

# KSL AND INDUSTRIES LIMITED

## ANNUAL REPORT 2010-2011

### BOARD OF DIRECTORS

Shri Saurabh Kumar Tayal – Chairman  
Shri Ajay Ramesh Gupta – Managing Director  
Shri Mahesh Prasad Mehrotra  
Shri Kailash Nath Bhandari  
Ms. Mrinal Tayal  
Shri Rajshekhar S. Ganiger  
Shri Farindra Bihari Rai

### COMPANY SECRETARY

Shri Mohd Shakeel Kayamkhani

### 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

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

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**ANNUAL GENERAL MEETING** on Saturday 9th July 2011, at 12:30 p.m.,  
at 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory).

# KSL AND INDUSTRIES LIMITED

## NOTICE

**NOTICE** is hereby given that the 29<sup>th</sup> Annual General Meeting of the Members of **KSL AND INDUSTRIES LIMITED** will be held on *Saturday, 09<sup>th</sup> July, 2011* at 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory) at 12.30 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet for the year ended 31<sup>st</sup> March, 2011 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 Ms. Mrinal Tayal, who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Rajshekhar Shankar Ganiger, 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 until 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 Accountant 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

5. 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, Shri Kailash Nath Bhandari, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on 16<sup>th</sup> October, 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. 5 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, 7<sup>th</sup> July, 2011 to Saturday, 9<sup>th</sup> July, 2011 (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 31<sup>st</sup> March, 2011 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. **Green Initiative in the Corporate Governance:** The Government of India-Ministry of Corporate Affairs has, vide the Circular No. 17/ 2011 dated 21<sup>st</sup> April, 2011, allowed service of documents to the shareholders in the electronic mode. Thus, having regard to the said Circular read with the information Technology Act, 2000 and Section 53 of the Companies Act, 1956, the Company hereby requests the Members to register their E-mail Address (and any change therein from time to time) with Bigshare Services Private Limited, the Registrar and Share Transfer Agents of the Company. The Company proposes to sent the future correspondences in electronic form to the Members whose E-mail Address is registered with the Registrar and Share Transfer Agents of the Company. Any Member desiring to receive the said correspondences in the physical form should inform the Company.

**For and on Behalf of the Board of Directors**

**Sd/-**

**Saurabh Kumar Tayal  
Chairman**

**Place : Mumbai  
Date : 28<sup>th</sup> April, 2011**

## **ANNUAL REPORT 2010-2011**

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

**ITEM NO. 5:**

The Board of Director of the Company, at its meeting held on 16th October, 2010 appointed Shri Kailash Nath Bhandari as an additional director of the Company pursuant to provision of Section 260 of the Companies Act, 1956 ("the Act") read with Article 115 of the Article of Association of the Company.

In terms of the provision of the Section 260 of the Act, Shri Kailash Nath Bhandari would hold office till the conclusion of this Annual General Meeting.

The Company has received a notice in writing from a member alongwith deposit of Rs. 500/- for proposing the candidature of Shri Kailash Nath Bhandari for the office of Director of the Company under the provisions of section 257 of the Act.

Shri Kailash Nath Bhandari is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Shri Kailash Nath Bhandari, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Mr. Kailash Nath Bhandari is B.A. and LL.B. He has vast experience of administration in the field of Insurance sector. He is currently working as Chair Professor and Honorary Director of Centre for Insurance Studies & Research, National Law University and holds Directorship in various Companies.

It is proposed to seek Members' approval for the appointment of Shri Kailash Nath Bhandari as an Independent Director, in term of the applicable provisions of the Act. 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 : 28<sup>th</sup> April, 2011**

# KSL AND INDUSTRIES LIMITED

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 29<sup>th</sup> Annual Report on the business and operations of your Company and the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March 2011.

