



KSL AND INDUSTRIES LIMITED



KSL AND INDUSTRIES LIMITED
(Formerly Krishna Texport Industries Limited)

BOARD OF DIRECTORS

Shri Saurabh Kumar Tayal – *Chairman*
Shri Ramit Aggarwal – *Managing Director*
Shri Dhananjay Kandhare
Shri Samir Antani
Shri Santosh Ghumatkar
Shri S N Dubey
Shri Ashok Omprakash Soni
Shri Satyendra Kumar Singh
Shri Mahendra Patel
Shri Dileep Shanker Kapre
Shri Farindra Bihari Rai
Shri Pramod Patil

BANKERS

The Bank of Rajasthan Ltd.

AUDITORS

A.F.Khasgiwala & Co.
Chartered Accountants

REGISTERED OFFICE

Plot No.69, Danudyog Industrial Area,
Piperia, Silvassa (Union Territory)

CORPORATE OFFICE

Kamat Industrial Estate,
396, Veer Savarkar Marg
Prabhadevi,
Mumbai 400025.

PLANTS

Piperia, Silvassa (U.T.)
Bhilad, Valsad, Gujarat
Dombivali, Dist. Thane (Maharashtra)
Nagpur, Maharashtra

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ANNUAL GENERAL MEETING on Tuesday, 30
Nagar, Samarvani, Silvassa, (Union Territory).



KSL AND INDUSTRIES LIMITED
(Formerly Krishna Texport Industries Limited)

NOTICE

NOTICE IS HEREBY GIVEN that the 21st ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF KSL AND INDUSTRIES LIMITED will be held on Tuesday, 30th September 2003 at 12.30 p.m. at 65, Krishna Nagar, Samarvani, Silvassa (U.T.), to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2003 and the Balance Sheet as on that date and the Reports of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Dhananjay Kandhare, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Samir Antani, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. A. F. Khasgiwala & Co., Chartered Accountants, as Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix the Auditor's remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :-

5. **"RESOLVED THAT** Shri Pramod Patil who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on 11th October 2002 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company who shall be liable to retire by rotation."
6. **"RESOLVED THAT** Shri Farindra Bihari Rai who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on 11th October 2002 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company who shall be liable to retire by rotation."

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :-

7. **"RESOLVED THAT** all the Equity Shares of the Company be delisted from The Delhi Stock Exchange Association Ltd., New Delhi, The Stock Exchange, Ahmedabad and The Vadodara Stock Exchange Ltd., Baroda with immediate effect, in accordance with the relevant laws, rules, regulations and guidelines (including any statutory modification(s) or re-enactments thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions as may be necessary and in compliance with such conditions and modifications as may be prescribed for this purpose.

RESOLVED FURTHER THAT Shri SAURABH KUMAR TAYAL, Chairman and Shri Ramit Aggarwal, Managing Director of the Company, be and are hereby authorized to seek voluntary delisting, to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable.

8. **"RESOLVED THAT** pursuant to Section 17(1)(e) and other applicable provisions, if any, of the Companies Act, 1956, the existing Memorandum of Association of the Company be and is hereby altered by deletion of Clause No.56, 62 and 63 of the Memorandum of Association of the Company."

RESOLVED FURTHER THAT Shri SAURABH KUMAR TAYAL, Chairman and Shri Ramit Aggarwal, Managing Director of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable.

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NOTES :

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto and forms an integral part of this notice.
2. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON (WHETHER A SHAREHOLDER OR NOT) AS HIS/HER PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL BE ENTITLED TO VOTE ONLY UPON A POLL.
3. The instrument(s) appointing the Proxy, if any, shall be delivered at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting and the instrument of proxy shall be treated as invalid in case of default.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Saturday, 27th September 2003 to 30th September 2003 (both days inclusive) to comply with Annual Book Closure requirements.
5. Members desiring any information with regard to accounts or operations are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
6. Pursuant to amended provisions of Section 205A of the Companies Act, 1956 , dividend for the financial year ended 31st March 1996 and thereafter, which remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial years ended 31st March 1996 are requested to immediately send their Claims to the Company. It may also be noted that once the unclaimed dividend is transferred to Central Government, as above, no claim shall lie in respect thereof.
7. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
8. Members are requested to immediately notify any change in their registered address specifying full address with Pin Code Number and quoting their registered Folio No. to the Company.

