

KSL AND INDUSTRIES LIMITED

BOARD OF DIRECTORS

Shri Saurabh Kumar Tayal – Chairman
Shri Ajay Ramesh Gupta – Managing Director
Shri M. P. Mehrotra
Shri P. S. Pritam
Shri Utpal Mukhopadhyay
Ms. Mrinal Tayal
Shri Harinder Kumar
Shri Rajshekhar S. Ganiger
Shri Farindra Bihari Rai

BANKERS

Allahabad Bank,
Andhra Bank,
Indian Overseas Bank,
UCO Bank,
Dena Bank,
Bank of India
Syndicate Bank,
Oriental Bank of Commerce,

AUDITORS

A. F. Khasgiwala & Co.
Chartered Accountants

REGISTERED OFFICE

Plot No.69, Dhanu Udyog Industrial Area,
Piperia, Silvassa (Union Territory) - 396 230

CORPORATE OFFICE

Raghuvanshi Mills Compound,
11/12, Senapati Bapat Marg,
Lower Parel (West),
Mumbai- 400 013

REGISTRAR & TRANSFER AGENT

Bigshare Services Pvt. Ltd..
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai – 400 072.

PLANTS

Silvassa (U.T.)
Dombivali, Dist. Thane (Maharashtra)
Kalameshvar, Nagpur (Maharashtra)
Wada, Dist. Thane

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ANNUAL GENERAL MEETING on Saturday, 10th July 2010, at 2:00 p.m.,
at 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory).

KSL AND INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of **KSL AND INDUSTRIES LIMITED** will be held on Saturday, 10th July, 2010 at 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory) at 2.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet for the year ended 31st March, 2010 and Profit and Loss Account as on that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Saurabh Kumar Tayal, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Harinder Kumar, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Farindra Bihari Rai, who retires by rotation, and being eligible, offers himself for re-appointment.
5. 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.

"RESOLVED THAT M/s A.F. Khasgiwala. & Co, Chartered Accountants be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

*To consider and, if thought fit, to pass with or without modifications the following Resolutions as **ORDINARY RESOLUTIONS**:*

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Ms. Mrinal Tayal, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on 29th January, 2010 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."
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Mahesh Prasad Mehrotra, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on 17th March, 2010 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."
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Dr. Pritam Singh Pritam, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on 17th March, 2010 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."
9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Utpal Mukhopadhyay, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on 20th May, 2010 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."

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto under item No. 6, 7, 8 & 9 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 Thursday, 8th July, 2010 to Saturday, 10th July, 2010 (both days inclusive) to comply with Annual Book Closure requirements.
5. All documents and agreements referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 10.00 A.M. and 1.00 P.M., up to the date of Annual General Meeting.
6. Members desiring any information on the Annual Accounts of the Company for the year ended 31st March, 2010 are requested to write to the Company at its Administrative Office Address at least 7 days in advance of the Annual General Meeting, so as to enable the Management to keep the information ready at the meeting.
7. Member(s) are advised to avail of nomination facility pursuant to section 109 of the Companies Act 1956. They may nominate a person in the prescribed manner i.e. by sending Form 2B under Rule 4CCC and 5B duly filled and signed in by the Member(s) to whom/her/his shares shall vest in the event of his / her death. They may send the nomination form to the Company at its Corporate Office directly.
8. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio. Members are requested to immediately notify any change in their Registered Address specifying full address with Pin Code Number and quoting their Registered Folio Number to the Company.

For and on Behalf of the Board of Directors

SD/-

Saurabh Kumar Tayal
Chairman

Place : Mumbai

Date : 20th May, 2010

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

ITEM NO. 6:

Ms. Mrinal Tayal was appointed as an Additional Director by the Board on 15th January, 2010 under Section 260 of the Companies Act, 1956. She holds office till the conclusion of this Annual General Meeting. The Company has received a Notice along with the deposit of Rs. 500/- from a member, under Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Ms. Mrinal Tayal for the office of the Director of the Company.

Ms. Mrinal Tayal is MBA (Finance & Marketing), B. Tech (Computer Science). She has rich experience of working in Banking Sector. Ms. Mrinal Tayal was Corporate Relationship Manager in CITIBANK. Further, she worked with ICRA to profile credit ratings for SME's. She has also worked with Barclays Capital for the project on Syndicated INR Loans.

