

# KESORAM INDUSTRIES LIMITED

REGD. OFFICE: 9/1, R. N. MUKHERJEE ROAD, KOLKATA- 700 001

## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE quarter and the half year ended 30-09-2010

Approved by the Board of Directors on 10-11-2010  
after review thereof by the Audit Committee

Rs. in Crores except share data

Sl. No.	Particulars	Note	3 Months ended 30/09/2010 (Unaudited)	3 Months ended 30/09/2009 (Unaudited)	6 Months ended 30/09/2010 (Unaudited)	6 Months ended 30/09/2009 (Unaudited)	Previous Accounting year ended 31/03/2010 (Audited)
1.	a. Net Sales / Income from Operations	1	1,271.89	1,198.03	2,767.06	2,428.15	5,020.63
	b. Other Operating Income	8	62.62	17.53	78.82	38.60	83.38
	<b>Total</b>		<b>1,334.51</b>	<b>1,215.56</b>	<b>2,845.88</b>	<b>2,466.75</b>	<b>5,104.01</b>
2.	Expenditure						
	a. (Increase) / Decrease in stock in trade and work in progress		(132.29)	(92.68)	(222.24)	(89.39)	(173.07)
	b. Consumption of Raw Materials		792.29	562.20	1,596.22	1,051.26	2,372.19
	c. Purchase of traded goods		6.28	11.88	14.14	16.05	33.11
	d. Employee cost		67.35	56.26	128.58	106.20	225.29
	e. Depreciation (Net of Transfer from Revaluation Reserve)		64.00	41.66	127.11	77.87	172.80
	f. Power and Fuel		179.15	163.22	363.71	310.22	624.23
	g. Excise Duty		82.61	70.62	179.86	143.26	299.97
	h. Packing and Carriage		123.09	95.77	244.27	195.34	432.37
	i. Other Expenditure		160.05	140.04	328.37	282.59	574.29
	<b>Total</b>		<b>1,342.53</b>	<b>1,048.97</b>	<b>2,760.02</b>	<b>2,093.40</b>	<b>4,561.18</b>
3.	Profit / (Loss) from Operations before Other Income, Interest and Exceptional Items (1-2)		(8.02)	166.59	85.86	373.35	542.83
4.	Other Income		17.66	2.96	20.60	16.18	41.69
5.	Profit / (Loss) before Interest and Exceptional Items (3+4)		9.64	169.55	106.46	389.53	584.52
6.	Interest		57.28	27.06	102.48	58.11	109.03
7.	Profit / (Loss) after Interest but before Exceptional Items (5-6)		(47.64)	142.49	3.98	331.42	475.49
8.	Exceptional Items		-	-	-	-	-

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<b>9.</b>	<b>Profit / (Loss) from Ordinary Activities before tax (7+8)</b>		<b>(47.64)</b>	<b>142.49</b>	<b>3.98</b>	<b>331.42</b>	<b>475.49</b>
10.	Tax Expense						
a.	Provision for Current Tax	2	(5.96)	20.00	0.04	45.00	36.00
b.	Provision for Deferred Tax charge / (credit)		(9.09)	46.00	0.91	112.00	202.28
c.	Provision for Fringe Benefit Tax (Net)		-	(0.38)	-	-	(0.13)
<b>11.</b>	<b>Net Profit / (Loss) from Ordinary Activities after tax (9-10)</b>		<b>(32.59)</b>	<b>76.87</b>	<b>3.03</b>	<b>174.42</b>	<b>237.34</b>
12.	Extraordinary Items (net of tax expense Rs. Nil)		-	-	-	-	-
<b>13.</b>	<b>Net Profit / (Loss) for the period (11-12)</b>		<b>(32.59)</b>	<b>76.87</b>	<b>3.03</b>	<b>174.42</b>	<b>237.34</b>
14.	Paid-up Ordinary Share Capital (Face Value Rs. 10/- per share)		45.74	45.74	45.74	45.74	45.74
15.	Reserves excluding Revaluation Reserve (as per Balance Sheet of previous accounting year)						1,491.11
<b>16.</b>	<b>Earnings Per Share (EPS)</b>						
a.	Basic and Diluted EPS before Extraordinary items (Rs. )		(7.12)	16.81	0.66	38.13	51.88
b.	Basic and Diluted EPS after Extraordinary items (Rs. )		(7.12)	16.81	0.66	38.13	51.88
17.	Debt Service Coverage Ratio	12			2.28	8.04	6.95
18.	Interest Service Coverage Ratio	12			2.28	8.04	6.95
<b>19.</b>	<b>Public Shareholding</b>						
■	Number of Shares		26,701,709	26,560,829	26,701,709	26,560,829	26,592,150
■	Percentage of Shareholding		58.37%	58.06%	58.37%	58.06%	58.13%

