

KESORAM INDUSTRIES LIMITED

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

Statement of unaudited financial results for the quarter and nine months ended 31st December, 2014

(Approved by the Board of Directors on 12th February, 2015 after review thereof by the Audit Committee )

Rs./Crores

Sl. No.	Particulars	Current Three months ended 31/12/2014 (Unaudited)	Preceding Three months ended 30/09/2014 (Unaudited)	Previous Year corresponding three months ended 31/12/2013 (Unaudited)	Year to date figure for current period ended 31/12/2014 (Unaudited)	Year to date figure for previous period ended 31/12/2013 (Unaudited)	Previous Year ended 31/03/2014 (Audited)
1	Income from Operations						
	a) Net Sales / Income from Operations (Net of excise duty)	1,211.18	1,189.70	1,239.04	3,663.48	3,739.34	5,062.96
	b) Other Operating Income	2.93	2.49	5.83	9.51	11.93	17.95
	<b>Total income from operations (net)</b>	<b>1,214.11</b>	<b>1,192.19</b>	<b>1,244.87</b>	<b>3,672.99</b>	<b>3,751.27</b>	<b>5,080.91</b>
2	Expenses						
	a) Cost of Materials consumed	497.04	489.24	455.76	1,558.27	1,728.33	2,411.73
	b) Purchase of stock-in-trade	17.43	12.67	11.63	44.04	42.46	61.16
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	33.81	43.06	114.18	68.85	(2.97)	(42.68)
	d) Employee benefits expense	117.75	127.09	110.35	351.30	314.97	412.12
	e) Depreciation (net of transfer from revaluation reserve) and amortisation expense	79.53	82.61	80.19	242.13	238.12	318.10
	f) Power and fuel	202.28	176.28	178.08	595.64	575.05	793.47
	g) Packing and carriage	160.14	152.61	131.01	472.02	380.82	529.06
	h) Other expenses	192.24	212.21	133.14	573.57	447.02	629.96
	<b>Total Expenses</b>	<b>1,300.22</b>	<b>1,295.77</b>	<b>1,214.34</b>	<b>3,905.82</b>	<b>3,723.80</b>	<b>5,112.92</b>
3	<b>Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>(86.11)</b>	<b>(103.58)</b>	<b>30.53</b>	<b>(232.83)</b>	<b>27.47</b>	<b>(32.01)</b>
4	Other Income	15.89	16.47	21.00	53.30	74.51	124.54
5	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>(70.22)</b>	<b>(87.11)</b>	<b>51.53</b>	<b>(179.53)</b>	<b>101.98</b>	<b>92.53</b>
6	Finance Costs	174.38	163.52	139.81	517.62	418.93	572.83
7	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(244.60)</b>	<b>(250.63)</b>	<b>(88.28)</b>	<b>(697.15)</b>	<b>(316.95)</b>	<b>(480.30)</b>
8	Exceptional items	-	-	-	-	-	-
9	<b>Profit/(Loss) from ordinary activities before tax (7+8)</b>	<b>(244.60)</b>	<b>(250.63)</b>	<b>(88.28)</b>	<b>(697.15)</b>	<b>(316.95)</b>	<b>(480.30)</b>
10	Tax expense						
	a) Current tax charge / (credit)	-	-	-	-	-	35.25
	b) Deferred tax charge / (credit)	-	-	-	-	-	-
11	<b>Net Profit/(Loss) from ordinary activities after tax (9 - 10)</b>	<b>(244.60)</b>	<b>(250.63)</b>	<b>(88.28)</b>	<b>(697.15)</b>	<b>(316.95)</b>	<b>(515.55)</b>
12	Extraordinary items (net of tax expense Rs. Nil)	-	-	-	-	-	-
13	<b>Net Profit/(Loss) for the period (11-12)</b>	<b>(244.60)</b>	<b>(250.63)</b>	<b>(88.28)</b>	<b>(697.15)</b>	<b>(316.95)</b>	<b>(515.55)</b>

