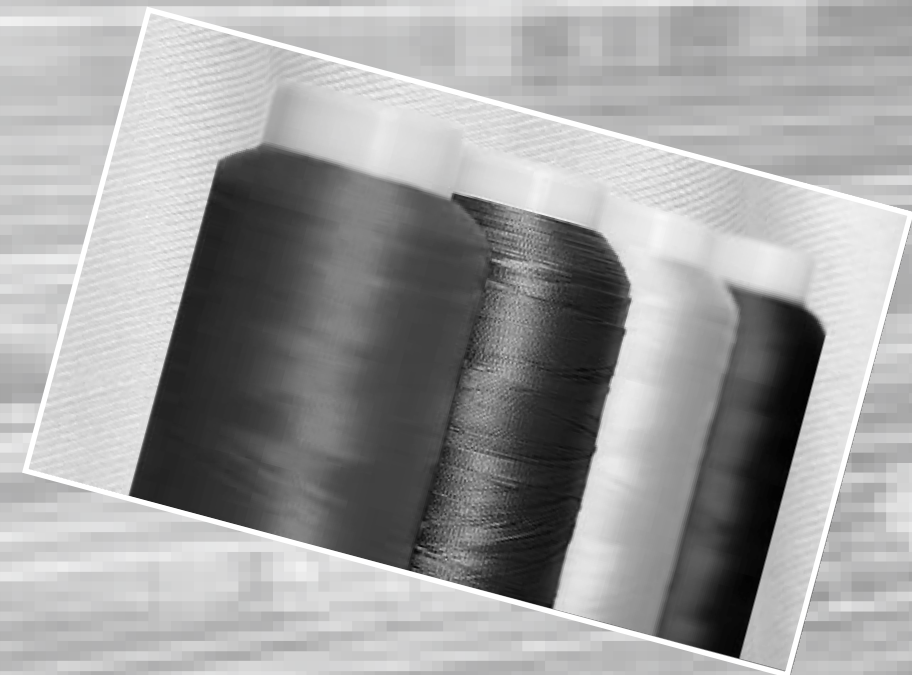


KSL and Industries Limited



33rd Annual Report 2014-2015



KSL and Industries Limited

69-A, Dhanu Udyog Industrial Area, Piperia, Silvassa (U.T. of D. & N.H.) - 396 230.

KSL AND INDUSTRIES LIMITED

ANNUAL REPORT 2014-2015

CIN : L17119DN1983PLC000074

BOARD OF DIRECTORS

Mr. Deepak Mathur- Chariman
Mr. Manoj Kumar Sharma- Managing Director
Mr. Pravin Kumar Parekh
Mr. Trivendra Shambhu Singh
Mr. Bhanu Pratap Singh
Ms. Neha Nilesh Patil

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Pushpendra Pratap Singh

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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**33RD ANNUAL GENERAL MEETING on Saturday 5th September, 2015, at 10.00 a.m.,
at 65, Krishna Nagar, Samarvani, Silvassa, (Union Territory).**

KSL AND INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of **KSL AND INDUSTRIES LIMITED** will be held on Saturday, 05th September, 2015 at 65, Krishna Nagar, Samarvani, Sivassa, (Union Territory) - 396230 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Company's Audited Balance Sheet as at 31st March, 2015 and Profit and Loss Account for the year ended on that date and Report of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Deepak Mathur who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of 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, the Company hereby ratifies the appointment of M/s. A. F. Khasgiwala & Co., Chartered Accountants (Membership No. 006491, Firm Registration No. 105114W), as the Auditor 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