The Board recommends the passing of this Resolution. Except Ms. Mrinal Tayal, none of the Directors is interested in the Resolution.

ITEM NO. 7:

Mr. Mahesh Prasad Mehrotra was appointed as an Additional Director by the Board on 17th March, 2010 pursuant to Section 260 of the Companies Act, 1956. He holds office up to this Annual General Meeting. The Company has received a Notice along with the deposit of Rs. 500/- from a member, under Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. Mahesh Prasad Mehrotra for the office of the Director of the Company.

Mr. Mahesh Prasad Mehrotra is Graduate in Bachelor of Commerce, LL.B. and a Fellow Chartered Accountant. He is a founder partner of M/s. Mehrotra and Mehrotra, Practising Chartered Accountants, Kanpur and Delhi.

Mr. Mahesh Prasad Mehrotra is on the Board of several well known Companies such as India Securities Ltd. (Essar Group), Dhampur Sugar Mills Ltd., Delton Cables Ltd., etc. He is also a member of PHD Chamber of Commerce Industry and ASSOCHAM.

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

ITEM NO. 8:

Mr. P. S. Pritam was appointed as an Additional Director by the Board on 17th March, 2010 under Section 260 of the Companies Act, 1956. He holds office up to this Annual General Meeting. The Company has received a Notice along with the deposit of Rs. 500/- from a member, under Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. P. S. Pritam for the office of the Director of the Company.

Mr. P. S. Pritam is Post Graduate in Master of Arts, LL.B., Ph.D., F.I.I.I. He has wide experience of 36 years in Financial Institutions.

During his tenure, he has held top positions in LIC. He has worked in diverse functional areas like Accounts, Legal, Sales & Marketing, Client Servicing, Underwriting, etc. He was also National Head of Allianz Bajaj Life Insurance Company.

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

ITEM NO. 9:

Mr. Utpal Mukhopadhyay was appointed as an Additional Director by the Board of Directors at its meeting held on 20th May, 2010 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 along with the deposit of Rs. 500/- from a member, under Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. Utpal Mukhopadhyay for the office of the Director of the Company.

Mr. Utpal Mukhopadhyay is M.Sc., Ph.D. and IAS (Rtd.). He has done postgraduate course in Development Economics at University of Swansea, United Kingdom.

Mr. Utpal Mukhopadhyay, till recently, MD & CEO of Tata Housing Development Company. He is retired as IAS officer with over 35 years experience in Maharashtra Government, Central Government and World Bank. He was Executive Chairman of the Board in State Road transport Corporation of Maharashtra. Also, he has participated actively in International conferences like UNIDO and Rio Conference on Environment and Development.

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

For and on Behalf of the Board of Directors

SD/-

Saurabh Kumar Tayal
Chairman

Place : Mumbai
Date : 20th May, 2010

KSL AND INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of your Company and the Audited Financial Statements for the Financial Year ended 31st March 2010.

FINANCIAL RESULTS

(Rs. in Lacs)

	2009-10	2008-09
Sales & Income from operation	104569.96	84183.87
Other Income	1104.49	131.55
Profit before Depreciation, Interest & Tax	16842.43	15979.13
Interest & Finance Charges	7304.16	5697.60
Depreciation	9009.30	7227.01
Profit before Tax	528.97	3054.52
Provision for Tax & Deferred Tax Liability	128.70	617.76
Net Profit for the Year	400.27	2436.76
Profit available for Appropriation	17973.63	18448.73
Appropriations		
General Reserve	Nil	404.28
Proposed Dividend	Nil	402.67
Tax on Dividend	Nil	68.43
Surplus carried to Balance Sheet	17973.63	17573.35

DIVIDEND

In view of inadequacy of profit for the year under review, your Directors do not recommend dividend on the Equity Shares for the year under review.