Note 3

Note 4

*Est.*



Sl. No.	Particulars	Current Three months ended 31/12/2014 (Unaudited)	Preceding Three months ended 30/09/2014 (Unaudited)	Previous Year corresponding three months ended 31/12/2013 (Unaudited)	Year to date figure for current period ended 31/12/2014 (Unaudited)	Year to date figure for previous period ended 31/12/2013 (Unaudited)	Previous Year ended 31/03/2014 (Audited)
14	Paid-up equity share capital (Face value Rs. 10/- per share)	109.77	109.77	109.77	109.77	109.77	109.77
15	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year						358.66
16	Earnings Per Share (EPS) (Face value of Rs.10/- per share)						
a)	Basic and Diluted EPS before extraordinary items	Rs. (22.28)	(22.83)	(8.04)	(63.51)	(35.19)	(54.32)
b)	Basic and Diluted EPS after extraordinary items	Rs. (22.28)	(22.83)	(8.04)	(63.51)	(35.19)	(54.32)
<b>PART - II</b>							
<b>A PARTICULARS OF SHARE HOLDING</b>							
1	Public Shareholding						
	- Number of shares	4,99,69,134	4,97,89,134	4,86,09,134	4,99,69,134	4,86,09,134	4,97,89,134
	- Percentage of shareholding	45.52%	45.36%	44.28%	45.52%	44.28%	45.35%
2	Promoters and Promoter Group Shareholding						
a)	Pledged / Encumbered						
	- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares ( as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares ( as a % of the total share capital of the company)	-	-	-	-	-	-
b)	Non encumbered						
	- Number of shares	5,27,57,641	5,29,37,641	5,41,17,641	5,27,57,641	5,41,17,641	5,29,37,641
	- Percentage of shares ( as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares ( as a % of the total share capital of the company)	48.06%	48.23%	49.30%	48.06%	49.30%	48.23%
<b>B Investor complaints</b>							
	Pending at the beginning of the quarter	0					
	Received during the quarter	10					
	Disposed off during the quarter	10					
	Remaining unresolved at the end of the quarter	0					

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**KESORAM INDUSTRIES LIMITED**

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Statement of unaudited financial results for the quarter and nine months ended 31st December, 2014

(Approved by the Board of Directors on 12th February, 2015 after review thereof by the Audit Committee )

Statement of Segment Revenue, Results and Capital Employed

Rs./Crores

Sl. No.	Particulars	Current Three months ended 31/12/2014 (Unaudited)	Preceding Three months ended 30/09/2014 (Unaudited)	Previous Year corresponding three months ended 31/12/2013 (Unaudited)	Year to date figure for current period ended 31/12/2014 (Unaudited)	Year to date figure for previous period ended 31/12/2013 (Unaudited)	Previous Year ended 31/03/2014 (Audited)
1	<b>Segment Revenue</b>						
a	Tyres	650.18	669.31	735.13	2,043.85	2,304.86	3,092.31
b	Cement	503.41	453.00	431.31	1,435.95	1,224.75	1,702.06
c	Rayon, T.P. and Chemicals	57.59	67.39	73.02	183.68	210.15	269.24
d	Unallocated	0.00	0.00	0.01	0.00	0.01	0.01
	Total	1,211.18	1,189.70	1,239.47	3,663.48	3,739.77	5,063.62
	Less: Inter Segment Revenue ( at cost )	-	-	0.43	-	0.43	0.66
	Net Sales /Income from Operations	1,211.18	1,189.70	1,239.04	3,663.48	3,739.34	5,062.96
2	<b>Segment Results (Profit /(Loss) before tax and interest)</b>						
a	Tyres	(103.43)	(132.25)	1.90	(293.87)	44.70	17.40
b	Cement	68.05	62.98	47.81	179.19	122.81	164.09
c	Rayon, T.P. and Chemicals	(15.02)	(7.15)	2.77	(21.96)	6.30	(10.45)
d	Unallocated	(1.10)	(1.12)	(2.30)	(3.31)	(4.20)	(4.70)
	Total	(51.50)	(77.54)	50.18	(139.95)	169.61	166.34
	Less:						
	i) Interest	138.44	144.87	143.56	427.14	402.34	539.82
	ii) Other un-allocable expenditure	52.59	34.41	8.88	136.01	106.99	132.50
	iii) Other un-allocable income	(2.07)	6.19	13.98	5.95	22.77	25.68
	Other un-allocable expenditure net of other un-allocable income[(ii)-(iii)]	54.66	28.22	(5.10)	130.06	84.22	106.82
	Total Profit/(Loss) before tax	(244.60)	(250.63)	(88.28)	(697.15)	(316.95)	(480.30)
3	<b>Capital Employed (Segment Assets-Segment Liabilities)</b>						
a	Tyres	2,976.30	3,187.72	3,604.87	2,976.30	3,604.87	3,221.13
b	Cement	1,527.53	1,554.70	1,685.00	1,527.53	1,685.00	1,574.58
c	Rayon, T.P. and Chemicals	112.71	130.18	140.53	112.71	140.53	129.71
d	Unallocated	15.49	15.97	16.07	15.49	16.07	16.44
	Total	4,632.03	4,888.57	5,446.47	4,632.03	5,446.47	4,941.86

