

NOTICE

TO THE MEMBERS

NOTICE is hereby given that the Ninety-first Annual General Meeting of KESORAM INDUSTRIES LIMITED will be held on Thursday, the 1st July, 2010 at 11.00 a.m. at "Kala-Kunj", 48, Shakespeare Sarani, Kolkata -700017, to transact the following business:

GENERAL BUSINESS

1. To consider and adopt the Reports of the Auditors and the Directors and the Audited Accounts of the Company for the year ended 31st March, 2010.
2. To confirm the payment of Interim Dividend on Ordinary Shares declared by the Board of Directors in its meeting held on 30th October, 2009.
3. To declare final Dividend on Ordinary Shares for the year ended 31st March, 2010.
4. To appoint Directors in place of Shri.K. G. Maheshwari and Shri G. B. Pande, who retire by rotation and being eligible, offer themselves for re-election.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

6. "RESOLVED that superseding the earlier resolution passed without prejudice to the powers of the Board of Directors of the Company under the provisions of Section 293(1)(e) of the Companies Act, 1956, the Board be and is hereby authorized to contribute to charitable and other funds not directly related to the business of the Company or the welfare of its employees up to a sum of Rupees twenty five lac in each case, subject to maximum of Rupees two crore in a financial year of the Company notwithstanding that the aggregate of such contribution made during that financial year may exceed five percent of its three years' average profits as determined in the manner laid down in the aforesaid section."
7. "RESOLVED that Shri Deepak Tandon, who vacates office at the conclusion of this Annual General Meeting, be and is hereby appointed a Director of the Company, whose office shall not be liable to retirement by rotation.

FURTHER RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto and all guidelines for managerial remuneration issued by the Central Government from time to time, the Company hereby approves the appointment by the Board of Directors ("the Board") of Shri Deepak Tandon as Whole-time Director of the Company for a period of five years with effect from 1st April, 2010, with liberty to either party to terminate the appointment on three months' notice in writing to the other, upon the following terms as to remuneration as set out hereafter and with further liberty to the Board of Directors / any Committee thereof / Chairman of the Board from time to time to alter the said terms in such manner as may be in the best interests of the Company, subject however to the restrictions, if any, contained in the Companies Act, 1956, including Schedule XIII thereto as amended up to date or otherwise as may be permissible by law, viz.:

A) Basic Salary & Allowance per month:

- i) Basic Salary : Rs. 3,00,000/-;
- ii) Special Allowance : Rs 70,000/-;

with authority to the Board of Directors/any Committee thereof/Chairman of the Board to make annual increments in basic salary and aforesaid Special Allowance (Basic salary not exceeding Rs.10,00,000/- per month and aforesaid Special Allowance not exceeding Rs. 5,00,000/- per month) from time to time as may be deemed fit and appropriate.

B) Perquisites and other amenities payable:

- i) House Rent Allowance, Company's contributions towards Provident Fund & Superannuation Fund, Ex-gratia, reimbursement of Leave Travel & Medical expenses for self and family, Leave with full pay and allowances, Gratuity and Personal accident insurance premium : *As per the Rules of the Company*;
- ii) Cars: *Chauffeur driven cars provided and maintained by the Company for the use on Company's business and interest on Car Loan as per Scheme of the Company*;



- iii) Fees of the clubs: *Subject to the maximum of two clubs;*
- iv) Electricity, Maintenance Charges and communication facility at residence: *Actual charges of electricity and maintenance charges of Housing Society with provision of Telephone, telefax and other modern communication facilities at residence.*
- C) So long as Shri Deepak Tandon functions as Whole-time Director of the Company, he will not be subject to retirement by rotation and shall not be paid any fees for attending the meetings of the Board or any Committee thereof. However, Shri Tandon may get the sitting fees paid / payable to other Directors for attending meeting of Board of Directors / Committee of subsidiary(ies), if any, or companies promoted by the B.K.Birla Group.
- D) That the aggregate of the basic Salary, Special Allowance and perquisites and other amenities in any financial year shall be within the limits prescribed from time to time under sections 198, 309 and the other applicable provisions of the Companies Act, 1956, read with schedule XIII of the said Act as may be for the time being, be in force, or otherwise as may be permissible by law.
- E) In the event of loss or inadequacy of profits in any year, the remuneration including the perquisites and other amenities as aforesaid will be paid to Shri Tandon in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of Central Government wherever required."