REVIEW OF OPERATIONS

The Company has achieved Net Sales of Rs.104569.96 Lacs during the Financial Year ended 31st March, 2010 as against Net Sales of Rs. 84183.87 Lacs during the previous year ended 31st March, 2009. The Net Profit for the year 2009-10 decrease to Rs.400.27 Lacs from previous year Profit of Rs.2436.76 Lacs due to higher interest outgo and and higher Provision for Depreciation. The earnings per share works out to Rs.0.40 on a paid up capital of Rs.4026.73.

SUBSIDIARY COMPANY

The Company has Three Subsidiary Company namely Reward Real Estate Company Ltd., Kalameshvar Textiles Ltd. & Actif Corporation Ltd. The Statement Pursuant to section 212 of the Companies Act, 1956, relating to Company's interest in the subsidiary company for the financial year 2009-2010 is given separately.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of the Company, Mr. Saurabh Kumar Tayal, Chairman and Mr. Harinder Kumar & Mr. Farindra Bihari Rai, Directors of the Company are due to retire by rotation at the forthcoming Annual General Meeting, and being eligible, have offered themselves for re-appointment.

The Board of Directors of the Company in its meeting held on 29th January, 2010 appointed Ms. Mrinal Tayal as an Additional Director of the Company. Mr. Surendra Ambalal Dave resigned as a Director of the Company w.e.f 13th March, 2010 and Mr. Raj Narain Bhardwaj resigned as a Director of the Company w.e.f. 14th March, 2010. The Board of Directors of the Company in its meeting held on 17th March, 2010 appointed Mr. Mahesh Prasad Mehrotra and Dr. Pritam Singh Pritam as an Additional Director of the Company. Also, Mr. Utpal Mukhopadhyay was appointed as an Additional Director of the Company at Board Meeting held on 20th May, 2010.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors' confirm 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 judgments 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 31st March 2010 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 2010.

AUDIT COMMITTEE

The composition of Audit Committee is as given in the Report on Corporate Governance.

SHAREHOLDERS' /INVESTOR GRIEVANCE COMMITTEE

The composition of Shareholders'/Investor Grievance Committee is as given in the Report on Corporate Governance.

REMUNERATION COMMITTEE

The composition of Remuneration Committee is given in the Report of Corporate Governance.

REPORT ON CORPORATE GOVERNANCE

The revised clause 49 of the listing agreement has come into effect from 1st January 2006. Your Company has made due compliance thereof.

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Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report and Corporate Governance Report are made as a part of this Annual Report.

A Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated by Clause 49 of the Listing Agreement is attached to this report.

SAFETY, HEALTH AND ENVIRONMENT

Sustained and meticulous efforts continue to be exercised by the Company at all plants of the Company, towards greener production and environment conservation. The Company perseveres in its efforts to indoctrinate safe and environmentally accountable behavior in every employee, as well as vendors, by rigid compulsory annual training and refresher courses, as well as frequent awareness programs. Mock drills of emergency preparedness are regularly conducted at all the plants showing Company's commitment towards safety, not only of its own men and plants, but also of the society at large.

Safety records, at all plants showed considerable improvement and accident statistics showed downward trend. This was made possible by strict adherence to laid down procedures and following of international guidelines. Involvement of workers in all safety matters has been encouraged by their participation in shop floor safety meetings.

The health of employees and the environment in and around the Plant area have been given due care and attention. The Company continued to comply with the prescribed industrial safety environment protection and pollution control regulation at its production plant, through periodic checks of the system involved and constant monitoring to meet the standards set by the pollution control authorities etc.

All the mills of the company are eco-friendly and do not generate any harmful effluents. They have facilities for captive power generation as a stand-by arrangement, to meet any contingency. Safety devices have been installed wherever necessary, although both the spinning and knitting activities are known to be quite safe and free from usual hazards of water and air pollution.

INDUSTRIAL REALATIONS & HUMAN RESOURCES MANAGEMENT

The Company recognizes that in a people-intensive business, major gains can be scored in the area productivity management. In view of this, the Company strengthened its people management through performance-linked incentives, amenities, training, multi-skilling and career path identification.

The Company is of firm belief that good Human Resource Management would ensure success though high performance. HR strategy and plans of the company are deeply embedded with the organizational goals. In order to enhance the manpower productivity the goal is set to increase the production capacity of the various plants and rationalize the manpower through scientific study. All the operational goals of the top management emanate from the business plan. The goals of CEO are shared with his subordinates who in turn share their goal with their respective subordinates and so on. Regular visits by HR team are being made to all plants to meet the employees and also interaction meetings are conducted to get their feed back, based on which HR policies are improved continuously. The process has resulted in better employee relationship.

