

KSL and Industries Limited



32nd Annual Report 2013-2014



KSL and Industries Limited

69-A, Dhanu Udyog Industrial Area, Piperia, Silvasa (U.T. of D. & N.H.) -396230



ANNUAL REPORT 2013-2014

KSL AND INDUSTRIES LIMITED ANNUAL REPORT 2013-2014

CIN : L17119DN1983PLC000074

BOARD OF DIRECTORS

Shri Deepak Mathur- Chariman
Shri Manoj Kumar Sharma- Managing Director
Shri Kailash Nath Bhandari
Shri Farindra Bihari Rai
Shri Trivedra Shambu Singh

COMPANY SECRETARY

Shri Ketan Trivedi

BANKERS

Various Banks with Lead Bank Allahabad Bank

AUDITORS

A. F. Khasgiwala & Co.
Chartered Accountants

REGISTERED OFFICE

Plot No.69A, 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)
Piperia, Silvassa (U.T.)

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ANNUAL GENERAL MEETING on Saturday 19th July, 2014, at 12:30 p.m., at 65,
Krishna Nagar, Samarvani, Silvassa, (Union Territory).

KSL AND INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the Members of **KSL AND INDUSTRIES LIMITED** will be held on Saturday, 19th July, 2014 at 65, Krishna Nagar, Samarvani, Sivassa, (Union Territory) - 396230 at 12.30 p.m. to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Company's Audited Balance Sheet as at 31st March, 2014 and Profit and Loss Account for the year ended on that date and Report of Directors and Auditors thereon.
2. To reappoint Auditor and to fix remuneration and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. A. F. Khasgiwala & Co., Chartered Accountants (Membership No. 006491, Firm Registration No. 105114W), be and are hereby re - appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the thirty - fifth Annual General Meeting of the Company to be held in the year 2017, subject to ratification of their appointment at every Annual General Meeting, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

3. To appoint Shri Deepak Mathur (holding DIN 02246715) as a Director, whose term of office expires at the Annual General Meeting and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED that Shri Deepak Mathur (holding DIN 02246715), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 10th August, 2013, in terms of Section 260 of the Companies Act, 1956 [corresponding to Section 161(1) of the Companies Act, 2013] and Article 115 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

4. To appoint Shri Trivedra Shambhu Singh (DIN: 05240052) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Trivedra Shambhu Singh (holding DIN 05240052), who was appointed as an Additional Director (designated as an Independent Director) of the Company by the Board of Directors with effect from 27th February, 2014, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 115 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from 19th July, 2014 to 18th July, 2019."

5. To appoint Shri Farindra Bihari Rai (holding DIN 00780521) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Farindra Bihari Rai (holding DIN 00780521), who was appointed as a Director of the Company whose period of office is liable to determination by retirement of directors by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from 19th July, 2014 to 18th July, 2019."

6. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

NOTES:-

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business is annexed hereto under item No. 3, 4, 5, 6 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.**

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3. Members are requested to note that the Company's equity shares are under compulsory demat trading for all investors, subject to the provisions of SEBI Circular no. 21/99 dated July 8, 1999. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience.
4. 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.
5. The Register of Members and Share Transfer Register of the Company will remain closed from 17th July, 2014 to 19th July, 2014 (both days inclusive) to comply with Annual Book Closure requirements.
6. Members desiring any information on the Annual Accounts of the Company for the year ended 31st March, 2014 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. 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.
8. 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.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013 is being sent in the permitted mode.
12. Electronic copy of the Notice of the 32nd Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 32nd Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. In terms of the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to exercise their right to vote by electronic means. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ("CDSL") for providing e-voting facility to enable the shareholders to cast their votes electronically.

These e-voting instructions are being sent to you as your name appears in the Register of Members as on Monday, 23rd June, 2014, being the cut-off date/entitlement date, fixed by the Board of Directors of the Company to identify the Members who are entitled to receive the copies of the Notice of Thirty Second Annual General Meeting together with the Annual Report and to participate through e-voting.