For and on Behalf of the Board of Directors

Place : Mumbai
Date : 5th September, 2003

SAURABH KUMAR TAYAL
Chairman



KSL AND INDUSTRIES LIMITED
(Formerly Krishna Texport Industries Limited)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5 :

Shri Pramod Patil was appointed Additional Director by the Board on 11th October 2002 under Section 260 of the Companies Act, 1956. He holds office till the conclusion of this Annual General Meeting. The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Pramod Patil for the office of the Director of the Company.

Shri Pramod Patil is a technical person with over 7 year experience in the field of general administration, industrial relations. Shri Pramod Patil also hold directorship in Jaybharat Sarees Limited.

The Board recommends the passing of this resolution. None of the Directors is interested in the resolution.

ITEM NO. 6 :

Shri Farindra Bihari Rai was appointed Additional Director by the Board on 11th October 2002 under Section 260 of the Companies Act, 1956. He holds office till the conclusion of this Annual General Meeting. The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Farindra Bihari Rai for the office of the Director of the Company.

Shri Farindra Bihari Rai is a technical person with over 12 years of experience in the field of Knitting.

The Board recommends the passing of this resolution. None of the Directors is interested in the resolution.

ITEM NO. 7 :

Presently, the Company's securities are listed on the following four Stock Exchange

1. The Stock Exchange, Mumbai
2. Delhi Stock Exchange Association Limited
3. The Stock Exchange, Ahmedabad
4. Vadodara Stock Exchange Limited

Except Mumbai Stock Exchange, trading of the Company's shares at other stock exchanges is negligible. With the extensive networking of the Stock Exchange, Mumbai (BSE), the extension of the terminals to other cities as well, investors have access to online dealings in the Company's securities across the country.

The Company's equity shares are being traded only in dematerialized form. In view of the extremely low trading volumes, the benefits accruing to the investors by keeping the shares of the company listed on Stock Exchanges at Delhi, Ahmedabad and Baroda are not commensurate with the costs incurred by the Company for continued listing on these Stock Exchanges.

The Securities and Exchange Board of India (SEBI) has issued the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003. Under these guidelines, voluntarily delisting of shares from one or more stock exchanges have been permitted without obtaining buy-back to the shareholders provided the securities of the Company have been listed for a minimum period of three years on any stock exchange and a public announcement in prescribed manner shall be published in newspaper.

The members' approval is being sought by way of a Special Resolution for delisting of Company's equity shares from Delhi Stock Exchange Association Limited, The Stock Exchange, Ahmedabad and Vadodara Stock Exchange Limited.

Your Directors recommend the Special Resolution for approval of the Members.

None of the Directors of the Company is, in any way concerned or interested in the above resolution.

ITEM NO.8 :

The Company had decided to phase out the financing and investment activities in March, 2001, due to bad market conditions. The Company has also made an application to Reserve Bank of India regarding withdrawal of the Company's application for registration as NBFC. Since the Company is not carrying on any financial activities, it is proposed to delete the clause no.56, 62 and 63 from the Memorandum of Association of the Company.

The members approval is being sought by way of Special Resolution for deleting the object clause no.56, 62 and 63 from the Memorandum of Association.

None of the Director of the Company is, in any way concerned or interested in the above resolution.

For and on Behalf of the Board of Directors

Place : Mumbai
Date : 5th September, 2003

SAURABH KUMAR TAYAL
Chairman

ANNUAL REPORT 2002-2003**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 21st Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended 31st March 2003.

FINANCIAL RESULTS

	2002-2003 (Rs. in Lacs)	2001-2002 (Rs. in Lacs)
Sales & Other Income	3578	8504
Profit before Depreciation, Interest & Tax	295	270
Interest & Finance Charges	82	72
Depreciation	152	149
Profit before Tax	61	49
Provision for tax	5	6
Net Profit for the Year	56	43
Profit available for Appropriation	5874	5837
Appropriations		
General Reserve	—	20
Surplus carried to Balance Sheet	5874	5817

DIVIDEND

In view of inadequacy of profits, your Directors do not recommended any dividend on the equity shares for the year under review.