The Company lays due emphasis on all round development of its human resource. Hence training of the employees is aimed at systemic development of knowledge, skills, aptitude and team work. Training is designed for the development of personal skills necessary for the performance of the present job and to prepare them for future growth. Individual development is given top priority to groom high caliber manpower.

CONVERSATION 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.

EMPLOYEES

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 under review. This information is furnished as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

FIXED DEPOSITS

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

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 2011.

AUDITORS

M/s. A. F. Khasgiwala & Co., Chartered Accountants, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and is 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.

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 : 20th May, 2010

SD/-
Saurabh Kumar Tayal
Chairman

KSL AND 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 2009 – 10.

I. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

The Company has been making concerted efforts for enhancement in capacity utilization, 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 program 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 economized 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 31.03.2010	Year ended 31.03.2009
A. Power and Fuel Consumption in respect of :		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	294.35	272.93
2. Total amount (Rs. in lacs)	1462.92	1323.73
3. Rate per unit (Rs./unit)	4.97	4.85
(b) Own Generation	886.95	479.78
(Through Diesel Generator/Furnace Oil	8.80	3.77
1. Units (KWH in Lacs)	6.82	6.44
2. Units per litre of fuel	—	—
3. Cost per unit (Rs/unit)	—	—
2. Coal	—	—
3. Furnace Oil	—	—
Others/Internal Generation	—	—
B. Consumption per unit of production		
(Product : Yarn & Fabric)		
1. Electricity (KWH/Tonne)	2256.40	1121.09
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.

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. | R & D activities are being carried out continuously to produce better quality of yarn and fabrics. |
| b) Benefits derived as a result of the above | As a result of R & D activities, the Company has been able to produce quality fabrics conforming to international standards. |
| c) Future Plan of Action | Efforts aimed at cost reduction, improvement in quality of products and development of new process will continue. |
| d) Expenditure on R & D | Expenditure on R & D is being booked under the respective heads in the Profit & Loss Account as no separate account is maintained for this purpose. |

2. Technology Absorption, Adoption and Innovation

The Company has not utilized any imported technology.

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 31.03.2010	Year ended 31.03.2009
b) Foreign Exchange Outgo (Rs. in Lacs)	—	Rs.800.00
c) Foreign Exchange earned (Rs. in Lacs)	—	—

For and on Behalf of the Board of Directors

Place : Mumbai
Date : 20th May, 2010

SD/-
Saurabh Kumar Tayal
Chairman

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CORPORATE GOVERNANCE REPORT

This brief report on matters required to be stated on Corporate Governance pursuant to Clause 49 of the Listing Agreements is as under:

1. Company's Philosophy on Code of Governance

At **KSL and Industries Limited**, the concept of Corporate Governance does not mean only total transparency, integrity and accountability of the management team but also to maximize shareholder's value and protection of the interests of all the stakeholders. It includes the policies and procedures adopted by the Company in achieving its objective in relation to its shareholders, employees, customers, and suppliers, regulatory authorities and society at large.

The Revised Clause 49 of Listing Agreement has introduced Code of Conduct for its Directors and Executives so that they remain accountable to the shareholders and other beneficiaries for their actions.

It is a recognized philosophy of the company that effective and good Corporate Governance is a must, not only in order to gain credibility and trust, but also as a part of strategic management for the survival, consolidation and growth.

2.1 Board of Directors

The Board of Directors consists of 9 Directors.

During the year 2009-10, the board met 6 times on the following dates namely 20th May, 2009, 20th June, 2009, 24th July 2009, 29th October 2009, 29th January 2010 and 17th March, 2010. There was no time gap of four months or more between any two meetings.