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Rs. in Crores except share data

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<b>20. Promoters and Promoter Group Shareholding</b>							
a.	Pledged / Encumbered						
-	Number of shares		Nil	Nil	Nil	Nil	Nil
-	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)		Nil	Nil	Nil	Nil	Nil
-	Percentage of Shares (as a % of the total share capital of the Company)		Nil	Nil	Nil	Nil	Nil
b.	Non encumbered						
-	Number of shares		11,999,734	12,140,614	11,999,734	12,140,614	12,109,293
-	Percentage of Shares (as a % of the total shareholding of promoter and promoter group)		100%	100%	100%	100%	100%
-	Percentage of Shares (as a % of the total share capital of the Company)		26.23%	26.54%	26.23%	26.54%	26.47%

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## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE quarter and the half year ended 30-09-2010

Report on Segment Revenue, Results and Capital Employed

						Rs. in Crores
Sl. No.	Particulars	3 Months ended 30/09/2010 (Unaudited)	3 Months ended 30/09/2009 (Unaudited)	6 Months ended 30/09/2010 (Unaudited)	6 Months ended 30/09/2009 (Unaudited)	Previous Accounting year ended 31/03/2010 (Audited)
<b>1.</b>	<b>Segment Revenue</b>					
a.	Tyres	788.45	678.03	1,732.98	1,333.69	2,849.62
b.	Cement	414.61	455.93	902.24	969.91	1,912.74
c.	Rayon, T.P. and Chemicals	71.78	64.19	138.49	124.62	259.35
d.	Unallocated	-	-	-	0.16	0.36
	<b>Total</b>	<b>1,274.84</b>	<b>1,198.15</b>	<b>2,773.71</b>	<b>2,428.38</b>	<b>5,022.07</b>
	Less : Inter segment revenue (at cost)	2.95	0.12	6.65	0.23	1.44
	<b>Net Sales/Income from Operations</b>	<b>1,271.89</b>	<b>1,198.03</b>	<b>2,767.06</b>	<b>2,428.15</b>	<b>5,020.63</b>
<b>2.</b>	<b>Segment Results Profit / (Loss) before Tax and Interest</b>					
a.	Tyres	24.12	25.95	28.86	65.08	76.43
b.	Cement	(27.43)	141.57	75.37	310.64	482.10
c.	Rayon, T. P. and Chemicals	0.66	4.97	4.92	8.10	17.79
d.	Unallocated	(0.51)	0.01	(0.94)	(4.04)	(3.71)
	<b>Total</b>	<b>(3.16)</b>	<b>172.50</b>	<b>108.21</b>	<b>379.78</b>	<b>572.61</b>
	Less :					
a.	Interest	57.28	27.06	102.48	58.11	109.03
i.	Other unallocable expenditure	4.86	6.72	22.35	11.91	29.78
ii.	Other unallocable income	17.66	3.77	20.60	21.66	41.69
b.	Other unallocable expenditure (net off other unallocable income) [(i)-(ii)]	(12.80)	2.95	1.75	(9.75)	(11.91)
	<b>Total Profit / (Loss) before Tax</b>	<b>(47.64)</b>	<b>142.49</b>	<b>3.98</b>	<b>331.42</b>	<b>475.49</b>
<b>3.</b>	<b>Capital Employed (Segment Assets-Segment Liabilities)</b>					
a.	Tyres	3,709.31	2,371.28	3,709.31	2,371.28	3,207.20
b.	Cement	1,586.23	1,506.24	1,586.23	1,506.24	1,549.59
c.	Rayon, T.P. and Chemicals	109.92	97.24	109.92	97.24	94.11
d.	Unallocated	6.00	6.85	6.00	6.85	6.93
	<b>Total</b>	<b>5,411.46</b>	<b>3,981.61</b>	<b>5,411.46</b>	<b>3,981.61</b>	<b>4,857.83</b>

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## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE quarter and the half year ended 30-09-2010