REVIEW OF OPERATIONS

The Company has earned Profit Before Interest Depreciation and Tax of Rs.295 Lacs (8.00% of the sales) for the financial year ended 31.03.2003 as against Rs.270 Lacs (3% of sales) in the previous year where as sales and other income has gone down to Rs.3578 Lacs as against Rs.8504 Lacs in the previous year. The net profit has gone up to Rs.56 Lacs as against Rs.43 Lacs in the previous year. The Company's integrated efforts towards cost reduction and better product mix has increased the margin.

FUTURE PLANS

In view of the present technological and industrial development, the Company is planning for backward integration by installing spinning line of 25,000 spindles at an estimated cost of Rs.64 Crores to manufacture Cotton Yarn for captive consumption.

DIRECTORS

During the year, Shri Ved Prakash Khurana resigned from the Directorship of the Company. Your directors place on record their appreciation for the services rendered by the Director concerned.

During the year Shri Pramod Patil and Shri Farindra Bihari Rai were appointed as Additional Director to hold office till this Annual General Meeting.

Shri Dhananjay Kandhare and Shri Samir Antani, Directors of the Company retires by rotation and being eligible offer themselves for reappointment.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Dhananjay Kandhare, as Chairman of the Committee, with Mr. Ashok Omprakash Soni and Shri Santosh Ghumatkar as members of the Committee. The Finance head and the external Auditor attend the meetings on the invitation of the Chairman.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors' confirm that :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently, and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2003 and of the Profit of the Company for the year under review;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- the annual accounts have been prepared on a 'going concern' basis for the Financial year ended 31st March 2003.



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CORPORATE GOVERNANCE

The Company has complied with all the mandatory provisions of Corporate Governance as prescribed under the listing Agreements of the Stock Exchanges with a view to ensuring transparency, full disclosure of facts, fairness and accountability and framework of ethical business conduct.

DEPOSITORY SYSTEM

Your Company has already entered into Agreement with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable shareholders to hold shares in a dematerialised form. Accordingly, the securities of the Company can be held in electronic form with any Depository Participant ("DP") with whom the Members/Investors have their Depository Accounts.

As per circular issued by the Securities & Exchange Board of India (SEBI), the Securities of the Company are in the Compulsory DEMAT mode w.e.f. 08-05-2000 for all the investors. The securities of the Company have already been activated for dematerialisation on NSDL and CDSL.

Your Company also offers simultaneous dematerialisation of the physical shares lodged for transfer.

INDUSTRIAL RELATIONS

Overall industrial relations during the year were cordial. The Directors place on record their appreciation of the valuable contribution made by the employees of your Company towards its performance and growth.

SAFETY AND ENVIRONMENT

The Company continued to comply with the prescribed industrial safety environment, protection and pollution control regulations production plant, through periodic checks of the systems involved and constant monitoring thereof to meet the standards set by the Pollution Control Authorities etc.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure forming part of this Report.

STATEMENT OF EMPLOYEES' PARTICULARS

None of the employees drew remuneration of Rs.24,00,000/- or more per annum Rs.2,00,000/- or more per month during the year. This information is furnished as required under Section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules 1975.

PERSONNEL

The Directors are happy to state that the relations between the Company and its employees remained cordial throughout the year. The Directors acknowledge and express their appreciation for the contributions made by the employees at all levels.

Particulars of employees of the Company, in terms of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, have not been given as no employee falls within the purview of the said Section.

FIXED DEPOSITS.

The Company has not invited/received any Fixed Deposits from the Public during the year under report.

INSURANCE

The properties/assets of your Company are adequately insured.

COST AUDIT

The Central Government's Cost Audit Committee Order specifies audit of Cost Accounting Records for certain products of the company every year. The Board of Directors, subject to the approval of the Central Government, have appointed M/s J. K. Kabra & Co., Cost Accountants, as Cost Auditors to carry out this audit in respect of manufacture of textile products for the year ending 31st March 2004.

AUDITORS

M/s. A. F. Khasgiwala & Co., Chartered Accountants, the Auditor of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from M/s. A. F. Khasgiwala & Co. to the effect that their reappointment as Auditors, if made, would be within the limits under Section 224(1B) of the Companies Act, 1956.

