

September 12, 2015

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Dear Sirs

Cavendish Industries Limited

The Board of Directors of the Company, at its Meeting held today, approved the sale of the Company's entire shareholding in its subsidiary, Cavendish Industries Limited ("Cavendish"), to certain entities comprised in the JK Tyre Group.

A copy of a Company Press Release on the subject is attached.

Thank you

Yours faithfully
Kesoram Industries Limited

Gautam Ganguli
Company Secretary

Encl :

PRESS RELEASE

Kolkata

12th September 2015

Kesoram Industries Limited

Kesoram Industries Limited (KIL) has a 99% subsidiary called Cavendish Industries Ltd. (CIL) from which it sources a range of tyres, tubes and flaps for its tyre business (Birla Tyres).

KIL announced today that it has signed a binding term sheet with JK Tyre to divest CIL for a consideration of Rs. 2,195 Crores. The process of completion of this deal is likely to be concluded within December 2015.

Kesoram would like to state that:

- This transaction will strengthen the balance sheet of the Company. As publicly announced earlier, proceeds from monetization of assets will be utilized to reduce the debt burden of the Company.
- Kesoram confirms that it remains strongly committed to its presence in the Tyre Business. Birla Tyres will continue to be present in all the product and market segments it currently services.

Besides tyres, Kesoram has a presence in the cement and rayon businesses, which continue to report growth.

Kesoram's cement business, with a capacity of close to 7.5 million metric tons per annum, remains a highly profitable operation, with an operating profit (EBITDA) of Rs. 1000 per metric ton. This business has profitably grown market share in South India, which remains the most competitive cement market in the country.

Kesoram is making significant investments into its rayon business – to expand into new product categories.

Kesoram fully expects the steps it is taking will translate to significantly enhanced value to all its stakeholders.