### Notes

1. Sales are inclusive of Excise Duty.
2. Provision for Current Tax for the half year ended 30<sup>th</sup> September, 2010 is net of MAT credit of Rs 0.75 crore as the Company is confident to generate sufficient taxable income in few years available for set off of the aforesaid credit within stipulated time (half year ended 30th September, 2009 - Rs. 11 crore; year ended 31st March, 2010 – Rs 44.50 crore).
3. Period-end mark-to-market loss (net) recognised in respect of outstanding derivative contracts is Rs 7.78 crore (half year ended 30th September, 2009 – Rs 2.73 crore, year ended 31st March, 2010 – Rs 1.43 crore).
4. Profit for the current quarter and half year vis-à-vis the corresponding previous periods is affected primarily due to decrease in cement prices in southern India and steep hike in rubber prices in the tyre unit.
5. The Company's Spun Pipes and Foundries Unit continues to be under suspension of work (effective 2nd May, 2008).
6. Pending disposal (consented by the shareholders in March, 2006) of the Company's Hindusthan Heavy Chemicals Unit, the revenue/expenses of the unit (insignificant in terms of the Company's total revenue/expenses) have been and will be included in these and subsequent results till its disposal.
7. The lockout at Birla Tyres, Balasore unit of the Company effective from 16<sup>th</sup> July, 2010 was lifted on 3<sup>rd</sup> August, 2010.

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8. The operations at Birla Tyres, Uttrakhand unit of the Company had to be suspended between 19<sup>th</sup> September, 2010 to 24<sup>th</sup> September, 2010 on account of unprecedented flood in that region. As a result of such flood certain inventory items got damaged for which related insurance claims of Rs 48.16 crore have been lodged and the Company within the period has also received Rs 4.00 crore as on account payment. These claims has been recognised as "Other Operating Income" receivable with an appropriate adjustment to the related inventories pending settlement of the same by the insurance company. Adjustment, as may be required and which are not currently ascertainable, will be made on final settlement of the same. Further, the Company has lodged another claim of Rs 22.00 crore on an estimated basis for damages made to certain plant and machinery items, boundary walls, roads etc. This claim together with related adjustments to the book value of respective fixed assets will be accounted for on settlement.
9. The time frame for completion of expansion of Vasavadatta cement unit of the Company is being extended beyond 2012-13.
10. The number of investor complaints received, disposed off and lying unresolved at the quarter ended 30th September, 2010 are as under:

Pending at the beginning of the quarter - Nil

Received during the quarter - 57

Disposed off during the quarter - 57

Lying unresolved at the end of quarter - Nil

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## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE quarter and the half year ended 30-09-2010

### 11. Statement of Assets and Liabilities as on 30.09.2010

Particulars	As at 30-09-2010	As at *30-09-2009	Rs in Crores As at 31-03-2010
	(Unaudited)	(Unaudited)	(Audited)
<b>SOURCES OF FUNDS:</b>			
<b>Shareholders funds</b>			
(a) Share Capital	45.74	45.74	45.74
(b) Reserves and Surplus	1,497.27	1,461.10	1,494.50
<b>Loan Funds</b>	3,974.86	2,610.00	3,340.92
<b>Deferred Tax Liabilities (net)</b>	329.35	238.14	328.44
<b>Total</b>	<b>5,847.22</b>	<b>4,354.98</b>	<b>5,209.60</b>
<b>APPLICATION OF FUNDS:</b>			
<b>Fixed Assets</b>	4,031.96	3,289.25	3,844.65
<b>Investments</b>	64.69	104.19	51.43
<b>Current asset, Loans and Advances</b>			
(a) Inventories	1,226.64	716.69	916.19
(b) Sundry Debtors	665.47	477.58	542.89
(c) Cash and Bank Balances	76.91	101.00	80.45
(d) Other Current assets	76.01	35.39	30.14
(e) Loans and advances	392.17	195.26	287.46
	2,437.20	1,525.92	1,857.13
<b>Less: Current Liabilities and Provisions</b>			
(a) Current Liabilities	685.71	552.08	528.62
(b) Provisions	0.92	12.30	14.99
<b>Net Current Assets</b>	<b>1,750.57</b>	<b>961.54</b>	<b>1,313.52</b>
<b>Total</b>	<b>5,847.22</b>	<b>4,354.98</b>	<b>5,209.60</b>

\* Not reviewed by the statutory auditors.

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12. The formulae used in calculation of debt service coverage ratio and interest service coverage ratio are as follows:
- a. Debt service coverage ratio: Profit before interest, depreciation and tax / (interest + principal repayment)
  - b. Interest service coverage ratio: Profit before interest, depreciation and tax / interest.
- While calculating the above ratios, debt which has been refinanced has not been considered as repayment of principal.
13. The Board of Directors in its meeting of 10<sup>th</sup> November, 2010 declared interim dividend at the rate of Rs 2.25 per share.
14. Comparative figures have been regrouped or rearranged where considered necessary.
15. The Statutory Auditors of the Company have carried out the limited review of the above unaudited financial results for the quarter and half year ended 30th September, 2010 in terms of Clause 41 of the Listing Agreement.

**By Order of the Board**

Place : Kolkata

Date : 10<sup>th</sup> November, 2010

**B. K. Birla**

Chairman