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**KESORAM INDUSTRIES LIMITED**

**Statement of unaudited financial results for the quarter and nine months ended 31st December, 2014**

**(Approved by the Board of Directors on 12th February, 2015 after review thereof by the Audit Committee )**

- 1 The Company's Spun Pipes and Foundries Unit continues to be under suspension of work effective 2nd May, 2008.
- 2 (a) 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).  
  
(b) The Company had to declare suspension of work at the unit effective 8th December, 2010 in consequence of illegal strike/activities by workmen.
- 3 The company is in the process of technically evaluating the useful lives of its fixed assets vis-à-vis the useful lives stated under Schedule II to the Companies Act, 2013. Pending such evaluation, depreciation for the quarter and nine month ended 31st December, 2014 has been calculated by applying the rates that were applicable for the previous financial year. On completion of the technical evaluation of estimated useful life of fixed assets, the difference (presently unascertainable) between depreciation using previous years applicable depreciation rates and as per Schedule II of the Companies Act, 2013 will be adjusted in subsequent period.
- 4 "Finance Costs" include mark-to-market losses of Rs. 7.70 crore recognised on account of outstanding derivative transactions.
- 5 The management had carried out an impairment testing as at March 31, 2014 for its tyre division, and no impairment loss was identified. However, no such impairment testing has been conducted as at 31st December 2014 as the same will be carried out as at the year end.
- 6 The auditor have commented on notes 3 and 5 above in current as well as previous quarter's review report. These notes are self explanatory and needs no further comment.
- 7 The Board, upon the recommendation of a Committee of Directors has decided to reorganise Company's Tyre Business through transfer of the tyre manufacturing facility at Laksar, Haridwar, Uttrakhand into a subsidiary, subject to the required consents and approvals.
- 8 The Statutory Auditors of the Company have carried out the Limited Review of the above unaudited financial results for the quarter and nine month ended 31st December 2014 in terms of Clause 41 of the Listing Agreement.
- 9 Figures for the comparable periods have been re-grouped / re-classified wherever considered necessary.

Place: Kolkata  
Date: 12th February, 2015

By Order of the Board



**K. C. Jain**

Whole-time Director

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The Board of Directors  
Kesoram Industries Limited  
8th Floor, Birla Building  
9/1, R. N. Mukherjee Road  
Kolkata – 700 001

1. We have reviewed the results of Kesoram Industries Limited (the “Company”) for the quarter ended December 31, 2014 which are included in the accompanying Statement of unaudited financial results for the quarter and nine months ended 31<sup>st</sup> December, 2014, (the “Statement”) except for the disclosures regarding ‘Public Shareholding’ and ‘Promoter and Promoter Group Shareholding’ which have been traced from disclosures made by the Management but have neither been reviewed nor been audited by us. The Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialled by us for identification purposes. This Statement is the responsibility of the Company’s management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. We have only traced the disclosures regarding ‘Public Shareholding’ and ‘Promoter and Promoter Group Shareholding’ in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon.
5. We draw your attention to the following matters:
  - (a) Note 3 to the Statement which states that the Company is in the process of technically evaluating useful lives of its fixed assets. Pending such technical evaluation, the depreciation for the quarter and nine months ended December 31, 2014 has been calculated by the Company based on the rates applicable to the previous financial year. We are unable to ascertain the impact, if any, on depreciation and amortization expense that may have arisen had such depreciation been computed based on the useful lives of fixed assets.
  - (b) Note 5 to the Statement relating to the non testing and non ascertainment of impairment provision with respect to the tyre business of the Company as at December 31, 2014, which is not in compliance with the requirements of Accounting Standard 28, Impairment of Assets. We are unable to ascertain the impact, if any, on other expenses that may have arisen had such impairment testing been carried out on the tyre business division.



6. Based on our review conducted as above, except for the indeterminate effects of the matters set out in the paragraph 5 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Price Waterhouse  
Firm Registration Number: 301112E  
Chartered Accountants



Prabal Kr. Sarkar  
Partner  
Membership Number : 52340

Kolkata  
February 12, 2015