### FINANCIAL RESULTS

		(₹ in Lacs)
	2010-11	2009-10
Sales & Income from operation	131335.06	104569.96
Other Income	00.00	1104.49
Profit before Depreciation, Interest & Tax	18597.91	16842.43
Interest & Finance Charges	8578.24	7304.16
Depreciation	9948.98	9009.30
Profit before Tax	70.69	528.97
Provision for Tax & Deferred Tax Liability	412.28	128.70
Net Profit for the Year	(341.59)	400.27
Profit available for Appropriation	17632.04	17973.63
Surplus carried to Balance Sheet	17632.04	17973.63

### 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. 131335.06 Lacs during the Financial Year ended 31st March, 2011 as against Net Sales of Rs. 104569.96Lacs during the previous year ended 31st March, 2010. The Company incurred loss of Rs.341.59 during the financial year ended 31st March, 2011 as against profit of Rs 400.27 during previous year ended 31st March, 2010 due to higher interest outgo and and higher Provision for Depreciation. The earnings per share works out to Rs. -0.34 on a paid up capital of Rs.4026.73.

### SUBSIDIARY COMPANY

The Report and Accounts of the Subsidiary Companies are annexed to this Report along with the Statement pursuant to Section 212 of the Companies Act, 1956. However, in the context of the mandatory requirement to present consolidated accounts, which provides members with a consolidated position of the Company including its subsidiary, at the first instance, members are being provided with the Report and Accounts of the Company and the consolidated accounts treating these as abridged accounts as contemplated by Section 219 of the Companies Act, 1956. Members who wish to receive the full Report and Accounts including the Report and Accounts of the subsidiaries Companies will be provided with it upon receipt of a written request. This will help save considerable cost in connection with printing and mailing of the Report and Accounts.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of the Company, Ms. Mrinal Tayal & Mr. Rajshekhar hanker Ganiger, Directors of the Company are due for retirement 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 16th October, 2010 appointed Mr. Kailash Nath Bhandari as an Additional Director of the Company. Mr. Utpal Kumar Mukhopadhyay resigned as a Director of the Company w.e.f 16th October, 2010, Mr. Harinder Kumar resigned as a Director of the Company w.e.f. 16th October, 2010 and Dr. Pritam Singh Pritam resigned as a Director of the Company w. e.f. 22nd November, 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 2011 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 2011.

### 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

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.

## ANNUAL REPORT 2010-2011

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.

### **CONVERSION 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.60,00,000/- or more per annum Rs.5,00,000/- 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**

**Sd/-**

**Saurabh Kumar Tayal  
Chairman**

**Place : Mumbai  
Date : 28<sup>th</sup> April, 2011**

# 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 2010 – 11.

### 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 31.03.2011	Year ended 31.03.2010
<b>A. Power and Fuel Consumption in respect of :</b>		
<b>1. Electricity</b>		
(a) Purchased		
1. Units (KWH in Lacs)	313.95	294.35
2. Total amount (Rs. in lacs)	1648.24	1462.92
3. Rate per unit (Rs./unit)	5.25	4.97
(b) Own Generation		
(Through Diesel Generator/Furnace Oil)		
1. Units (KWH in Lacs)	935.73	886.95
2. Units per litre of fuel	9.06	8.80
3. Cost per unit (Rs/unit)	7.01	6.82
2. Coal	—	—
3. Furnace Oil	—	—
Others/Internal Generation		
<b>B. Consumption per unit of production</b>		
(Product : Yarn & Fabric)		
1. Electricity (KWH/Tonne)	2406.68	2256.40
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.

- b) Foreign Exchange Outgo (₹ in Lacs)

Year ended 31.03.2011 (₹ in Lacs)	Year ended 31.03.2010 (₹ in Lacs)
705.27	—
—	—

- c) Foreign Exchange earned (₹ in Lacs)

For and on Behalf of the Board of Directors  
Sd/-  
Saurabh Kumar Tayal  
Chairman

Place : Mumbai  
Date : 28<sup>th</sup> April, 2011

# ANNUAL REPORT 2010-2011

## CORPORATE GOVERNANCE REPORT

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, 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 7 Directors.