4. To appoint Shri Bhanu Pratap Singh (holding DIN 06923797) as a 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 Bhanu Pratap Singh (DIN: 06923797), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th August, 2014, pursuant to the provisions of Section 161(1) 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 Independent 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 14th August, 2014 to 13th August, 2019."
5. To appoint Smt. Neha Nilesh Patil (holding DIN 07114205) 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 Shrimati Neha Nilesh Patil (holding DIN 07114205), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12th February, 2015, in terms of Section 161(1) and 149(1) of the Companies Act, 2013 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."
6. To appoint Shri Pravinkumar Mohanlal Parekh (DIN: 06894598) 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 Pravinkumar Mohanlal Parekh (DIN: 06894598), who was appointed as an Additional Director (designated as an Independent Director) of the Company by the Board of Directors with effect from 25th March, 2015, pursuant to the provisions of Section 161(1) and 149(6) 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 25th March, 2015 to 24th March, 2020."
7. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016 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, 2016, 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 authorized 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. 4, 5, 6, 7 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. 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 30th August, 2015 to 05th September, 2015 (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, 2015 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 2015 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 2015 is being sent in the permitted mode.
12. Electronic copy of the Notice of the 33rd 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 33rd 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 Saturday, 29th August, 2015, 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 Third 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*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<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.

KSL AND INDUSTRIES LIMITED

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 Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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 Wednesday, 02nd September, 2015 at 9:00 a.m. and ends on Friday, 04th September, 2015 at 5:00 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 Saturday, 29th August, 2015, 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

**Sd/-
Deepak Mathur
Chairman**

**Place: Mumbai
Date: 05th August, 2015**

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

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 Article 115 of the Articles of Association of the Company, Shri Bhanu Pratap Singh as an Additional Director of the Company with effect from 14th August, 2014. In terms of the provisions of Section 161(1) of the Companies Act 2013, Shri Bhanu Pratap Singh would hold office up to the date of the ensuing Annual General Meeting. In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Shri Bhanu Pratap 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 14th August, 2014 to 13th August, 2019. He shall not be included in the total number of directors for the determination by retirement of directors by rotation. 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 Bhanu Pratap Singh for the office of the Independent Director of the Company. Shri Bhanu Pratap 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. Shri Bhanu Pratap Singh has done MBA and he has rich experience in Textile industry.

The Board recommends the passing of this Resolution. None of the Directors except Shri Bhanu Pratap Singh, are interested in the Resolution.

ITEM NO. 5:

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) and 149(1) of the Companies Act, 2013 and the Articles of Association of the Company, Shrimati Neha Nilesh Patil as an Additional Director (designated as an Independent Director) of the Company with effect from 12th February, 2015. In terms of the provisions of Section 161(1) of the Companies Act, 2013 Shrimati Neha Nilesh Patil would hold office up to the date of the ensuing Annual General Meeting. Shrimati Neha Nilesh Patil is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her 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 Shrimati Neha Nilesh Patil for the office of the Director of the Company. Shrimati Neha Nilesh Patil is Graduate having vast experience in execution of various projects in textiles. Shrimati Neha Nilesh Patil is on the Board of several well known Companies such as Jaybharat Textiles and Real Estate Limited, Actif Corporation Limited and Global Softech Limited.

The Board recommends the passing of this Resolution. None of the Directors except Shrimati Neha Nilesh Patil are interested in the Resolution.

ITEM NO. 6:

Shri Pravinkumar Mohanlal Parekh, 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 Pravinkumar Mohanlal Parekh 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 25th March, 2015 to 24th March 2020. He shall not be included in the total number of directors for the determination by retirement of directors by rotation. Shri Pravinkumar Mohanlal Parekh 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 Pravinkumar Mohanlal Parekh for the office of the Independent Director of the Company. Shri Pravinkumar Mohanlal Parekh is Graduate and having vast experience in Textile Industry. He has vast experience in Spinning and Knitting sector. Shri Pravinkumar Mohanlal Parekh is on the Board of several well known Companies such as Jaybharat Textiles And Real Estate Limited, Krishna Knitwear Technology Limited, K-Lifestyle And Industries Limited and KSL And Industries Limited. The Board recommends the passing of this Resolution. None of the Directors except Shri Pravinkumar Mohanlal Parekh are interested in the Resolution.

