

KIL/SH/ST.EX/SS/2016

25th May, 2016

BSE Limited
(Listing Department), 25th Floor,
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001

National Stock Exchange of India Ltd.
Investor Services Cell
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

The Calcutta Stock Exchange Ltd.
7, Lyons Range
Kolkata - 700 001

Dear Sir,

Please find enclosed herewith a copy of the Press Release regarding the Company's Financial Performance for the year ended 31st March 2016 for your record and necessary action.

Thanking You,

Yours faithfully,
For KESORAM INDUSTRIES LIMITED



Authorised Signatory

Encl: as above.

PRESS RELEASE

KOLKATA

25.05.2016

KESORAM INDUSTRIES LIMITED

FINANCIAL PERFORMANCE YEAR ENDED 31ST MARCH 2016

Kesoram Industries Limited's ("Kesoram") Board met today and announced the Company's financial results for the year ended 31st March, 2016.

Kesoram reported a profit after tax of Rs.137.12 crores on Income from operations of Rs. 4100.29 crores against a loss of Rs.366.68 crores on Income from operations of Rs. 4617.55 crores in the previous year.

Several measures taken over the past two years to enable Kesoram return to profits and reinforce its Balance Sheet have begun to show positive results. The following would feature prominently in the list of initiatives:

- Kesoram's tyre manufacturing subsidiary, Cavendish Industries Limited ('Cavendish') was divested and proceeds utilised to retire debt. Kesoram's finance costs will now be lowered and, going forward, improve its debt equity ratio.
- The Promoter Group reaffirmed its faith and confidence in Kesoram during the year by injecting additional equity amounting to Rs.90 crores ;

- Effective 31st March, 2016, Kesoram transferred its Rayon Business to a separate entity, Cygnet Industries Limited ("Cygnet"). Cygnet is now a wholly owned subsidiary. The transfer will serve to fortify Kesoram's Balance Sheet while at the same time make Cygnet, as a separate corporate entity, more accountable for performance.

The sale and transfer of Cavendish has given Kesoram's Tyre Business, **Birla Tyres** renewed vigour and confidence. **Birla Tyres's** manufacturing facilities are today concentrated at Balasore, Odisha making it a compact entity. Balasore is being steadily transformed into a state-of-the art facility that will offer the whole range of tyre products to discerning customers both in the domestic and overseas market and thus carve a niche for itself in the industry. Production of two and three wheeler tyres, hitherto restricted to the Cavendish facility has been moved to Balasore where their manufacture has already commenced. A new contemporaneous R & D facility is under construction at Balasore and will be functional shortly.

Kesoram's Cement Business, which markets cement in the South and West under the **Birla Shakti** brand, performed commendably during the Financial Year 2015-16 selling higher volumes by penetrating newer geographies despite slack demand and considerable pricing pressure.