

Kumar Mangalam too busy to join Kesoram: BK Birla

■ Company looking to restructure management, revamp product line

fe Bureau
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WITH Kumar Mangalam Birla "too busy" to join the board of grandfather BK Birla's Kesoram Industries, the company is going for an overhaul in management with McKinsey overseeing the restructuring.

Present at the 92nd AGM of Kesoram Industries, BK Birla said: "Kumar Mangalam is holding 28 companies at present. He is not ready to take additional responsibility. He has no time, he is very busy."

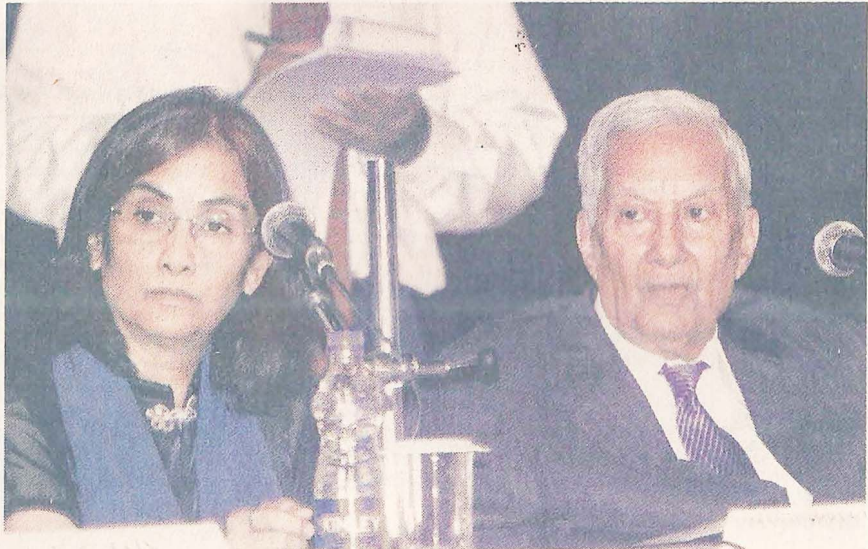
Kumar Mangalam will take charge of Kesoram Industries when it is required, company's director Manjushree Khaitan said. Asked when Kumar Mangalam would join the board, she quipped: "He will take charge when it is required."

Last year, BK Birla had held that while Kumar Mangalam would be the chairman of the company eventually, daughter Manjushree will be vice-chairperson.

Earlier, commenting on the succession plan for the company, Birla said that since Kumar Mangalam is not based in Kolkata, the day-to-day affairs of the company will be looked after by Manjushree under Kumar's guidance.

To a shareholder's query, Manjushree, who was also present at the AGM and was on the dais alongside her father, replied, "As of now he (Kumar) has no time".

Meanwhile, Kesoram Industries is looking to restructure the company's management while revamping the product line with an eye on boosting bottom line.



Kesoram chairman BK Birla and daughter Manjushree Khaitan at the company's AGM in Kolkata

KESORAM INDUSTRIES WILL APPOINT A NEW CEO WITH DEEPAK TANDON, FORMER CEO, QUITTING THE FIRM EARLIER THIS YEAR. MCKINSEY IS OVERSEEING RECAST OF THE COMPANY

The company's tyre division, Birla Tyres, has been facing pressure on margins and is looking at a better product line. It is also planning to appoint a new CEO

with Deepak Tandon, former CEO, quitting the company early this year.

"McKinsey will decide on the future course of action," Khaitan said. In 2010-11, Kesoram Industries reported a net loss of ₹210.2 crore against a net profit of ₹237.3 crore.

The results of the company got impacted due to poor performance in the tyre segment. Revenue of the segment had increased during the fiscal to ₹3,608 crore against ₹2,849 crore in 2009-10. The company registered a loss before tax of ₹181 crore against a profit before tax of ₹76 crore in 2009-10.