The following table gives details of Directors, attendance of Directors at the Board Meetings and last Annual General Meeting held on 31st July, 2009 as well as number of membership held by Directors in the Board / Committees of various Companies :-

Name	Category	Attendance Particulars		Number of other Directorships and Total Committee Member/Chairmanships		
		Board Meetings	Last AGM	Other Directorships In Indian Public Limited Companies	Committee Memberships	Committee Chairmanships
Shri Saurabh Kumar Tayal	NEC	6	Yes	8	1	Nil
Shri Ajay Ramesh Gupta	MD	6	Yes	7	1	3
Shri Farindra Bihari Rai	ID	3	No	7	3	Nil
Shri Rajshekhar Ganiger	ID	3	Yes	1	1	Nil
Shri Harinder Kumar	ID	3	Yes	7	1	2
Shri Surendra Dave*	ID	5	Yes	12	10	1
Shri Raj Narain Bharadwaj**	ID	5	Yes	10	NIL	1
Ms. Mrinal Tayal#	ID	2	No	3	NIL	NIL
Shri P. S. Pritam@	ID	NIL	No	2	2	NIL
Shri M. P. Mehrotra@	ID	NIL	No	14	4	2
Shri Utpal Mukhopadhyay\$	ID	NIL	No	3	—	—

* Resigned w.e.f. 13.03.2010

** Resigned w.e.f. 14.03.2010

Appointed as an Additional Director on 29.01.2010

@ Appointed as an Additional Director on 17.03.2010

\$ Appointed as an Additional Director on 20.05.2010

"NEC" = Non Executive Chairman, "MD" = Managing Director, "ID" = Independent Director

KSL AND INDUSTRIES LIMITED

2.2 Appointment and Re-appointment of Directors

As required under Clause 49(VI) of the Listing Agreement the brief details of the directors seeking appointment/ re-appointment at the ensuing Annual General Meeting are furnished hereunder :-

Sl. No.	Name of Director	Brief Resume	Area of Expertise	Other Directorships	Other Committee Memberships	Other Committee Chairmanship
1.	Shri Saurabh Kumar Tayal	Having rich experience in Textile and Real Estate industry.	Textile and Real Estate	9	1	
2.	Shri Harinder Kunar	Chartered Accountant with more than 5 years experience in commercial, operations including Import and Export operations.	Finance & Accounts, Taxation	7	3	
3.	Shri Farindra Bihari Rai	Graduate and having vast experience in textile Industry. He has vast experience in Spinning and Knitting sector.	Knitting	10	3	
4.	Ms. Mrinal Tayal	MBA in Finance and having rich experience in the field of Finance and administration	Finance and Administration	3	NIL	
5.	Shri P. S. Pritam	M.A., L.L.B., Ph.D. F.I.I.I. and experience of 36 years in working with the Financial Institutions.	Accounts, Legal and Corporate, underwriting, Sales & Marketing and Client servicing.	4	2	Nil
6.	Shri M. P. Mehrotra	B. Com, L.L.B., F.C.A., and vast experience of working in legal and finance sectors.	Accounts & Audit, Legal, Taxation and Finance	14	4	2
7.	Shri Utpal Mukhopadhyay	Ph.D. M.Sc. and required as officer of the Indian Administrative Services. (IAS) and having vast experience in the field of Administration and Finance.	Financial Administration	3	—	—

2.3 Non-Executive Directors Compensation Disclosures

Details of Sitting Fees paid to Non-Executive Directors of the Company during the year is as follows:

Name of Director	Category	Attendance Particulars	
		Board Meetings	Sitting Fees Paid (Rs.)
Shri Rajshekhar S. Ganiger	ID	3	30,000/-
Shri Farindra Bihari Rai	ID	3	30,000/-
Shri Harinder Kumar	ID	3	30,000/-
Shri Surendra Ambalal Dave	ID	5	50,000/-
Shri Raj Narain Bharadwaj	ID	5	50,000/-
Ms. Mrinal Tayal	ID	2	10,000/-
Total			2,00,000/-

3. Board Committees

The requirement that a Director shall not be a member of more than 10 committees and Chairman of more than 5 committees has been complied with while constituting the Committees of Director.

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3.1 Audit Committee

The Board of Directors of the Company has constituted an Audit Committee. The Audit Committee comprised of Shri Harinder Kumar, Shri Rajshekhar S. Ganiger and Shri Farindra Bihari Rai.

The constitution of Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000.

