.04
Sodium Sulphate	M.T.	79	0.08	205	0.16	354	0.28	5,338 (Excluding internal consumption of 6 MT)	5.32	5,350 (Excluding internal consumption of 6 MT)	5.48
Sodium Sulphide	M.T.	-	-	3	0.00*	-	-	- (Excluding internal consumption of 3 MT)	-	-	-
Sulphuric Acid	M.T.	225	0.07	242	0.11	479	0.21	31,425 (Excluding internal consumption of 7,480 MT)	18.94	29,487 (Excluding internal consumption of 7,017 MT)	17.67
Viscose Filament Rayon Yarn	M.T.	1,206	31.07	1,292	35.01	281	8.26 (Incl CSY 41 MT) (Incl CSY ₹1.6 crore)	7,702	231.50	6,317	186.24
Total			418.53		418.31		325.36		4,864.93		5,236.11

* Amount is below the rounding off norm adopted by the Company

47. CONSUMPTION OF RAW MATERIALS :

₹ / crore						
Manufacturing Section	Class of Materials	Unit	2015-2016		2014-2015	
			Quantity	Value	Quantity	Value
Cement -						
At Basantnagar	Limestone	M.T.	845,000	36.71	850,000	30.14
	Bauxite/ Laterite/ Hematite	M.T.	57,655	10.39	54,533	8.31
	Gypsum	M.T.	33,561	6.88	27,945	5.47
	Fly Ash	M.T.	290,349	6.71	269,643	6.62
	Limestone	M.T.	5,672,696	89.69	5,033,961	62.24
At Sedam	Bauxite/Laterite/ Hematite	M.T.	326,181	24.64	281,389	22.28
	Gypsum	M.T.	158,613	37.77	149,689	33.32
	Fly Ash	M.T.	539,670	33.71	535,978	34.47
	Natural Rubber	M.T.	31,637	401.10	40,591	584.89
	Synthetic Rubber	M.T.	12,996	139.98	14,620	215.44
Tyre	Carbon Black	M.T.	22,442	144.83	27,576	253.81
	Fabric	M.T.	6,948	177.87	9,015	277.62
	Other Chemicals and Sundries			258.84		348.34
	Sub-Total			1,369.12		1,882.95
	Discontinuing Operations [Refer Note 51]					
Rayon & Transparent Paper	Wood Pulp	M.T.	8,606	60.70	7,979	55.79
	Caustic Soda	M.T.	5,585	18.37	5,397	17.21
	Sulphur	M.T.	16,298	19.32	15,711	20.19
	Sundries		1,338	3.86	1,453	4.70
Sub-Total				102.25		97.89
TOTAL				1,471.37		1,980.84

48. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES, SPARE PARTS AND COMPONENTS CONSUMED DURING THE YEAR :

	2015-2016				2014-2015				₹ / crore
	Raw Materials		Stores, Spare Parts & Components		Raw Materials		Stores, Spare Parts & Components		
	Value	%	Value	%	Value	%	Value	%	
Imported	186.64	13.63	220.07	30.37	375.20	19.93	237.60	27.84	
Indigenous	1,182.48	86.37	504.63	69.63	1,507.75	80.07	615.86	72.16	
	<u>1,369.12</u>	<u>100.00</u>	<u>724.70</u>	<u>100.00</u>	<u>1,882.95</u>	<u>100.00</u>	<u>853.46</u>	<u>100.00</u>	

Discontinuing Operations [Refer Note 51]

	2015-2016				2014-2015				₹ / crore
	Raw Materials		Stores, Spare Parts & Components		Raw Materials		Stores, Spare Parts & Components		
	Value	%	Value	%	Value	%	Value	%	
Imported	26.43	25.85	0.79	1.27	16.91	17.27	0.35	0.58	
Indigenous	75.82	74.15	61.53	98.73	80.98	82.73	59.74	99.42	
	<u>102.25</u>	<u>100.00</u>	<u>62.32</u>	<u>100.00</u>	<u>97.89</u>	<u>100.00</u>	<u>60.09</u>	<u>100.00</u>	
TOTAL	<u>1,471.37</u>		<u>787.02</u>		<u>1,980.84</u>		<u>913.55</u>		

49. REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

₹ / crore				
Financial Year	On account of	Number of non resident Shareholders	Number of share held	Dividend Amount
2015-16	2014-15 Final	2	7,341,875	- *
2014-15	2013-14 Final	2	7,341,875	- *

* no dividend declared in 2015-2016

- 50.** The Company has chosen to publish standalone financial statements as the provisions of Section 129(3) of the Companies Act, 2013 are not applicable. The Company has no associate company within the meaning of Section 2(6) of the Companies Act, 2013. Gondkhari Coal Mining Limited (“Gondkhari”), a joint venture and Cavendish Industries Limited (“Cavendish”), a subsidiary, have not been consolidated for reasons set out below :

(a) Gondkhari, a Special Purpose Vehicle (“SPV”) was set up as a joint venture with two other partners as per directions of the Central Government to develop and operate the Gondkhari Coal Block in Maharashtra allocated to the SPV. The allocation of all coal blocks having been cancelled by the Supreme Court vide judgment dated 25th August, 2014 read with Order dated 24th September, 2014, the substratum of the SPV has consequently ceased to exist. The Company is, therefore, in discussion with its venture partners for dissolution/winding up of Gondkhari.

In view of the above and regard being had to Accounting Standard 27, the Financial Statements of Gondkhari for the year ended 31st March, 2016 have not been consolidated with that of the Company.

(b) the ownership of Cavendish having been transferred to the JK Tyre Group in the month of April, 2016, consolidation of the financial statements of subsidiaries specifically earmarked for disposal is not contemplated under Accounting Standard 21.

51. Discontinuing Operations

On 26th March, 2016, the Board of Directors of the Company had approved the plan of disposing the Company’s Rayon and Transparent Paper (“Rayon and TP”) business undertaking. The decision was intimated to the Stock Exchanges on the same day. Rayon and TP business undertaking is a separate business segment as per AS-17 ‘Segment Reporting’. This disposal is consistent with Company’s long term business strategy of realigning and restructuring its existing business activities. Accordingly, a business transfer agreement was entered into between the Company and Cygnet Industries Limited (“Cygnet”), a domicile Indian Company to transfer the Company’s Rayon and TP business undertaking on a going concern basis through slump sale route effective close of the business 31st March, 2016 at a total consideration of ₹ 541.14 crore, which is shown as receivable from Cygnet Industries Ltd as at 31st March, 2016 in these Financial Statements.

Pursuant to such business transfer agreement, Cygnet has, after close of the Financial Year, issued and allotted to the Company 3,00,00,000 Equity Shares of ₹10 each at par amounting to ₹ 30 crore without consideration being received in cash and out of the balance amount of ₹ 511.14 crore from Cygnet as at 31st March 2016, ₹ 480 crore has since been received by the Company. The transaction having been deemed to have concluded as on 31st March, 2016, the Company has, as per the provisions of Accounting Standard (“AS”) 4, shown the difference amounting to ₹ 381.41 crore between the carrying cost of the Kesoram Rayon Undertaking in the Company’s books as on 31st March, 2016 and the total consideration receivable as on this date as an Income from disposal of discontinuing operations in these Financial Statements.

In accordance with the principles enunciated in AS-4, the assets and liabilities of the Kesoram Rayon Undertaking stands transferred to Cygnet as at close of business 31st March, 2016 and the Company’s Financial Statements for the year ended as on this date has been drawn up accordingly.

The general body approvals under the relevant provisions of the Companies Act, 2013, inter alia, for transfer and disposal of the Kesoram Rayon Undertaking obtained through postal ballot were received on 30th April, 2016. Pursuant to subsequent acquisition of shares by the Company on such approval, Cygnet has become a wholly owned subsidiary of the Company after close of the Financial Year.