During the year 2010-11, the board met 4 times on the following dates namely 20th May, 2010, 04th August, 2010, 16th October 2010, and 5th February, 2011. 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 10th July, 2010 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	4	Yes	9	8	2
Shri Ajay Ramesh Gupta	MD	4	Yes	7	1	4
Shri Farindra Bihari Rai	ID	3	No	7	2	3
Shri Rajshekhar Ganiger	ID	3	Yes	1	2	Nil
Ms. Mrinal Tayal	ID	4	No	4	NIL	NIL
Shri M. P. Mehrotra	ID	3	No	14	5	5
Shri Kailash Nath Bhandari#	ID	2	No	11	2	1
Shri P. S. Pritam*	ID	3	No	1	1	1
Shri Utpal Mukhopadhyay**	ID	NIL	No	—	—	—
Shri Harinder Kumar***	ID	NIL	No	—	—	—

\* Resigned w.e.f. 22.11.2010 \*\* Resigned w.e.f. 16.10.2010 \*\*\* Resigned w.e.f. 16.10.2010 # Appointed as an Additional Director on 16.10.2010

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

### 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.	Ms. Mrinal Tayal	MBA in Finance and having rich experience in the field of Finance and administration	Finance and Administration	4	NIL	NIL
2.	Shri Rajshekhar Ganiger	Diploma Textiles Technology	Textile Technology, & Administration	1	2	NIL
3.	Shri Kailash Nath Bhandari	B.A., L.L.B	Experience of administration in the field of Insurance sector	11	2	1

### 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	Attendance Particulars	
	Board Sitting fees (A)	Committee Sitting Fees (B)
Shri Rajshekhar S. Ganiger	30000	48000
Shri Farindra Bihari Rai	30000	48000
Shri Pritam Singh Pritam	30000	—
Shri Mahesh Prasad Mehrotra	30000	10000
Shri Kailash Nath Bhandari	20000	—
Ms. Mrinal Tayal	40000	—
Shri Saurabh Kumar Tayal	—	8000
Shri Harinder kumar	—	10000
	<b>180000</b>	<b>124000</b>
	Total (A+B)	3,04,000

## KSL AND INDUSTRIES LIMITED

### 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.

#### 3.1 Audit Committee

The Board of Directors of the Company has constituted an Audit Committee. The Audit Committee comprised of Shri Farindra Bihari Rai, Shri Mahesh Prasad Mehrotra, and Shri Rajshekhar Ganiger.

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:

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- 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.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- 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.
- Reviewing the Company's various financial and risk management policies.
- 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 2010-11, the Audit Committee met 4 times on the following dates namely 19th May 2010, 3rd August 2010, 15th October 2010 and 4th February 2011.

Name of Member	Designation	Attendance
Shri Farindra Bihari Rai	Chairman	4
Shri Rajshekhar S. Ganiger	Member	4
Shri Mahash Prasad Mehrotra@	Member	1
Mr. Harinder Kumar#	Chairman	1

@ Appointed as on 16th October, 2010 # Resigned as on 16th October, 2010

#### 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.

##### 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.3,04,000	Rs.3,04,000

##### 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.



## ANNUAL REPORT 2010-2011

During the year 2010-11, the Shareholders/Investors Grievance Committee met 4 times on the following dates namely 19th May 2010, 3rd August 2010, 15th October 2010 and 4th February 2011.

Name of Member	Designation	Attendance
Shri Saurabh Kumar Tayal	Chairman	4
Shri Farindra Bihari Rai	Member	4
Shri Rajshekhar Ganiger	Member	4

Name & Designation of Compliance Officer : Mohd Shakeel Kayamkhani  
(Company Secretary)

No of Shareholder's Complaint received so far : 7

Complaints solved to the satisfaction of shareholders : 7

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
2009-10	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	10th July, 2010	02.00 P.M.
2008-09	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	31st July, 2009	11.30 A.M.
2007 – 08	65, Krishna Nagar, Samarvani, Silvassa (U.T.)	9th August, 2008	10.00 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.

#### 6. Means of Communication

(a) The Company has published its quarterly results in The Economic Times, LokSatta-Jansatta and Jaybharat Times Further, the Quarterly results and Quarterly shareholding patterns are also posted at EDIFAR website i.e. [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in).

(b) Management Discussion and Analysis forms integral part of this Annual Report.

#### 7. General Shareholder Information

##### 7.1 Annual General Meeting :

- Date and time : 09<sup>th</sup> July 2011 at 12.30 p.m.
- Venue : 65, Krishna Nagar, Samarvani, Silvassa (Union Territory of Dadra & Nagar Haveli)

##### 7.2 Financial Year

**Financial Calendar 2011-12(tentative)** : 1<sup>st</sup> April to 31<sup>st</sup> March

##### Board Meetings

- Results for the quarter ending June 30, 2011 : Second week of July, 2011
- Results for the quarter ending September 30, 2011 : Second week of October, 2011
- Results for the quarter ending December 31, 2012 : Second week of January, 2012
- Results for the year ending March 31, 2012 : Second week of May, 2012

##### 7.3 Book Closure date

: 7th July, 2011 to 9th July, 2011 (Both days Inclusive)

##### 7.4 Dividend Payment Date

: N.A.