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

8. **"RESOLVED** that pursuant to Section 314 and the other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to Shri Deepak Tandon, Senior President of Birla Tyres Sections of the Company, who was appointed as Additional Director under Section 260 of the Companies Act, 1956 and Article 103 of the Articles of Association of the Company to hold place of profit in the Company as Senior President (Accounts, Finance and Taxation) besides the functions of the Senior President of Birla Tyres (both Balasore and Haridwar Sections) to draw a basic salary of Rs.3,00,000/- per month from 01.01.2010 to 31.03.2010 plus all other allowances and benefits as per rules of the Company applicable to the category of a Senior President subject to the limits u/s.309 read with Schedule XIII of the Act."
9. **"RESOLVED** that pursuant to the provisions of Section 309 and other applicable provisions of the Companies Act, 1956 and Article 106 of the Articles of Association of the Company and subject to all other approvals, if any required, the Company be and is hereby authorized to pay a commission, in addition to the sitting fees for attending the meetings of the Board or Committees thereof and reimbursement of expenses to attend them as per provisions of law from time to time, to the Directors of the Company, who are neither in whole – time employment of the Company nor Managing / Whole-time Director of the Company, at a rate of 1% of the net profits of the Company computed in the manner referred to in section 198(1) of the said Act but not exceeding Rs.50 lac (Rupees fifty lac) to be divided amongst them equally in every financial year for a period of five years with effect from 1st April, 2010 subject however further to such limit per annum as may be decided by the Board in that behalf from time to time."

By Order of the Board

Registered Office:
9/1, R. N. Mukherjee Road,
Kolkata -700 001
Dated, the 28th day of April, 2010

S. K. Patodia
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 the proxy need not be a Member. The Company must receive proxy form(s) not less than 48 hours before the Meeting.
2. Register of Members shall remain closed from 16th June, 2010 to 1st July, 2010 *(both days inclusive)*.
3. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
4. The Board of Directors of the Company in its meeting held on 30th October, 2009 had declared interim dividend of Rs 2.25 per ordinary share of the Company and paid the same to those members or their mandatees, whose names stood registered as beneficial owners / members of the Company as on 17th November, 2009.