The instructions for members for voting electronically are as under:- In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "KSL AND INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

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DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank said Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant KSL AND INDUSTRIES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) Dr. Shubh Karan Jain, Company Secretary in whole time practice, has been appointed as Scrutinizer, who in the opinion of the Board can scrutinize the e-voting process in fair and transparent manner.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Sunday, 13th July, 2014 at 9:00 a.m. and ends on Tuesday, 15th July, 2014 at 6:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 23rd June, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

For and Behalf of the Board of Directors

Place : Mumbai
Date : 29th May, 2014

Sd/-
Deepak Mathur
Chairman

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 3:

The Board of Directors of the Company appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, Shri Deepak Mathur as an Additional Director of the Company with effect from 10th August, 2013.

In terms of the provisions of Section 161(1) of the Companies Act 2013, Shri Deepak Mathur would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Deepak Mathur for the office of the Director of the Company. He shall be liable to determination by retirement of directors by rotation.

Shri Deepak Mathur is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Shri Deepak Mathur is Textile Engineer and has done MBA and he has rich experience in Textile industry. Shri Deepak Mathur is also on the Board of Jaybharat Textiles And Real Estate Limited.

The Board recommends the passing of this Resolution. None of the Directors except Shri Deepak Mathur, are interested in the Resolution.

ITEM NO. 4:

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Shri Trivendra Shambhu Singh as an Additional Director (designated as an Independent Director) of the Company with effect from 27th February, 2014.

In terms of the provisions of Section 161(1) of the Companies Act, 2013 Shri Trivendra Shambhu Singh would hold office up to the date of the ensuing Annual General Meeting.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Shri Trivendra Shambhu Singh being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years commencing from 19th July, 2014 to 18th July, 2019. He shall not be included in the total number of directors for the determination by retirement of directors by rotation.

Shri Trivendra Shambhu Singh is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Trivendra Shambhu Singh for the office of the Director of the Company.

Shri Trivedra Shambhu Singh is Graduate and Having vast experience in execution of various projects in textiles.

Shri Trivedra Shambhu Singh is on the Board of several well known Companies such as Krishna Knitwear Technology Limited, Eskay K'n'it (India) Limited, Tayal Energy Limited, Actif Corporation Limited and Global Softect Limited .

The Board recommends the passing of this Resolution. None of the Directors except Shri Trivendra Shambhu Singh are interested in the Resolution.

ITEM NO. 5:

Shri Farindra Bihari Rai, Director of the Company and whose period of office is liable to determination by retirement of directors by rotation and whose term expires at this Annual General Meeting.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Shri Farindra Bihari Rai being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years commencing from 19th July, 2014 to 18th July, 2019. He shall not be included in the total number of directors for the determination by retirement of directors by rotation.

Shri Farindra Bihari Rai is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Farindra Bihari Rai for the office of the Director of the Company.

Shri Farindra Bihari Rai is Graduate and having vast experience in Textile Industry. He has vast experience in Spinning and Knitting sector.

Shri Farindra Bihari Rai is on the Board of several well known Companies such as Jaybharat Textiles And Real Estate Limited, Krishna Knitwear Technology Limited, K-Lifestyle & Industries, Limited Pulgaon Cotton Mills Limited, Tayal Energy Limited, Actif Corporation Limited and Mori Hanol Hydro Power Limited.

The Board recommends the passing of this Resolution. None of the Directors except Shri Farindra Bihari Rai are interested in the Resolution.

ITEM NO. 6:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 as per the following details:

Sr. No.	Name of the Cost Auditor	Industry	Audit Fees (In ₹)
1.	Mr. Pradip M Damania	Textiles	22,000/-

For and Behalf of the Board of Directors
Sd/-

Deepak Mathur
Chairman

Place: Mumbai
Date: 29th May, 2014

KSL AND INDUSTRIES LIMITED

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 32nd Annual Report and the Audited Statements of Accounts of your Company for the financial year ended 31st March, 2014.