ITEM NO. 7:

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, 2016 as per the following details:

Sr. No.	Industry	Audit Fees (In Rs.)
1.	Textiles	22,000/-

For and Behalf of the Board of Directors

Sd/-

Deepak Mathur
2015 Chairman

Place: Mumbai
Date: 05th August,

KSL AND INDUSTRIES LIMITED

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 33rd Annual Report and the Audited Statements of Accounts of your Company for the financial year ended 31st March, 2015.

	(Rs. in Lacs)	
FINANCIAL RESULTS:-	2014-2015	2013-2014
Revenue from operations	89530.04	92295.60
Cost of Sales	101667.71	80406.59
Finance Cost (including Loss on foreign exchange fluctuation)	6757.70	8965.95
Depreciation and Amortization Expenses	5397.89	9456.12
Other Administration Expense	2095.68	3445.95
Profit before Exceptional and Extraordinary Items and Tax	(26388.94)	(9979.01)
Exceptional Items & Extraordinary Items	---	---
Profit/Loss before Tax	(26388.94)	(9979.01)
Provision for Tax	0.00	0.00
Deferred Tax Assets/ (Liabilities)	290.76	(343.73)
Profit/Loss after Tax	(26679.71)	(9635.27)

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 Rs. 89530.04 Lacs as against Rs. 92295.60 Lacs in respect of the previous Financial Year ended 31st March, 2014. The Company has incurred a loss before Depreciation and Amortization Expenses, Interest (including Loss on foreign exchange fluctuation) and Tax is Rs. (14233.35) Lacs in the year ended 31st March, 2015 as against profit Rs 8443.06 Lacs in the previous financial year ended 31st March, 2014. The Company has incurred during the year Net Loss of Rs. 26679.71 Lacs as against Net Loss of Rs. 9635.27 Lacs in the previous financial year ended 31st March, 2014.

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.

Further, the Company after incurring huge losses and eroding its network completely had made an application to be registered as a Sick Company with Board for Industrial and Financial Reconstruction vide a Resolution passed by the Board of Directors on 12th February, 2015. The Company has been registered as a Sick Company .

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.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of The Companies (Accounts) Rules, 2014, the statement containing salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures under the first proviso to subsection (3) of section 129 (in Form AOC-1 – Annexure - B) is attached to the Directors Report.

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 AND KEY MANAGERIAL PERSONNEL:-

During the year, Shri Farindra Bihari Rai, has resigned as a Director of the Company w.e.f. 28th March 2015. The Board of Directors place on record the valuable services rendered by him during his tenure as Director of the Company.

Pursuant to the provisions of Section 161(1) and 149 (6) of the Companies Act, 2013 and the Articles of Association of the Company, Shri Pravin Kumar Parekh was appointed as an Additional Director designated as an Independent Director of the Company on 25th March, 2015. The Company has received requisite notice in writing from a member proposing Shri Pravin Kumar Parekh for appointment as an Independent Director.

Pursuant to the provisions of Section 161(1) and 149(1) of the Companies Act, 2013 read with Rule 3 of The Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Articles of Association of the Company, Shrimati Neha Nilesh Patil was appointed as an Additional Director w.e.f. 12th February, 2015 and she 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 Shrimati Neha Nilesh Patil for appointment as a Director.

The Independent Directors of the Company have declared that they meet the criteria of independence as laid down in Section 149(6) in Companies Act, 2013 and Clause 49 of the listing Agreement. In the opinion of the Board they fulfill the conditions of Independence as specified in the Act and Rules made there under and are independent of the management.

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In accordance with the Section 203 of the Companies Act, 2013, Mr. Pushpendra Pratap Singh appointed as the post of whole-time Company secretary and Compliance officer of the Company w.e.f. 15, February, 2015.

Mr. Ketan Trivedi resigned on February 07, 2015 as the post of whole-time Company secretary and Compliance officer of the Company

AUDIT COMMITTEE:-

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

STAKEHOLDER RELATIONSHIP COMMITTEE:-

The composition of Stakeholder Relationship 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.

EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT-9 as on 31st March, 2015 is attached as **Annexure-A** to this report.

BOARD MEETINGS HELD DURING THE YEAR

During the year, 5 meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached to this report

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations Obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013:-

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in of the Notes to financial statements

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure C** to the Board's report.

The Board has approved the policy on Related Party Transactions and Material Subsidiary. The policies have been uploaded on the Company's website, under the web link:<http://kslindustries.org/wp/related-party-transactions/>

RELATED PARTY TRANSACTIONS:

All transactions entered by the Company with Related Parties were in Ordinary Course of Business and at Arm's Length pricing basis. The Audit Committee granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors.

There were no materially significant transactions with Related Parties during the financial year 2014-15 which were in conflict with the interest of the Company. Suitable disclosures as required under AS18 have been made in the Notes to financial statements.

The Board has approved the policy on Related Party Transactions and Material Subsidiary. The policies have been uploaded on the Company's website, under the web link:<http://kslindustries.org/wp/related-party-transactions/>

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31ST MARCH, 2015 AND 20TH JUNE, 2015 (DATE OF THE REPORT)

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year (31st March, 2015) and the date of the Report (05th August, 2015)

CONSERVATION OF ENERGY:

- Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.

KSL AND INDUSTRIES LIMITED

- b) No specific investment has been made in reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be stated accurately.

TECHNOLOGY ABSORPTION:

Company's products are manufactured by using in-house know how and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

FOREIGN EXCHANGE EARNINGS AND OUT-GO:

During the period under review there was no foreign exchange earnings or out flow.

RISK MANAGEMENT

Your Company has a robust Risk Management policy. The Company through its Steering Committee oversees the Risk Management process including Risk Identification, impact assessment, effective implementation of the plans and risk reporting.

Sustainability is embedded in the Corporate Enterprise Risk Management programme, which gives an opportunity to increase effectiveness of risk management practices and for improving business efficiency. The Company's social and environmental policies correlate strongly with the risk management strategy and ultimately the financial performance.

The details of the Risk Management as practiced by the Company is provided as part of Corporate Governance Report to this Report

REMUNERATION POLICY OF THE COMPANY:-

The remuneration policy of the company comprising of the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Corporate Governance Report which is attached to this Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:-

Pursuant to the Section 177(9) and 177(10) of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and clause 49 of the listing agreement, the Board of Directors have approved the Policy on Vigil Mechanism / Whistle Blower and the same has been hosted on the Website of the Company. This Policy *inter-alia* provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

ANNUAL EVALUATION BY THE BOARD OF DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Director.

In accordance with the criteria and procedure the Independent Directors considered/evaluated the Board's performance, Performance of the Chairman and other Non-Independent Directors.

The Board has undergone a formal review which comprised Board effectiveness survey and review of materials. The Board subsequently evaluated its own performance, the working of its committees (Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee and Management and Finance Committee) and Independent Directors (without the participation of the relevant director)

The Directors were evaluated on aspects such as attendance and contribution at Board / Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director and CEO

Areas on which the Committees were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings

The performance evaluation of Independent Directors was carried out by the entire Board, excluding the director being evaluated. The performance evaluation of the chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committee and of the Directors.

The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

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.

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.

SECRETARIAL AUDITOR:-

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your company has engaged the services of M/s. Kothari Singhai & Associates; Company Secretary in Practice, Mumbai to conduct the Secretarial Audit of the Company for the financial year ended 31st March, 2015.

The Secretarial Audit Report (in Form MR-3) is attached as **Annexure-E** to this Report

PARTICULARS OF EMPLOYEES:-

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 or drew remuneration in excess of the remuneration drawn by Managing Director or Whole-time Directors or Manager and does not hold either by himself or through his spouse or dependent children 2 per cent or more equity shares of the company. The details of the employees remuneration is provided in the **Annexure -D** forming a part of Annual Report

DEPOSITS:-

During the year under review, your Company did not accept any deposits within the meaning of provisions of Section 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

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: 05th August, 2015