5. The Final Dividend of Rs.3.25 per ordinary share of the Company, as recommended by the Board, if declared at the ensuing Annual General Meeting, will be paid, subject to the provisions of Section 206A of the Act, on or after 9th July, 2010, to those members or their mandatees whose names stand registered in the Company's Register of Members:
 - (a) as Beneficial Owners as at the end of business on 15th June, 2010 as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the Shares held in Electronic Form, and
 - (b) as Members in the Register of Members of the Company after giving effect to valid share transfers in Physical Form lodged with the **Company** or the **Share Transfer Agent** on or before 15th June, 2010. The Instruments of Share Transfers, complete in all respects, should reach the **Share Department of the Company** at 9/1, R. N. Mukherjee Road, Kolkata-700 001 or the **Share Transfer Agent** of the Company i.e. **MCS Ltd., Unit: Kesoram Industries Ltd., 77/2A, Hazra Road, Kolkata-700 029** well before the Book Closure date as stated above.
6. In order to avoid the risk of loss / interception of dividend warrants in postal transit and/or fraudulent encashment of dividend warrants, Shareholders are advised to avail of **National Electronic Clearing Service (NECS)** facility whereby the dividend will be directly credited electronically to their respective Bank accounts. This will ensure speedier credit of dividend.
 NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions. In this regard, if you hold shares in electronic form, please furnish the new Bank Account Number allotted to you by your bank after implementation of CBS along with a photocopy of a cheque pertaining to the concerned account, to your Depository Participant (DP) at your earliest convenience. If you do not provide your new account number allotted after implementation of CBS by your bank, to your DP, please note that ECS to your old account may either be rejected or returned.
 Shareholders holding shares in physical form with a Bank Account covered under CBS may inform the **Share Department of the Company / Share Transfer Agent** to avail benefit of NECS.
7. **Members, holding shares in physical form, are requested to notify the change in address, if any, to the Share Department of the Company / Share Transfer Agent and the name of the Bank(s) with account number(s) for inscribing it on the face of dividend warrant(s) to avoid the fraudulent encashment of the same. Members holding Shares in Electronic form should send the above information to the respective Depository Participant only.**
8. In case the mailing address mentioned on this Annual Report is either without PIN Code or with incorrect PIN Code, members are requested to kindly inform the **Share Department of the Company / Share Transfer Agent** or the respective **Depository Participant(s)**, as the case may be, their PIN Code immediately for speedy and proper delivery.
9. Members, who are holding Shares, in physical form, in identical order of names in more than one Folio, are requested to apply to the **Share Department of the Company / Share Transfer Agent** along with the relevant Share Certificates for consolidation of such Folios in one Folio.
10. As per provisions of the Companies Act, 1956 (**Act**), facility for making nominations is now available to Individuals holding shares in the Company. The Nomination **Form-2B**, prescribed by the Government for the purpose, can be obtained from the **Share Department of the Company / Share Transfer Agent**.
11. The last dates of claim of the following dividends from the Company are as under:

Dividends for the financial year ended	Date of declaration of Dividends	Last date for claiming unpaid Dividends
31.03.2003	26.06.2003	25.07.2010
31.03.2004	30.06.2004	29.07.2011
31.03.2005	30.06.2005	29.07.2012
31.03.2006	29.06.2006	28.07.2013
31.03.2007	14.03.2007 (Interim)	13.04.2014
31.03.2008	26.06.2008	25.07.2015
31.03.2009	31.10.2008(Interim)	30.11.2015
31.03.2009	26.06.2009	25.07.2016
31.03.2010	30.10.2009(Interim)	29.11.2016



12. Pursuant to the provisions of Section 205A read together with 205C of the Act, dividends for the financial year ended 31st March, 2003 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the 'Investor Education and Protection Fund' constituted by the Central Government.

Members, who have not got encashed the *dividend warrant(s)* for the financial year ended 31st March, 2003 or any subsequent financial years so far, are requested to make their claim to the **Share Department / Share Transfer Agent** of the Company.

Further, it may be noted that under the Act, once the unclaimed dividend amount is transferred to the Fund as aforesaid, no claim shall lie in respect of such amount.

13. (a) Members desirous of getting any information about the accounts and operations of the Company are requested to address their query/ies well in advance, i.e. at least 10 days before the meeting, to the Whole-time Director or Secretary of the Company to enable the Management to keep the information readily available at the Meeting.
- (b) Further, to avoid inconvenience, members are requested to bring at the meeting the printed 'Annual Report & Accounts' being sent to them.
- (c) Members, who hold shares in Electronic Form are requested to bring their **Depository ID Number and Client ID Number** to facilitate easier identification for attendance at the Annual General Meeting.
14. As per requirement of Clause 49(IV)(G)(i) of the Listing Agreement with Stock Exchanges, the particulars of Directors retiring by rotation and eligible for reappointment and Shri Deepak Tandon, Whole-time Director, are given in the Corporate Governance Section of the Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 6

Pursuant to Section 293(1)(e) of the Companies Act, 1956, the Board of Directors of the Company is empowered to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amount the aggregate of which will not in any financial year exceed Rupees fifty thousand or five percent of its three years' average net profits as determined in the manner laid down in the aforesaid Section, whichever is greater. The Company as of now has the limits up to a sum of Rs. 10 lac in one financial year and any contribution in excess of the aforesaid limit will require consent of the Company in the General Meeting. In view of the increasing appeals for donations and considering the corporate social responsibility of the Company in this respect, the Board recommends that it be authorized to make such donations up to Rupees two crore in aggregate even in case of any unforeseen eventuality of inadequate profits of the Company in any financial year in the future.