FINANCIAL RESULTS:

		(₹ in Lacs)
	2013-2014	2012-2013
Revenue from operations	92295.60	110697.57
Cost of Sales	80406.59	98365.28
Finance Cost (including Loss on foreign exchange fluctuation)	8965.95	26230.56
Depreciation and Amortization Expenses	9456.62	10239.75
Other Administration Expense	3445.95	7965.42
Profit before Exceptional and Extraordinary Items and Tax	(9979.01)	(32103.45)
Exceptional Items & Extraordinary Items	—	—
Profit/Loss before Tax	(9979.01)	(32103.45)
Provision for Tax	0.00	0.00
Deferred Tax Assets/(Liabilities)	(343.73)	(276.83)
Profit/Loss after Tax	(9635.28)	(31826.61)

Note: Previous year figures have been regrouped / rearranged wherever necessary

DIVIDEND:

In view of inadequacy of profits, your Directors are unable to recommend any dividend on the equity shares for the year under review.

REVIEW OF OPERATIONS:

During the year, the Income from operations of Company has substantially decreased to ₹ 92295.60 Lacs as against ₹ 110697.57 Lacs in respect of the previous Financial Year ended 31st March, 2013. The Profit before Depreciation and Amortization Expenses, Interest (including Loss on foreign exchange fluctuation) and Tax is Rs 8443.06 Lacs in the financial year ended 31st March, 2014 as against profit ₹ 4366.87 Lacs in the previous financial year ended 31st March, 2013. The Company has incurred during the year Net Loss of ₹ 9635.27 as against Net Loss of ₹ 31826.61 Lacs in the previous financial year ended 31st March, 2013.

The company experienced that the efficiency of plant and machineries, especially Spinning Machines have gone down and set up an in house Expert Group to suggest measures for Technology up gradation and Modernization. A per their recommendations, old machines including Ring Frames, requiring expenditure towards repairs and maintenance consuming high power with low out put have been identified and shifted to workshop/godowns for appropriate action.

SUBSIDIARY COMPANY:

KSL And Industries Limited ("the Company") having Two subsidiaries Companies namely M/s. Actif Corporation Limited and M/s. Kalameshvar Textile Mills Limited.

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 Subsidiary 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:

During the year, Shri Rajshekhar Ganiger, has resigned as a Director of the Company w.e.f. 26th August 2013 and Shri Navin Kumar Tayal, has resigned as a Director of the Company w.e.f. 26th February, 2014. The Board of Directors place on record the valuable services rendered by them during their tenure as Director of the Company.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, Shri Deepak Mathur was appointed as an Additional Director of the Company on 10th August, 2013. The Company has received requisite notice in writing from a member proposing Shri Deepak Mathur for appointment as a Director.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Shri Trivendra Shambhu Singh was appointed as an Additional Director designated as an Independent Director w.e.f. 27th February, 2014 and he shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Shri Trivendra Shambhu Singh for appointment as an Independent Director.

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In terms of the Articles of Association of the Company, Shri Farindra Bihari Rai, Independent Director of the Company whose period of office is liable to determination by retirement of directors by rotation and whose term expires at the ensuing Annual General Meeting. The Company has received requisite notices in writing from members proposing Shri Farindra Bihari Rai for appointment as Independent Director.

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.

REPORT ON CORPORATE GOVERNANCE:

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

A Certificate from the M/s. A. F. Khasgiwala & Co., Practicing Chartered Accountants and Shri Manoj Kumar Sharma, Managing Director regarding Compliance of the conditions of Corporate Governance as stipulated by Clause 49 of the Listing Agreement is attached to this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibilities Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March 2014, the applicable Accounting Standards had been followed along with proper explanation relating to material departures except revised AS-15 applicable to accounting treatment for gratuity and leave encashment which are accounted for on cash basis;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the Statement of Profit & Loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care 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;
- (iv) that the Directors had prepared the accounts for the financial year ended 31st March, 2014 on a going concern basis.
- (v) that the accounts have been prepared on the basis of Revised Schedule VI of the Companies Act, 1956. Accordingly the previous year figure have adjusted/ regroup/ rearrange to the confirm with the current year figures.