The terms of reference specified by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement. They are as follows:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the Annual Financial Statements before submission to the Board, focusing primarily on (i) any changes in accounting policies and practices (ii) major accounting entries based on exercise of judgment by management (iii) qualifications in draft Audit Report (iv) significant adjustments arising out of audit (v) the going concern assumption (vi) compliance with Accounting Standards (vii) compliance with Stock Exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit functions.
- f. Discussion with internal auditors any significant findings and follow up there on.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- h. Discussion with external auditors before the audits commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- i. Reviewing the Company's various financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

During the year 2009-10, the Audit Committee met 4 times on the following dates namely 19th June 2009, 23rd July 2009, 28th October 2009 and 29th January 2010.

Name of Member	Designation	Attendance
Shri Harinder Kumar	Chairman	3
Shri Farindra Bihari Rai	Member	4
Shri Rajshekhar S. Ganiger	Member	4

3.2 Remuneration Committee

A. Constitution and Meetings

The Board of Directors in their meeting held on 28th February 2006 has constituted a Remuneration Committee. The Remuneration Committee comprised of Shri Farindra Bihari Rai, Chairman, Shri Rajshekhar S. Ganiger, Member and Shri Harinder Kumar, Member. The Remuneration Committee is empowered to decide and recommend to the Board of Directors the Remuneration package (including basic salary, perquisites, commission on profit and other allowances) of managerial personnel in terms of section 269 and other applicable provisions read with Schedule XIII of the Companies Act, 1956."

B. Remuneration and Sitting Fees to Managing Director and Directors

Remuneration is paid to Managing Director as proposed by the Remuneration Committee and approved by the Board. Non-Executive Directors do not received any Remuneration or commission or any other consideration except the Sitting Fees as per their presentation in the Board Meetings and Committees Meetings.

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Details of Remuneration to Managing Director

Name	Salary	Commission	Sitting Fees	Amount
Shri Ajay Gupta	Rs.6,00,000	Nil	Nil	Rs.6,00,000
Non-Executive Directors	Nil	Nil	Rs.2,00,000	Rs.2,00,000

- C. Non Executive Directors of the Company do not have any pecuniary relationship with the Company other than Sitting Fees.**

3.3 Shareholders'/ Investors' Grievance Committee

The Shareholders'/ Investors' Grievance Committee of the Company has been re-constituted in the meeting of the Board of Directors held on 24th July, 2009. The Committee now comprises of Shri Saurabh Kumar Tayal, Shri Farindra Bihari Rai and Shri Rajshekhar Ganiger as the Members of the Committee. Shri Saurabh Kumar Tayal is the Chairman of the Committee.

The Committee, inter alia, looks into redressing of shareholders'/investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc. The Committee oversees the performance of the Company and recommends measures for overall improvement of the quality of investor services. The Board of Directors has delegated the power for approving transfer of securities to the Managing Director and Chairman of the Company.

During the year 2009-10, the Shareholders/Investors Grievance Committee met 4 times on the following dates namely 19th June 2009, 23rd July 2009, 28th October 2009 and 29th January 2010.

Name of Member	Designation	Attendance
Shri Saurabh Kumar Tayal	Chairman	4
Shri Farindra Bihari Rai	Member	4
Shri Ajay Gupta (Resigned w.e.f. 24.07.2009)	Member	2
Shri Rajshekhar Ganiger (Appointed w.e.f. 24.07.2009)	Member	2

Name & Designation of Compliance Officer	:	Shri Sanjay Gadade, (Secretarial Officer)
No of Shareholder's Complaint received so far	:	10
Complaints solved to the satisfaction of shareholders	:	10
Number of pending complaints	:	Nil

4. General Body Meetings

The last three Annual General Meetings of the Company were held as under :-

Year	Location	Date	Time
2008-09	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	31 st July, 2009	11.30 A.M.
2007 – 08	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	9 th August, 2008	10.00 A.M.
2006 – 07	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	9 th June, 2007	11.30 A.M.

5. Disclosures

- (a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors of the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large:**

None of the transactions with any of the related parties were in conflict with the interests of the Company.

- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

There were no instances of non-compliance of any matter related to the capital markets during the last three years.