The Board recommends the resolution no.6 of the notice for passing by the Shareholders as an Ordinary Resolution.

None of the Directors or Manager is interested or concerned with the proposed resolution.

ITEM NOS. 7 AND 8

Shri Deepak Tandon, Senior President of Birla Tyres (Balasore and Haridwar sections) was appointed as Additional Director in the Company, pursuant to the provisions of section 260 of the Act and Article 103 of the Memorandum & Articles of Association of the Company, with effect from 1st January 2010 upon resignation and cessation of services of Shri S K Parik as Senior President (Finance & Taxation) and Company Secretary and holds office up to the date of this Annual General Meeting but a notice in writing with requisite fees from a member under Section 257 of the Act has been received by the Company intimating his intention to propose his candidature for appointment as Director of the Company.

Further, it was decided by the resolution by circulation dated 30.12.2009 that Shri Tandon shall carry out the function of Senior President of Birla Tyres (both Balasore and Hardwar sections) and, in addition, shall also carry out the functions of Senior President (Accounts, Finance and Taxation) of the Company at the remuneration set out in the resolution No. 8. The appointment of Shri Tandon and his drawing of remuneration in the capacity as the Senior President of Birla Tyres sections as well as the Senior President (Accounts, Finance and Taxation) of the Company as set out in resolution No. 8 aforesaid, being both place of profit, requires approval of the shareholders by way of Special Resolution under Section 314 of the Companies Act, 1956. Hence the need for passing the said resolution No. 8 by way of Special Resolution.

Shri Tandon is a Chartered Accountant and has vast experience in accounts, finance and taxation besides wide experience of over 26 years within the Industry. Considering the qualification and experience of Shri Tandon, the Board at its meeting subsequently held on 28th April, 2010 appointed Shri Tandon as a Whole-time Director of the Company at the remuneration as set out in resolution No. 7, subject to the approval of the shareholders for a period of five years with effect from 1st April, 2010. The resolution also proposes to authorize the Board and/or any Committee thereof and/or the Chairman of the Board to make annual increments in the Basic Salary and Special Allowance of Shri Tandon subject to limits as specified in the said resolution.

Your Directors are of the view that the remuneration as proposed to be paid to Shri Tandon is in line with the corporate trend prevailing at present and it is desirable that the appointment of Shri Tandon and the payment of the remuneration to him is approved by the shareholders.

None of the Directors or the Manager of the Company, except Shri Tandon is concerned or interested in the two resolutions aforesaid. Your directors recommend passing of the aforesaid resolution no.7 as an Ordinary Resolution and resolution no.8 as a Special Resolution.

This may also be treated as disclosure under Section 302 of the Companies Act, 1956

ITEM NO. 9

The approval of Shareholders taken earlier for payment of Commission on net profits to Directors other than in whole-time employment has expired on 31.03.2010. The Board is recommending for approval of continuance of payment of the commission to the Directors other than the Directors in whole-time employment and Managing / Whole-time Directors for further period of five years from 01.04.2010, to be calculated at a rate of 1% of the net profits of the Company in accordance with the relevant provisions of the Companies Act, 1956, subject to a maximum limit of Rs.50 lac (Rupees fifty lac) per annum and further subject to such amount as may be decided by the Board each year in such manner as they may from time to time deem fit & proper, therefore, it requires the approval of Shareholders.

The Board of Directors recommends the passing of the resolution mentioned under item no. 9 as a Special Resolution.

All the Directors, except Shri Deepak Tandon and the Manager of the Company, are interested in the aforesaid resolution being recipients of the commission.

By Order of the Board

Registered Office:

9/1, R. N. Mukherjee Road,
Kolkata -700 001

Dated, the 28th day of April, 2010

S. K. Patodia
Secretary