FIXED DEPOSITS:

The Company has not invited/received any fixed deposits from the public during the year under Report.

INSURANCE:

The properties, stock, assets of your Company are adequately insured.

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.

LISTING AGREEMENT:

Your Company is committed to the adoption of good Corporate Governance practices in letter and spirit. Under the revised Clause 49 of the Listing Agreement, your Directors are pleased to inform that Company has implemented all the mandatory stipulations prescribed under Clause 49. A Certificate from a Practicing Company Secretary in line with Clause 49 is annexed to and forms part of the Director's Report.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITOR:

M/s. A. F. Khasgiwala & Co., Chartered Accountants, the Statutory Auditor of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from of M/s. A. F. Khasgiwala & Co., Chartered Accountants, to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

COST AUDITOR:

The Company has appointed Mr. Pradip M Damania, Cost Accountant, as Cost Auditor of the Company for conducting the audit of cost records of the Company for the financial year 2013-14.

PARTICULARS OF EMPLOYEES:

None of the employees drew remuneration of ₹ 60,00,000/- or more per annum/ ₹ 5,00,000/- 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.

KSL AND INDUSTRIES LIMITED

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 programmed. 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 the 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 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 MD 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 the plants to meet the employees and also interaction meetings are conducted to get their feedback, 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.

ACKNOWLEDGEMENT:

Your Directors place on record their appreciation of the assistance and support extended by Bankers, Consultants, Solicitors, Shareholders and Employees of the Company.

For and on Behalf of the Board of Directors

Sd/-

Deepak Mathur

Chairman

Place: Mumbai

Date: 29th May, 2014

ANNUAL REPORT 2013-2014

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 2013-14.

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 up gradation 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 in accordance with Form 'A' of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, in respect of Industries specified in the Schedule thereof:

	Year ended 31.03.2014	Year ended 31.03.2013
A. Power and Fuel Consumption:		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	339.61	688.83
2. Total Amount (₹ in lacs)	2207.44	4477.42
3. Rate/Unit (₹)	6.50	6.50
(b) Own Generation (through Diesel Generator/Furnace Oil/Gas)		
1. Units (KWH in Lacs)	51.61	872.79
2. Total Amount (₹ in lacs)	837.19	5472.40
3. Cost per unit (₹)	16.22	6.27
2. Coal		—
3. Furnace Oil	—	—
4. Others/Internal Generation/Steam		—
B. Consumption per unit of production:		
(Product : Yarn & Fabric)		
1. Electricity (KWH per tonne)	863.38	2312.17
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 AS PER FORM B OF THE ANNEXURE TO THE RULES.

Research and Development (R & D)

- | | |
|--|---|
| 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 | With the help of R & D activities, the Company has been able to produce quality yarn and fabrics of international standards. |
| c) Future Plan of Action | Efforts aimed at cost reduction, improvement in quality of existing products and development of new process will continue. |
| d) Expenditure on R & D | Expenditure on R & D is being booked under the respective heads of expenditure in the Profit & Loss Account as no separate account is maintained for the purpose. |
| e) Technology Absorption, Adaption and Innovation | The Company has not utilized any imported technology. |

III. FOREIGN EXCHANGE EARNINGS AND OUT-GO:

- | | |
|--|---|
| a) Activities relating to export Markets for products and services and export plan | The Company has set up an Export Division for export of premium quality yarns and garments. |
|--|---|

	Year ended 31.03.2014	Year ended 31.03.2013
b) Foreign Exchange Outgo (₹ in Lacs)	944.20	37,517.37
c) Foreign Exchange earned (₹ in Lacs)	Nil	Nil

For and on behalf of the Board of Directors

Sd/-

Deepak Mathur
Chairman

Place: Mumbai
Date: 29th May, 2014