The carrying amount of the total assets and liabilities disposed of are as follows:

₹ / crore

	Year ended 31 March 2016	Year ended 31 March 2015
Total Assets	204.36	188.43
Total Liabilities	44.63	81.51
Net Assets	159.73	106.92

The revenue and expenses in respect of the ordinary activities attributable to the discontinuing operations:

₹ /crore

	Year ended 31 March 2016	Year ended 31 March 2015
INCOME		
Revenue from operations (Gross)	322.80	285.81
Less: Excise Duty	35.99	29.99
Revenue from operations (Net)	286.81	255.82
Other income	1.96	0.93
Total Revenue (I)	288.77	256.75
EXPENSES		
Cost of Materials Consumed	102.25	97.89
Changes in inventories of finished goods and work-in-progress	25.20	2.72
Employee benefit expense	96.55	81.68
Other expenses	96.79	102.60
Total Expenses (II)	320.79	284.89
Profit/(Loss) before interest, tax and depreciation and amortisation (EBITDA) [(I) - (II)]	(32.02)	(28.14)
Depreciation and Amortisation Expenses	2.47	3.02
Finance Costs	0.01	0.05
Profit/(Loss) before exceptional item and tax	(34.50)	(31.21)
Exceptional item (net)		
Profit on Disposal of Assets and Liabilities of Discontinuing Operations	381.41	-
Profit/(Loss) before tax from discontinuing operations	346.91	(31.21)
Tax Expenses:		
Current Tax	-	-
Deferred Tax	-	-
Profit/(Loss) for the year from discontinuing operations	346.91	(31.21)

The Net Cash Flow attributable to the discontinuing operations is as follows:

	₹ / crore	
	Year ended 31 March 2016	Year ended 31 March 2015
Operating Activities	(36.79)	(2.07)
Investing Activities	(25.94)	(10.11)
Financing Activities	85.29	10.41
Net Cash Inflows / (Outflows)	22.56	(1.77)

52. Previous Year's figures have been regrouped or rearranged where considered necessary. However, in view of sell off of certain business units during the year, the assets and liabilities are not comparable with one another.

For Price Waterhouse

Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No 52340
Place: Kolkata
Date : 25th May, 2016

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

Enrico Malerba
Chief Business Officer

Gautam Ganguli
Company Secretary

Basant Kumar Birla
Chairman

Manjushree Khaitan
Executive Vice Chairperson

Amitabha Ghosh
Kashi Prasad Khandelwal
Sudip Banerjee
Lee Seow Chuan

Directors



The Group Logo - *As represented by the 21st Century Atlas*

Atlas, the Titan - *Collective Strength*

Atlas, bearer of the heavens is synonymous with vast, all encompassing strength and is used to symbolise the Group's own collective strength. It reflects the combined qualities of astute and dynamic management while emphasizing the Group's tenacity, consistency, reliability and overall leadership.

The Sun - *Enlightenment and Growth*

The Sun, as a source of infinite energy and inspiration, is used here in conjunction with the Atlas head to represent the vitality and powerful presence of the Group - both in its industrial prowess and its financial, technological and intellectual skills.

The Earth Segments - *Diversified Activities*

Each of the latitudes around the Titan represent various sections - industrial, agricultural, financial and other activities of the Group. As with the infinite variety of the world, so is the strength of the Group, made up of its diverse activities.

The Globe - *Global Vision*

The Group's global presence and vision is reflected in the entirety of the Earth's sphere.

The Base - *Solid Foundations*

The strength of the entire edifice depends upon the strength of the foundation embedded in the bedrock, represented here by the Group Name.

The Symmetry - *The Resilience, Versatility and Stability*

Seen in its entirety, each of the elements - Atlas, the Sun, the Earth divisions, the Globe and the Base, together sum up a well conceptualised and balanced conglomerate.

Strong Foundation

Sustained Growth

Proven Leadership



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