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AUDITORS' REPORT

The management's comment on the observation of the Auditors' in their Audit Report are as follows :

Regarding observation at SI No. 4(f) in the Auditors' Report, no provision has been made for leave encashment, because it is the consistent practice followed by the Company to account for the same on Cash Basis.

Regarding observation at SI No. 4(g) in the Auditors' Report, no provision has been made for estimated total liability for future payment of gratuity, because it is the consistent practice followed by the Company to account for the same on Cash Basis.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the assistance and support extended by all Government Authorities, Financial Institutions, Banks, Consultants, Solicitors, and Shareholders of the Company. Your Directors express their appreciation for the dedicated and sincere services rendered by the employees of the Company

For and on Behalf of the Board of Directors

Place : Mumbai
Date : 5th September, 2003

SAURABH KUMAR TAYAL
Chairman




KSL AND INDUSTRIES LIMITED

(Formerly Krishna Texport Industries Limited)

ANNEXURE TO THE DIRECTORS' REPORT :

Information as per Section 217(1)(e), of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year 2002 - 2003

I. CONSERVATION OF ENERGY
a) Energy conservation measures taken :

The Company has been making concerted efforts for enhancement in capacity utilisation, cost competitiveness and quality through systematic process monitoring and adherence to technological norms. Sophisticated instruments are used for regulation and adjustment as per parameters. Efforts are also made for upgradation of the quality of the Plant Operation. Utilities are being combined for effective energy conservation.

b) Additional Investments and Proposals being implemented for reduction of consumption of energy :

The Company, as a matter of policy, has a regular and ongoing programme for investments in energy saving devices. Studies are being made to reduce energy consumption and make suitable investments in this area, if necessary.

c) Impact of the measures (a) & (b) above for reduction of energy consumption and consequential impact on the cost of production of goods:

The Company has economised considerably the cost of power despite steep hike in the tariffs and is constantly exploring avenues for cost saving as an on-going process.

d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM A OF THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE THEREOF

	Year ended 31.03.2003	Year ended 31.03.2002
A. Power and Fuel Consumption in respect of :		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	0.52	0.60
2. Total amount (Rs. in Lacs)	1.52	1.77
3. Rate per unit (Rs/unit)	2.95	2.95
(b) Own Generation (Through Diesel Generator)		
1. Units (KWH in Lacs)	26.27	61.59
2. Units per litre of fuel	3.22	3.22
3. Cost per unit (Rs/unit)	2.91	2.91
2. Coal	—	—
3. Furnace Oil	—	—
4. Others/Internal Generation	—	—

	Year ended 31.03.2003	Year ended 31.03.2002
B. Consumption per unit of production		
(Product : Yarn & Fabric)		
1. Electricity (KWH/Tonne)	241.97	452.83
2. Coal (Kgs.)	—	—
3. Furnace Oil (Ltrs.)	—	—
4. Steam (Tonnes)	—	—

Note : Since the Company manufactures different qualities of fabrics/yarns with product-mix changing significantly, there are no specific norms for per unit of production.

ANNUAL REPORT 2002-2003**II. TECHNOLOGY ABSORPTION****Efforts made in technology absorption in prescribed Form 'B' :****1. Research and Development**

- a) Specified areas in which R & D activities are carried out by the Company.
- b) Benefits derived as a result of the above
- c) Future Plan of action
- d) Expenditure on R & D

R & D activities are being carried out continuously to produce better quality of yarn and fabrics.

As a result of R & D activities, the Company has been able to produce quality fabrics conforming to international standards.

Efforts aimed at cost reduction, improvement in quality of products and development of new process will continue.

Expenditure on R & D has been booked under the respective heads in the Profit & Loss Account as no separate account is maintained for this purpose.

The Company has not utilised any imported technology.

2. Technology Absorption, Adaptation and Innovation**III. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

- a) Activities relating to export markets for products and services and export plan

The Company is exploring avenues to export its premium quality fabrics.

Year ended	Year ended
31.03.2003	31.03.2002

- b) Foreign Exchange Outgo (Rs. in Lacs)

—

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- c) Foreign Exchange earned (Rs. in Lacs)

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For and on Behalf of the Board of Directors

Place : Mumbai

Date : 5th September, 2003

SAURABH KUMAR TAYAL

Chairman