##### 7.5 (a) Listing of Equity shares

: The Bombay Stock Exchange Ltd.

##### (b) Demat ISIN Numbers in NSDL /CDSL

: Equity Shares: INE219A01026

##### 7.6 Stock Code

: 530149

(Note: Annual listing fees for the year 2011-12 have been duly paid to the Bombay Stock Exchange Limited)

## KSL AND INDUSTRIES LIMITED

### 7.7 Stock Market Data

KSL and Industries Limited (at the Bombay Stock Exchange Ltd.)				
Month	High ₹	Low ₹	Close ₹	No. of Shares
April 2010	53.00	37.75	41.35	5,04,612
May 2010	43.00	36.00	37.95	2,67,517
June 2010	38.90	32.85	35.85	83,397
July 2010	39.00	34.35	35.25	88,687
August 2010	41.85	35.10	37.20	3,11,909
September 2010	41.80	35.20	37.20	3,24,842
October 2010	39.00	34.00	34.80	1,34,301
November 2010	37.95	27.95	29.15	85,389
December 2010	33.00	23.90	24.70	86,215
January 2011	26.00	20.00	20.75	70,577
February 2011	22.75	16.30	17.90	81,113
March 2011	18.80	13.05	15.00	54,216

Source: www.bseindia.com.

### 7.8 Performance in comparison to broad –based indices such as BSE sensex, CRISIL index etc.

The shares of the Company are listed at Bombay Stock Exchange Ltd., the Stock Market Details of which has been given as above.

### 7.9 Registrar & Transfer Agent

: BIGSHARE SERVICES PVT. LTD.  
E-2/3, ANSA INDUSTRIAL ESTATE, SAKIVIHAR ROAD,  
SAKI NAKA, ANDHERI (EAST), MUMBAI – 400 072

### 7.10 Share Transfer System :

The shares of the Company, being in the compulsory demat list, are transferable through the depository system. All transfers received are processed and approved by the Share Transfer Committee which normally meets twice a month. Shares under objection are returned within two weeks.

### 7.11. a Distribution of Shareholding

Category			Number of Shareholders	Number of Shares held
From	To			
Upto	-	5000	11889	6708189
5001	-	10000	395	707910
10001	-	20000	52	189834
20001	-	30000	11	64765
30001	-	40000	7	66646
40001	-	50000	6	66428
50001	-	100000	10	182757
100001	-	and above	73	92681796
<b>TOTAL</b>			<b>12443</b>	<b>100668325</b>

### 7.11.b Shareholding Pattern

	Category	No. of shares held	Percentage of shareholding
1.	Promoter's Holding	39481387	39.22
2.	Mutual Funds, Banks, Financial Institutions, FIIs, NRIs & OCBs	8240664	8.18
3.	Domestic Companies	28092992	27.91
4.	Resident Individuals	24853282	24.69
	<b>TOTAL</b>	<b>100668325</b>	<b>100.00</b>

### 7.12.a Dematerialization of Shares

: Approximately 74.09% of the shares issued by the Company have been dematerialized upto 31st March 2011.

### 7.12.b Liquidity

: The Companies shares are listed on The Stock Exchange, Mumbai.

### 7.13 Outstanding FCCB

: FCCB of 74.56 million USD listed in Singapore Stock Exchange.

### 7.14 Plant Location

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

### 7.15 (i) Address for Investor Correspondence

For transfer / dematerialisation of shares payment of dividend on shares interest and redemption of debentures and any other query relating to shares and debentures of the Company.

BIGSHARE SERVICES PVT. LTD.  
E-2/3, ANSA INDUSTRIAL  
ESTATE, SAKIVIHAR ROAD,  
SAKI NAKA, ANDHERI (EAST),  
MUMBAI- 400 072

Note : Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

(ii) Any query on Annual Report

: Plot No.69, Dhanudyog Indl. Area, Piperia, Silvassa (U.T.)